

Report on the Results of RÁBA Plc. in Q1-Q4 of 2020

Unaudited, consolidated quarterly report
according to the International Financial Reporting Standards (IFRS)

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Sector:	Machine industry
Period:	Q1-Q4 of 2020
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MANAGEMENT REPORT

KEY ACHIEVEMENTS OF THE ENTERPRISE

- Due to the economic decline caused by the COVID-19 pandemic, the year 2020 posed a substantial challenge for the group of companies. The first half of the year was characterised by drastically declining demand and disturbances in the supply chains, whereas the second half of the year was marked by the rebound in activity. The Rába Group viewed the stress in the economic environment as an opportunity to restructure market relations and thus implemented considerable strategic moves for the future already in 2020. Although positive impacts of such steps on profitability were manifest already in the short term, the financial figures of 2020 were still fundamentally influenced by market conditions. Due to the global nature of the economic recession, the sales figures for 2020 reflected the drastic decline in demand in almost all key segments. Significant decline could be felt in all key markets of the Rába Group. In terms of production costs, the wage pressure, which has been manifest for years, did not diminish to any significant extent in 2020 and the continuously rising energy prices reached a 10-year record high. In terms of sales, Q4 of 2020 was marked by a 7.3 per cent decline in group-level turnover, resulting in an aggregate sales decline for the period Q1-Q4 of 2020 of 22.2 per cent compared to the base period. The sales revenue in Q1-Q4 of 2020 amounted to HUF 38.8 billion, which is HUF 11.0 billion lower than during the previous year. Sales revenues of the business units suggest a uniform and drastic decline in Q1-Q4 of 2020 in all business units. The sales of the Axle business unit, the one with the largest sales, declined by 13.6 per cent, the Components business unit registered a decline by 24.3 per cent, whereas the Vehicle business unit declined by 45.7 per cent compared to the base period. In the case of the Vehicle business unit, the substantial decline in sales was due to the total lack of defence sales, compounded to a lesser extent by the decline in export activities. In terms of the exchange rate environment, an increase was manifest in Q1-Q4 of 2020, in the exchange rates of both the USD representing a lesser portion in the company's foreign exchange turnover and in the EUR, representing a more substantial portion of FX sales. The average exchange rates of the USD increased by 5.9 per cent, that of the EUR increased by 7.9 per cent compared to the levels of the base period of one year earlier.
- A factor with a significant impact on the business of the group is that following some 15 years of successful deliveries, the orders due in 2020 under the new framework agreement concluded with the Ministry of Defence in 2018, have not materialised, thus the quarterly financial results of Rába Vehicle Ltd. and of the group cannot be compared.
- The response of the management to the drastic decline in orders in consequence of the crisis and to the increasing uncertainties regarding the future, has been the continuation of product and technology development programmes and the adoption of the strategy of forward-looking and flexible adjustment. Such development-oriented strategy aims not only to bridge short-term difficulties but also to tackle medium- and long-term challenges.

The primary element of the crisis-management strategy is ensuring that in spite of difficulties in the supply chain, strategic partners receive their orders in an uninterrupted fashion, upon timely delivery and in good quality. According to the vision of the company, outstanding delivery of customer demands under all circumstances is the basis for a long-term strategic partnership.

The management of the company is intent upon meeting this objective under all circumstances.

The second pillar of the crisis strategy is the reorganisation aimed at reducing administration and general overhead costs and improving the efficiency of administration. This set of measures includes the modernisation of the group's organisational structure, the efficiency improvement of the human resource management upon retaining expertise, as well as the optimisation of procurement channels and increasing integrity, upon extremely stringent cost control.

At the same time, management is committed to increasing digitalisation ensuring long-term competitiveness, which is the third pillar of the development-oriented strategy. Management views forward-looking investments increasing automation as eminently important in the fields of both production and administration. The necessary financing is to be secured through the stable financial background resulting from the successful operation in recent years, as well as through external, central budget sources.

Volatility in demand may lead to fluctuating capacity utilisation and declining efficiency. Thus, the flexible adaptation of production to meet changing demands and retaining the turnaround speed of working capital have been in the focus of crisis strategy.

Besides transforming and developing existing processes, management continues to explore acquisition opportunities, thus aiming to achieve organic growth by expanding the product portfolio and broadening resources.

- Upon declining sales turnover, uncertain supply chains and the impact of high wage and energy prices exerting substantial pressure on the cost side, the effects of the crisis management measures implemented by the Company are already manifest. Following the improvement in gross margin during Q3, Q4 also seems to bring substantial efficiency improvement: at 26.3 per cent, gross profitability exceeds the value during the base period by 8.3 percentage points. Owing to the considerable improvement in margins, in spite of the decline in sales, in Q4 gross profit increased by HUF 754 million compared to the base period. As a result of the substantial increase in efficiency in H2, in Q1-Q4 of 2020 gross margin reached 20.7 per cent, exceeding the level of 2019 by 2.0 per cent, the gross profit amounted to HUF 8.0 billion.
- The balance of other revenues and expenditures amounted to HUF 702 million in losses during the review period, against the loss of HUF 158 million during the same period of the previous year. The profit of other activities during the review period includes an unplanned write-off in the amount of HUF 312 million due to the unsustainability in accounting terms of the Ministry of Defence capacities.
- As a result of the development-oriented crisis management strategy providing secure operating profitability in Q3, outstanding operating profits were generated for the group in Q4: upon 10.1 per cent profitability, the operating profit amounted to HUF 1.1 billion. Owing to the substantial operating efficiency in Q4, the group managed to remain profitable at operating level in spite of the drastic effects of the COVID-19 pandemic in 2020. The operating profit at group level is HUF 68 million. In Q4, in the stabilizing sales environment, all business units managed to generate considerable operating profits, substantially exceeding the efficiency of the base period. The contribution of the Axle, Components and Vehicle business units to the group-level operating profit was HUF 292 million, HUF 556 million and HUF 206 million, respectively. Thus, as a result of the crisis management measures introduced, the Company reached the best H2 operating result on a comparative basis since 2001, excluding the military business.
- In terms of cash generating efficiency, the positive impacts of the crisis management measures are even more pronounced: in spite of the low capacity utilisation and the pressure exerted by the wage and energy cost elements, the Company managed to improve its cash generating efficiency by 9.6 percentage points, generating a group-level EBITDA of HUF 1.7 billion. In terms of cash-generating efficiency, this is the second best Q4 result of the Rába group since its shares were listed in the stock exchange. Through the considerable improvement in operating efficiency the Rába group can avoid having to secure external financing to offset the difficulties caused by the COVID-19 pandemic and its impacts: operations and cash generating capabilities are on a sound financial footing. All business units contributed profitable cash generation to the EBITDA performance during the aggregate period: the contribution of the Axle Business Unit to the group-level EBITDA during the review period was HUF 1,258 million, the Components Business

Unit generated HUF 576 million and the Vehicle Business Unit generated HUF 120 million.

- The financial loss in Q1-Q4 of 2020 amounted to HUF 909 million, compared to the loss of HUF 411 million generated during the same period of the previous year. The financial performance was influenced by the realised exchange rate loss of HUF 797 million and the net interest burden of HUF 99 million.
- The total aggregate income and profit for Q1-Q4 of 2020 amounted to HUF 1,130 million in losses. The reasons for the losses are exclusively the revaluation of loans, which however, did not result in any cash movement and the taxes.
- In Q1-Q4 of 2020, in spite of the challenges resulting from the COVID-19 pandemic, the financial situation of the Rába group was characterised by a stable liquidity position. The level net borrowing at the end of the review period is HUF 6.4 billion, a decline by HUF 1.5 billion compared to the end of last year. Of the principal factors influencing the level of net borrowing, mention must be made of the cash-generation, which is stable in spite of the crisis, the working capital declining by HUF 1.4 billion compared to the base period of 2019, as well as of the capital expenditures implemented in pursuit of the modernisation strategy. The revaluation, due to exchange rate fluctuation, of loans, worth HUF 661 million not involving cash movements, also contributed to the change in net borrowing.
- The shareholder's equity decreased by 6.1 per cent compared to the same period of the previous year. The shareholder's equity per share reached HUF 1.477/share.

thousand HUF	Q1-Q4 2019	Q1-Q4 2020	Change	Q4 2019	Q4 2020	Change
Sales revenue	49 781 657	38 754 452	-22.2%	11 859 184	10 990 613	-7.3%
Gross profit	9 319 044	8 032 171	-13.8%	2 137 785	2 891 319	35.2%
<i>Gross margin</i>	18.7%	20.7%	2%p	18.0%	26.3%	8.3%p
EBITDA	3 455 084	2 408 903	-30.3%	708 526	1 707 105	140.9%
<i>EBITDA</i>	6.9%	6.2%	-0.7%p	6.0%	15.5%	9.6%p
Operating profit	1 340 082	68 049	-94.9%	147 907	1 105 213	647.2%
Net financial profit/loss	-411 354	-908 669	-120.9%	70 154	-5 045	-107.2%
Profit after tax for the current year	571 469	-1 130 066	-297.7%	146 109	1 038 493	610.8%
Total comprehensive income	571 469	-1 130 066	-297.7%	146 109	1 038 493	610.8%

GOAL, STRATEGY OF THE BUSINESS

"Despite the extraordinary year, which, in addition to the epidemic, was also affected by the cessation of defense orders, the management successfully brought the company back to a stable and profitable operating level. In the most profitable key markets we have recorded a significant increase in the order books beginning in the second half of last year, and this trend is expected to continue this year as well. As a listed company and partner of leading international manufacturers, Rába is a valued company in the global automotive industry, where it is known for its high-tech axles manufactured for vehicles worth hundreds of thousands of euros. The quality production and punctual delivery under all circumstances of the complex structures based mostly on proprietary technology are the focus of our customer-driven operation." – said István Pintér, CEO of RÁBA Automotive Holding Plc.

EXTERNAL ENVIRONMENT OF THE BUSINESS

- After the overall economic decline in Q1 2020 and the shock in demand due to the COVID-19 pandemic in Q2 of 2020, Q3 was characterised by the partial recovery of business demand. The increase in production volumes continued in Q4, bringing the H2 activity level back to nearly where it was a year earlier. In terms of future economic outlooks, expectations are fundamentally positive, there remains, however, considerable uncertainty on the markets. As regards Rába's principal markets, analysts project substantial growth for 2021, activity on the demand side, however, will not reach 2019 levels.
- In Europe, following the shock in demand in Q2, the heavy truck market saw a substantial increase in demand in the second half of the year: registration figures for Q4 already exceed the levels of the base period by 1 per cent on EU markets. Demand activity showed an improving

trend within the year, it is, however, still 28 per cent below the level of a year earlier. The adjustment of market activity during H2 was clearly visible on the North American heavy vehicle market as well, the January-December 2020 period, however, is characterised by a 30 per cent decline compared to the previous year. The demand for agricultural products declined to a lesser extent in Europe and more drastically in North America. All in all, the demand for Rába products dropped by 11 per cent in 2020. The Russian truck and bus markets were also characterised by a decline in demand during the review period, truck production volume declined by 9 per cent, while the demand for buses declined by 5 per cent. The European passenger vehicle market showed a significant decrease in demand during Q1-Q4 of 2020, new vehicle registrations remained 24 per cent below the value for the base period of a year earlier.

- A factor with a significant impact on the business of the group is that the orders due in 2020 under the new framework agreement concluded with the Ministry of Defence in 2018, have not materialised, thus the quarterly financial results of Rába Vehicle Ltd. and of the group cannot be compared.
- The significant decline in demand impacted the entire supply chain: steel prices in Q4 of 2020 were 3.9 per cent, in Q1-Q4 of 2020 were 11.3 per cent lower than during the based period.
- Energy prices during Q1 of 2020 reached a record high for the past 10 years, which was then surpassed in Q3 through further price increase. Although the price pressure eased to some extent during the last quarter of 2020, the record level average price still put record high energy market pressure on the cost side of the company's production. In Q4 of 2020, the average energy price decreased by 0.2 per cent, which meant that overall, in Q1-Q4 of 2020, the average energy price level exceeded the level of the base period by 9.8 per cent.
- With regard to the exchange rate environment, an increase occurred in the case of both the USD, representing a lesser proportion in the FX turnover of the company and the EUR, representing more substantial weight in the FX turnover in Q1-Q4 of 2020. The average exchange rate of the USD increased by 5.9 per cent, that of the EUR increased by 7.9 per cent compared to the base period.¹

	Q1-Q4 2019	Q1-Q4 2020	Change	Q4 2019	Q4 2020	Change
EURHUF – average	325.3	351.2	7.9%	332.2	360.6	8.6%
EURHUF – end of period	330.5	365.1	10.5%	330.5	365.1	10.5%
USDHUF – average	290.7	307.9	5.9%	300.1	302.5	0.8%
USDHUF – end of period	294.7	297.4	0.9%	294.7	297.4	0.9%
Changes in raw material prices*	119%	106%	-11.3%	111%	106%	-3.9%
Changes in energy prices**	189%	207%	9.8%	199%	199%	-0.2%

SUMMARY OF RESULTS DURING THE REVIEW PERIOD

Rába Axle Ltd.

The sales revenue of Rába Axle Ltd. in Q1-Q4 of 2020 amounted to HUF 20.6 billion compared to HUF 23.8 billion achieved during the base period of 2019. This corresponds to a decrease of 13.6 per cent.

On the **American market** the sales revenue in the reporting period was USD 9.1 million, compared to the USD 12.1 million in Q1-Q4 of 2019. This corresponds to a decrease of 24.8 per cent.

On the **EU market** Rába Axle Ltd.'s sales figures in HUF terms decreased by 6.6 per cent, amounting to HUF 15.0 billion, compared to HUF 16.1 billion during the base period.

European exports in Q1-Q4 of 2020 remained below the level of the same period a year earlier by 17.0 per cent, amounting to EUR 31.8 million, compared to EUR 38.3 million in Q1-Q4 of 2019.

Domestic sales before consolidation amounted to HUF 3,848 million, which represents an increase by 6.9 per cent compared to the HUF 3,601 million of the base period.

¹ The average exchange rates were calculated based on the official FX exchange rates of the MNB.
Source: <http://www.mnb.hu/arfolyam-lekerdezés>

On the **CIS and East-European** markets the export sales revenues achieved by Rába Axle Ltd. in Q1-Q4 of 2020 were 22.2 per cent higher than the base period in 2019, increasing from EUR 3.6 million to EUR 4.4 million.

In the **other** markets, the sales revenue during the reporting period amounted to EUR 3.4 million, which was 63.4 per cent below the EUR 9.3 million turnover of the 2019 base period.

The operating result of the Company in Q1-Q4 of 2020 was a profit of HUF 6 million, compared to HUF 367 million in profits during the same period of the previous year.

At EBITDA level, the operating profit of the Axle business unit was HUF 1,258 million compared to HUF 1,456 million registered a year earlier.

million HUF	Q1-Q4 2019	Q1-Q4 2020	Change	Q4 2019	Q4 2020	Change
America	3 495	2 802	-19.8%	805	605	-24.8%
EU - export	12 475	11 171	-10.5%	2 954	3 521	19.2%
EU - domestic	3 601	3 848	6.9%	732	932	27.3%
CIS	1 192	1 552	30.2%	578	245	-57.6%
Other	3 027	1 184	-60.9%	1 000	215	-78.5%
Total sales revenue	23 789	20 558	-13.6%	6 069	5 518	-9.1%
EBITDA	1 456	1 258	-13.6%	307	624	103.3%
Operating profit	367	6	-98.4%	34	292	758.8%

Rába Automotive Components Ltd.

The sales revenue of Rába Automotive Components Ltd. amounted to HUF 12.5 billion in Q1-Q4 of 2020, which is a decrease of 24.3 per cent compared to the base period.

Rába Automotive Components Ltd. generates a considerable portion of its sales on the European market.

European exports during Q1-Q4 of 2020 amounted to EUR 16.7 million, which represents a decrease of 29.8 per cent compared to the EUR 23.8 million of the base period of 2019.

Domestic sales before consolidation amounted to HUF 6,603 million during the reporting period, which corresponds to a decrease by 24.4 per cent compared to the sales revenue of HUF 8,737 million during Q1-Q4 of 2019.

The Business Unit generated a profit of HUF 109 million at operating level during the reporting period compared to a profit of HUF 664 million in Q1-Q4 of 2019.

On the level of EBITDA, the loss of the Components business unit was HUF 576 million during the period, compared to the profit of HUF 1,174 million of the previous year.

million HUF	Q1-Q4 2019	Q1-Q4 2020	Change	Q4 2019	Q4 2020	Change
EU - export	7 738	5 850	-24.4%	1 933	1 631	-15.6%
EU – domestic	8 737	6 603	-24.4%	1 813	2 149	18.5%
Other	0	17	0.0%	0	1	0.0%
Total sales revenue	16 474	12 471	-24.3%	3 746	3 781	0.9%
EBITDA	1 174	576	-50.9%	329	669	103.3%
Operating profit	664	109	-83.6%	192	556	189.6%

Rába Vehicle Ltd.

The sales revenue of Rába Vehicle Ltd. in Q1-Q4 of 2020 was below the figure of the base period by 45.7 per cent and decreased from HUF 11.1 billion to HUF 6.0 billion.

A significant portion of the sales revenue of Rába Vehicle Ltd. is generated on the European market. **European exports** were 23.8 per cent below than the level of the base period, thus declining from EUR 17.2 million to EUR 13.1 million.

Domestic sales before consolidation amounted to HUF 1,437 million in Q1-Q4 of 2020, compared

to HUF 5,528 million during the base period, representing a decrease by 74.0 per cent.

The operating losses amounted to HUF 225 million during the reporting period compared to the profit of HUF 460 million during the base period last year.

On the level of EBITDA, in the reporting period, the Vehicle Business Unit registered a profit of HUF 120 million compared to the profit of HUF 737 million in Q1-Q4 of 2019.

million HUF	Q1-Q4 2019	Q1-Q4 2020	Change	Q4 2019	Q4 2020	Change
EU - export	5 599	4 609	-17.7%	1 121	1 168	4.2%
EU - domestic	5 528	1 437	-74.0%	1 202	553	-54.0%
Total sales revenue	11 126	6 046	-45.7%	2 323	1 721	-25.9%
EBITDA	737	120	-83.7%	33	296	797.0%
Operating profit	460	-225	-148.9%	-44	206	568.2%

The Rába Group

The consolidated sales revenue of the Rába Group in Q1-Q4 of 2020 amounted to HUF 38.8 billion, which is a decline by 22.2 per cent compared to the figure of HUF 49.8 billion reported for the base period Q1-Q4 of 2019.

The operating profit of the group during the current period amounted to HUF 68 million, compared to HUF 1,340 million in profits during the same period a year earlier.

During the reporting period, the financial result was a loss of HUF 909 million, which includes, among others, a net interest payment of HUF 99 million, as well as exchange rate losses of HUF 797 million.

Profits from the purchase of investment amounted to HUF 4.0 million during Q1-Q4 of 2020, which includes the adjustment for the 24.9 per cent share in Re kard.

Based on the above, the Rába Group generated net losses of HUF 1,130 million in Q1-Q4 of 2020, compared to a profit of HUF 571 million during the same period of the previous year.

On the level of EBITDA, the group registered profits of HUF 2,409 million in Q1-Q4 of 2020, against last year's figure of HUF 3,455 million.

The Rába Group – other data and events pertaining to the business activity

Sales revenue by business unit

Sales revenue (HUF million)	Axle	Components	Vehicles	Rába Group consolidated
2019 Q1	6 510	4 670	4 115	14 725
2019 Q2	6 004	4 632	2 706	12 914
2019 Q3	5 206	3 427	1 983	10 284
2019 Q4	6 069	3 746	2 323	11 859
2020 Q1	6 593	3 762	1 764	11 856
2020 Q2	4 140	1 903	1 331	7 358
2020 Q3	4 308	3 024	1 230	8 550
2020 Q4	5 518	3 781	1 721	10 991

Breakdown of the sales revenues for Q1-Q4 of 2020

HUF million	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	2 802	15 020	11 171	3 848	1 552	1 184	20 558
Components	17	12 454	5 850	6 603	0	0	12 471
Vehicle	0	6 046	4 609	1 437	0	0	6 046
Consolidated	2 819	33 199	21 639	11 560	1 552	1 184	38 754

Operating profit of group companies

Operating profit										
	2019.					2020.				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Axle	220	20	93	34	367	116	-429	27	292	6
Components	178	185	109	192	664	82	-462	-67	556	109
Vehicle	540	93	-129	-44	460	-397	-99	65	206	-225
Other	-8	1	-110	-34	-151	79	8	40	51	178
Total	930	299	-37	148	1 340	-120	-982	65	1 105	68

PK2. Companies involved in the consolidation

Company	Share/Issue capital in HUF thousand	Ownership ratio (%)	Voting ratio ¹	Classification ²
Rába Axle Ltd.	9.765.800	100.00	100.00	S
Rába Automotive Components Ltd.	300.000	100.00	100.00	S
Rába Vehicle Ltd.	835.100	100.00	100.00	S
Diagonal Valor Kft. ³	0	100.00	100.00	S

¹Voting right securing participation in the decision-making at the general meeting of the company subject to consolidation.

²Subsidiary (S); Jointly controlled (J); Affiliated (A).

³ Diagonal Valor Kft. was merged into Rába Axle Ltd. as from 01.10.2020.

PK. 4. CONSOLIDATED PROFIT AND LOSS ACCOUNT ACCORDING TO IFRS

Currency*	HUF	X	EUR	
Unit*	1.000	X	1.000.000	

* Indicate with an X.

Description of item	Q1-Q4 2019	Q1-Q4 2020	Index	Q4 2019	Q4 2020	Index
Domestic sales revenues	16 141 530	11 560 089	71.6%	3 351 377	3 599 798	107.4%
Export sales revenues	33 640 127	27 194 362	80.8%	8 507 807	7 390 815	86.9%
Revenues	49 781 657	38 754 452	77.8%	11 859 184	10 990 613	92.7%
Direct cost of sales	40 462 613	30 722 281	75.9%	9 721 398	8 099 293	83.3%
Gross profit	9 319 044	8 032 171	86.2%	2 137 786	2 891 319	135.2%
Cost of sales and marketing*	886 163	420 743	47.5%	268 423	103 822	38.7%
General and administration expenses*	6 934 625	6 845 363	98.7%	1 624 452	1 656 263	102.0%
Other revenues	685 247	537 241	78.4%	247 552	267 607	108.1%
Other expenditures	843 421	1 235 256	146.5%	344 553	293 628	85.2%
Total other operating expenses	-7 978 962	-7 964 121	99.8%	-1 989 876	-1 786 106	89.8%
Revenue from operations	1 340 082	68 049	5.1%	147 909	1 105 213	747.2%
Financial revenues	125 866	454 527	361.1%	-74 274	-117 933	158.8%
Financial expenditures	537 220	1 363 195	253.7%	-144 428	-112 888	78.2%
Net financial profit/loss	-411 354	-908 669	-220.9%	70 154	-5 045	-7.2%
Profit from the purchase of subsidiary company	105 623	51 380	48.6%	105 623	51 380	48.6%
Profit from the purchase of affiliated company	-29 878	4 000	-13.4%	-29 878	-7 907	26.5%
PROFIT FROM THE PURCHASE OF INVESTMENT	75 745	55 380	73.1%	75 745	43 473	57.4%
PROFIT BEFORE TAXATION	1 004 472	-785 239	-78.2%	293 809	1 143 641	389.2%
Profit tax *	432 601	344 827	79.7%	147 293	105 148	71.4%
After-tax profit in the current year	571 871	-1 130 066	-197.6%	146 516	1 038 493	708.8%
Basic value of profit per share (HUF)	42	-84				
Diluted value of profit per share (HUF)	42	-84				

* As from 01.01.2020. the classification of sales and marketing costs and general and administration expenses has been specified at group level. The effect of the reclassification is HUF 232 million net in Q1-Q4 of 2019.

1. EARNED REVENUES

During Q1-Q4 of 2020, Rába generated HUF 38,754 million in sales revenue, compared to HUF 49,782 million during the same period of the previous year, which is a change of -22.2 per cent. 70.2 per cent of the revenues in the reporting period came from exports, while the rest came from domestic sales.

2. COSTS AND OTHER REVENUES. EXPENDITURES**2.1. Direct costs**

During Q1-Q4 of 2020, the direct cost level of Rába was 79.3 per cent compared to 81.3 % of the base period. The amount of direct costs was HUF 30,722 million, 24.1 per cent lower than during the base period (Q1-Q4 of 2019: HUF 40,463 million).

Gross profit

The gross profit changed from HUF 9.319 million in the base period to HUF 8,032 million (HUF - 1,287 million), which is due to the decrease in sales revenue by HUF 11,027 million and by 9,740 million in direct expenses.

2.2. Cost of sales

The cost of sales decreased by 52.5 per cent and amounted to HUF 421 million during Q1-Q4 of 2020, compared to HUF 886 million in Q1-Q4 of 2019.

2.3. General overhead and administrative expenses

Rába accounts under general overhead and administrative expenses (Q1-Q4 of 2020: HUF 6,845 million, Q1-Q4 of 2019: 6,935 million) for its costs incurred in relation to the administration of the company (Q1-Q4 of 2020: HUF 3,325 million) and other general costs (Q1-Q4 of 2020: HUF 3,520 million).

2.4. Other revenues and expenditures

The balance of other revenues and expenditures amounted to a loss of HUF 698 million in Q1-Q4 of 2020 compared to HUF 158 million in losses during the same period of last year.

This also includes the figure for one-off items related to the closing of an earlier transaction in the amount of HUF 312 million.

3. OPERATING PROFIT

The operating profit of the Company during Q1-Q4 of 2020 was HUF 68 million (Q1-Q4 of 2019: HUF 1,340 million). The decrease in gross profit (HUF 1,287 million) was improved by the combined change in sales and general overhead costs (HUF 555 million) and deteriorated by the change in the balance of other revenues and expenditures (HUF 540 million). Profitability changed from 2.7 per cent during the base period to 0.2 per cent. The profitability of operating profit + depreciation changed from 6.9 per cent during the base period to 6.2 per cent.

4. FINANCIAL REVENUES AND EXPENDITURES

During Q1-Q4 of 2020, the net financial result was a loss of HUF 909 million, compared to the loss of HUF 411 million during the base period.

The net result of interest incomes and expenses was HUF -93 million during Q1-Q4 of 2020 (against HUF -77 million during the base period).

The net exchange rate difference of FX items during Q1-Q4 of 2020 was HUF -797 million (HUF - 319 million in the base period).

Financial revenues and expenditures consisted of the following principal items:

in HUF thousand	Q1-Q4 of 2019	Q1-Q4 of 2020
Interest income	10 732	6 758
Exchange rate gains	104 917	447 769
Other financial revenues	10 219	0
Financial revenues	125 868	454 527
Interest payable	87 627	99 559
Exchange rate loss	423 715	1 244 895
Other financial expenditures	25 881	18 741
Financial expenditures	537 222	1 363 195

5. EARNINGS IN THE CURRENT YEAR

The earnings before taxation during Q1-Q4 of 2020 amounted to a loss of HUF 785 million, which, because of the factors outlined in sections 1-4 is HUF 1,788 million less than the figure for Q1-Q3 of 2019. The profitability ratio represents a -2.03 per cent return on sales on the basis of profit before taxation, against the level of 2.02 per cent during the base period.

The Group has HUF 345 million in tax liability during the review period. Within that, the corporate tax liability was HUF 3 million, the local business tax liability was HUF 291 million, the innovation supplement amounted to HUF 50 million, and the deferred tax liability in the reporting period was HUF 0.1 million.

PK. 3. STATEMENT OF CONSOLIDATED FINANCES ACCORDING TO IFRS (BALANCE SHEET ACCORDING TO IFRS)

Currency*	HUF	X	EUR	
Unit*	1.000	X	1.000.000	

*Currency and unit indicated with X.

Description of item	31.12.2019	31.12.2020	Index
Real estate. machines. equipment	25 394 003	25 987 311	102.3%
Intangible assets	147 709	88 857	60.2%
Other long-term assets	148 859	68 767	46.2%
Property for investment purposes	815 632	807 918	99.1%
Other investments	45 027	49 027	108.9%
Deferred tax receivables	12 012	13 102	109.1%
Total invested assets	26 563 242	27 014 982	101.7%
Inventories	7 651 242	5 807 858	75.9%
Trade receivables and other receivables	6 487 674	5 943 807	91.6%
Profit tax receivable	62 489	114 875	183.8%
Liquid assets. bank account	804 510	3 303 421	410.6%
Total current assets	15 005 915	15 169 960	101.1%
Total assets	41 569 157	42 184 942	101.5%
Registered capital	13 473 446	13 473 446	100.0%
Treasury shares	-108 952	-108 952	100.0%
Retained earnings	7 832 514	6 532 205	83.4%
Total equity and reserves	21 197 008	19 896 699	93.9%
Long-term credits and loans	3 371 304	6 545 865	194.2%
Provisions	237 208	196 914	83.0%
Deferred tax liability	113 276	114 544	101.1%
Leasing liabilities	195 480	148 709	76.1%
Total long-term liabilities	3 917 268	7 006 032	178.8%
Provisions	171 367	190 517	111.2%
Leasing liabilities	82 575	105 094	127.3%
Short-term portion of loans and credits	5 354 424	3 166 773	59.1%
Trade liabilities and other payables	10 846 515	11 819 826	109.0%
Total short-term liabilities	16 454 881	15 282 210	92.9%
Total equity and liabilities	41 569 157	42 184 942	101.5%

Analysis of principal balance sheet items and their changes

1. INVESTED ASSETS

1.1. Properties, machines and equipment

The consolidated net value of properties, machines and equipment changed from the closing value of HUF 25,394 million on 31 December, 2019 to HUF 25,987 million. This represents an increase by 2.3 per cent. The depreciation of fixed assets was HUF 2,341 million in Q1-Q4 of 2020.

In line with the provisions of the IFRS 16 Standard effective from 1 January, 2019, the Company identified assets, forklifts and passenger vehicles in the amount of HUF 357 million, where the lessor let use of the assets to Rába. (HUF 274 million on 1 January, 2020, with purchases during the reporting period of HUF 68 million). During the reporting period, the depreciation of these assets amounted to HUF 95 million.

1.2. Intangible assets

The net value of intangible assets changed from HUF 148 million to HUF 89 million. This represents a decline by 32.9 per cent. The amount of depreciation accounted during the period was HUF 58 million.

1.3. Other long-term assets

This balance sheet line shows other long-term loans given in the amount of HUF 5 million (31 December, 2019: HUF 15 million), as well as long-term advance payments in the amount of HUF 64 million (31 December, 2019: HUF 134 million). The long-term advance payment is the consequence of the partial payment of a long-term liability upon favourable conditions, to be recorded annually in the indirect cost line. In consequence of the discharge of liabilities during Q1-Q4, the amount of long term advance receivables declined by HUF 80 million during the period.

1.4. Property for investment purposes

The book value of real estate for investment purposes at 31 December, 2019 changed to HUF 808 million from HUF 816 million during the base period.

1.5. Investments

In 2019, the Company acquired Diagonal Valor Kft. The definitive identification and valuation as per IFRS of the assets acquired have been completed, thus the purchase of 100 per cent of the business stake is shown under investments. As of 1 October, 2020, the company merged into Rába Axle Ltd. In 2019, Rába Plc. purchased a 24.9 per cent stake in Rekard Hajtómű és Gépgyártó Kft., shown under the balance sheet line "other investments".

1.6. Deferred tax receivables

The amount of receivable was HUF 13 million on 31 December, 2020, against HUF 12 million on 31 December, 2019.

2. CURRENT ASSETS

2.1. Inventories

On 31 December, 2020, the closing value of stocks was HUF 5,808 million (31 December, 2019: HUF 7,651 million). The change is a decline by HUF 1,843 million. The components of the change are: a decrease in materials and goods by HUF 1,071 million and a decline in unfinished, semi-finished and finished goods by HUF 772 million.

2.2. Trade receivables and other receivables

The closing figure of receivables as at 31 December, 2020 was HUF 5,943 million, a decline by HUF 545 million compared to the 31 December, 2019 figure (closing figure for 31 December, 2019: HUF 6,488 million). Accounts receivable increased by HUF 1,259 million, advances made for investment and inventories decreased by HUF 738 million and other receivables decreased by HUF 247 million.

2.3. Profit tax receivables

At the end of the quarter, the Group had profit tax receivables.

On 31 December, 2020, the Group had HUF 115 million in profit tax receivables, within which the

corporate tax receivables amounted to HUF 78 million and the local trade tax receivable was HUF 44 million and the innovation supplement was a liability of HUF 7 million.

On 31 December, 2019, there was also a profit tax receivable of HUF 62 million, within which corporate tax receivables amounted to HUF 72 million, the local trade tax receivables amounted to HUF 8 million and the innovation supplement was a liability of HUF 18 million

2.4. Liquid assets

The closing figure of liquid assets on 31 December, 2020 was HUF 3,303 million, HUF 2,498 million more than on 31 December, 2019 (HUF 805 million).

3. EQUITY AND RESERVES

The change occurred as follows:

in HUF thousand

	Share capital	Treasury shares	Reserve from share-based payments	Retained earnings	Other aggregate income	Total shareholders' equity
Balance as at 01 January 2019	13 473 446	-108 952	0	7 500 457	0	20 864 951
Profit for current year				854 390		854 390
Dividend payment				-239 815		-239 815
Balance as at 30 June 2019	13 473 446	-108 952	0	8 115 032	0	21 479 526
Profit of the current year				-282 518		-282 518
Balance as at 01 January 2020	13 473 446	-108 952	0	7 832 513	0	21 197 008
Profit for current year				-1 130 066		-1 130 066
Dividend payment				-170 243		-170 243
Balance as at 31 December 2020	13 473 446	-108 952	0	6 532 205	0	19 896 699

3.1. Registered capital

RÁBA Plc's share capital consists of common shares with a nominal value of HUF 1.000 each. entitling the shareholders to the dividend announced in a particular period. and providing one vote at the General Meeting of the Company. On 31 December, 2020, the share capital of the Company was HUF 13.473 million.

3.2. Treasury shares

On 31 December, 2020, the value of treasury shares was HUF 108.952 thousand (120.681 shares), with no changes since 31 December, 2019. All rights related to the shares of the Company owned by the Group ("treasury shares") are suspended until the renewed issue of the shares in question.

3.3. Retained earnings

The retained earnings (HUF 6,532 million) changed by HUF -1,300 million. i.e. the profit for the reporting year compared to the closing value for the previous year (HUF 7,833 million).

4. LONG-TERM LIABILITIES

4.1. Long-term credits and loans, leasing liabilities

The closing value of long-term credits and loans and leasing liabilities as at 31 December, 2020 amounted to HUF 6,695 million, which was 87.7 per cent higher than the opening balance of the period (on 31 December, 2019, the closing figure was HUF 3,567 million).

On 1 January, 2020, the Company had long-term leasing liabilities of HUF 195 million in the context of the leasing contracts identified in line with the provisions of the new IFRS 16 leasing standard. This is then moved to short-term liabilities from where repayment is done. The amount then declined by HUF 24 million during the reporting period compared to the base period.

4.2. Provisions

The closing value of provisions as at 31 December, 2020 was HUF 387 million, of which HUF 197 million is long-term.

4.3. Deferred tax liability

On 31 December, 2020, the Company had deferred tax liabilities in the amount of HUF 115 million, which is HUF 1 million more than the amount on 31 December, 2019.

5. SHORT-TERM LIABILITIES

5.1. Short-term credits and loans

The total amount of short-term credits and loans of HUF 3,272 million is 39.8 per cent lower compared to the closing value at the 31 December 2019 (HUF 5,437 million). Short-term leasing liabilities amounted to HUF 105 million, which is an increase of HUF 22 million compared to 31 December, 2019.

The net borrowing of the Rába group was HUF 6,409 million on 31 December, 2020, a decline by HUF 1,512 million compared to the level as at 31 December, 2019.

5.2. Provisions

The short-term portion of provisions amounted to HUF 190 million on 31 December, 2020, which is HUF 19 million higher than the amount on 31 December, 2019.

5.3. Profit tax liability

At the end of the quarter, the Group had profit tax receivables.

5.4. Accounts payable and other short-term liabilities

On 31 December, 2020, the amount of accounts payable and other short-term liabilities was HUF 11,820 million, which is 9.0 per cent higher than the closing value as at the end of December 2019 (HUF 10,847 million). Accounts payable increased by HUF 27 million, other liabilities increased by HUF 44 million, whereas passive accruals increased by HUF 902 million.

PK 5. CONSOLIDATED CASH-FLOW STATEMENT

Data in HUF thousand

	31.12.2019.	31.12.2020.
Cash-flows from operating activities		
Profit before taxation	1 004 070	-785 239
<i>Adjustment items related to items with no cash movement:</i>		
Interest expenditure	17 461	90 539
Depreciation and amortisation	2 115 003	2 340 659
Impairment of intangible assets. properties machines and equipment	20 233	229 428
Impairment of bad and doubtful receivables and of long term receivables	96 404	12 761
Impairment of stocks kept at net realisable value	233 094	427 787
Scrapping of stocks	155 341	94 299
Provisions / (release)	-81 368	-21 144
Result from the sale of real estate machinery and fixtures and intangible assets	-117 178	-8 181
Profit from the purchase of subsidiary and affiliated company	75 745	-4 000
Revaluation of loans and credits at end of period	232 892	660 531
<i>Changes in working capital:</i>		
Changes in trade and other receivables	5 757 482	531 106
Changes in stocks	1 031 912	1 378 063
Changes in accounts payable and other liabilities	-1 787 084	951 045
Taxes paid	-381 911	-394 038
Interests paid	-69 023	0
Net cash flows from operating activity	8 303 476	5 503 616
Cash-flows from investment activities		
Purchase of real estate, machinery and fixtures. as well as of intangibles	-7 997 779	-4 171 771
Revenues from the sale of real estate, machinery and fixtures as well as intangible asses	128 282	1 026 358
Increase in investments	-474 700	0
Interests received	10 732	8 824
Net cash flows used for investment activities	-8 333 465	-3 136 589
Cash flows from financing activities		
Loans and credits received	4 230 790	5 012 922
Loans and credits and leasing repayment	-3 840 006	-4 710 795
Dividend paid	-239 815	-170 243
Net cash flows from financing activities	150 969	131 844
Net increase/decrease of cash and cash equivalents	120 980	2 498 911

BASIS FOR THE INTERIM FINANCIAL REPORT

The summary consolidated interim financial report prepared in accordance with IAS 34 Directive (on Interim Financial Reporting) should be read in conjunction with the financial report for the year ended 31 December, 2019, prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Body ("IASB") and adopted by the European Union. The consolidated interim financial report is unaudited. Rába Plc. published its statutory accounts for the year ended 31 December, 2019 on the official electronic portal of the Budapest Stock Exchange and on the information system operated by the National Bank of Hungary for stock market publications. This report for 31 December, 2019 is based on audited figures and the auditor issued an unqualified opinion.

PK6. Major off-balance sheet items

Description	Value (HUF)
According to a separate list*	

* The bank loans of the Rába Group amount to HUF 9,712 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 7,704 million. The amount of bank guarantees issued on behalf of the Rába Group is HUF 3,178 million.

RS1. Ownership structure. ratio of participation

Description of ownership	Total equity						Series listed ¹			
	Beginning of current year (01 January)			At end of term (31 December)			Beginning of period		End of period	
	% ²	% ³	pcs	% ²	% ³	pcs	%	pcs	%	pcs
Domestic institutional/corporate	7.05	7.11	949 288	4.34	4.38	584 606				
Foreign institutional/corporate	2.15	2.17	289 697	0.96	0.97	129 121				
Foreign private individual	0.07	0.07	9 804	0.07	0.07	8 832				
Domestic private individual	15.25	15.39	2 054 773	19.16	19.33	2 581 003				
Employees. leading officials	0.13	0.13	17 074	0.13	0.13	17 074				
Treasury shares	0.90		120 681	0.90		120 681				
Shareholder forming part of general government ⁴	74.46	75.13	10 032 129	74.46	75.13	10 032 129				
International Development Insti- tutions ⁵	0.00	0.00	0	0.00	0.00	0				
Other ⁶	0.00	0.00	0	0.00	0.00	0				
TOTAL	100.00	100.00	13 473 446	100.00	100.00	13 473 446				

¹ If the listed series equals the total share capital and it is indicated, there is no need to fill it in. If more than one series are listed at the Stock Exchange, the ownership structure must be specified for each series.

² Ownership ratio

³ Voting right ensuring participation during the decision-making process at the general meeting of shareholders of the issuer. If the ownership ratio and the voting right are the same, only the column regarding the owner needs to be filled in/published while stating such fact.

⁴ E.g.: MNV Zrt., Social Security, Local Government, 100% state-owned companies, etc.

⁵ E.g.: EBRD, EIB, etc.

RS3. List and introduction of shareholders with a stake exceeding 5%

Name	depository (yes/no)	Quantity (pcs)	Share (%)
Hungarian State Holding Company Ltd.(MNV Zrt.)	no	10 015 829	74.34
Total		10 015 829	74.34

RS2. Changes in the number of treasury shares during the current year (pcs.)

	1 January		31 March		30 June		30 September		31 December	
	pcs	%	pcs	%	pcs	%	pcs	%	pcs	%
At corporate level	120 681	0.9	120 681	0.9	120 681	0.9	120 681	0.9	120 681	0.9
Subsidiaries ¹	-	-	-	-	-	-	-	-	-	-
Grand total	120 681	0.9	120 681	0.9	120 681	0.9	120 681	0.9	120 681	0.9

¹ Consolidated companies

All of the shares repurchased are directly owned by the parent company.

TSZ1. Headcount of full-time employees (people)

	End of base period	Beginning of current year	End of current period
At corporate level	17	17	29
At group level	1 325	1 325	1 173

The consolidated closing headcount as at 31 December, 2020 was 1,173. The decline in headcount is 11.5 per cent compared to the end of the base period.

TSZ2. Managing executives. strategic employees

Type ¹	Company	Position	Beginning of mandate	End/termination
BD	Béla Hetzmann	Chairman of the Board	2020	
BD	Dr. Ibolya Virág Csernák Bánóczy	Board member	2019	
BD	Dr. Nóra Csüllög	Board member	2020	
BD	Éva Lang-Péli	Board member	2020	
BD	János Major	Board member	2019	
BD	Csaba Majoros	Board member	2020	
BD	Dániel Emanuel Mráz	Board member	2020	
BD	István Pintér	Chairman of the Board	2005	2020
BD	Roland Sebők	Board member	2019	2020
BD	Dr. András Ákos Toperczer	Board member	2020	2020
BD	Dr. Tamás Tóth	Board member	2019	2020
BD	György Wáberer	Board member	2012	2020
BD	Ákos Csókay	Board member	2017	2019
BD	Dr. János Géza Fördős	Board member	2016	2019
BD	Dr. Péter Hartmann	Board member	2016	2019
BD	Dr. Ákos Mátyás Pálvölgyi	Board member	2019	2020
BD	Dr. Miklós Rátky	Board member	2014	2019
BD	Andor Nándor Tóth	Board member	2018	2019
SB	István Lepsényi	Chairman of the Supervisory Board	2020	
SB	Dr. Zsolt Harmath	Supervisory Board member	2016	
SB	Dr. Sándor József Szabó	Supervisory Board member	2020	
SB	Dr. Zoltán Lajos Pafféri	Chairman of the Supervisory Board	2018	2020
SB	Dr. Tünde Kanta	Supervisory Board member	2017	2020
SP	István Pintér	Chief Executive Officer	2003	indefinite
SP	Béla Balog	Chief Financial Officer	2004	indefinite
SP	Ádám Steszli	HR and Controlling Director	2014	Indefinite
SP	Attila Deák	Director, Strategic Procurement and Business Development	2019	indefinite
SP	István Pintér	Managing Director	2004	indefinite
SP	László Urbányi	Managing Director	2005	indefinite
SP	János Torma	Managing Director	2005	indefinite

¹ Employee in a strategic position (SP), Member of the Board of Directors (BD), Supervisory Board Member (SB), Member of the Managing Board (MB).

EVENTS FOLLOWING THE CLOSING DAY

The real estate sale process defined in the Resolution 5/2020.04.30 adopted in competence of General Meeting continues. After the approval of the public administrative bodies, the sale may terminate before the General Meeting approving the annual statements.

As from 1 January 2017, Rába Plc's individual financial accounts are also drawn up in accordance with the provisions of the IFRS.

RÁBA PLC. (INDIVIDUAL) BALANCE SHEET (IFRS)

Data in HUF thousand

Description of item	31.12.2019	31.12.2020.	Index
Property, machinery, equipment*	6 003 693	6 975 311	116.18%
Intangible assets	13 294	7 897	59.40%
Other long-term assets	1 414 417	1 414 417	100.00%
Real estate for investment	392 912	753 952	191.89%
Subsidiary investments	12 318 571	12 141 919	98.57%
Other investments	45 027	49 027	108.88%
Deferred tax receivable	12 012	7 933	66.04%
Total invested assets	20 199 926	21 350 456	105.70%
Inventories	8 103	9 679	119.45%
Trade and other receivables	2 938 341	332 701	11.32%
Profit tax receivables	10 600	-2 021	-19.07%
Cash and cash equivalents	443 860	1 836 278	413.71%
Total current assets	3 400 904	2 176 637	64.00%
TOTAL ASSETS	23 600 830	23 527 093	99.69%
Registered capital	13 473 446	13 473 446	100.00%
Treasury shares	-108 952	-108 952	100.00%
Retained earnings	3 392 669	3 131 845	92.31%
Total equity and reserves	16 757 163	16 496 339	98.44%
Provisions	95 700	0	0.00%
Long-term credits and loans	367	23 150	6307.90%
Total long-term liabilities	96 067	23 150	24.10%
Provisions	17 362	67 400	388.20%
Short-term portion of loans and credits	1 983 119	180	0.01%
Accounts payable and other liabilities	4 747 119	6 940 024	146.19%
Total short-term liabilities	6 747 600	7 007 604	103.85%
TOTAL EQUITY AND LIABILITIES	23 600 830	23 527 093	99.69%

* In Q1-Q4 of 2020, several real estate items within the group were entered into the individual accounts of the company in order to optimise property management. This does not influence the consolidated value.

RÁBA PLC. (INDIVIDUAL) PROFIT AND LOSS STATEMENT (IFRS)

Data in HUF thousand

Description	Q1-Q4 2019	Q1-Q4 2020	Index	Q4 2019	Q4 2020	Index
Sales revenues	1 567 889	1 958 941	124,9%	374 974	523 840	139,7%
Direct costs of sales	393 844	385 303	97,8%	107 203	92 705	86,5%
Gross profit	1 174 045	1 573 638	134,0%	267 771	431 135	161,0%
Sales and marketing costs	30 374	382	1,3%	4 054	0	0,0%
General overhead costs	1 127 644	1 250 202	110,9%	311 872	353 090	113,2%
Other revenues	221 064	122 596	55,5%	4 334	65 148	1503,2%
Other expenditures	199 623	223 341	111,9%	12 433	38 813	312,2%
Other operating expenditures total	-1 136 577	-1 351 329	118,9%	-324 025	-326 755	100,8%
Operating profit	37 468	222 309	593,3%	-56 254	104 380	-185,6%
Financial income	76 665	140 312	183,0%	40 759	25 648	62,9%
Financial expenditures	93 162	324 835	348,7%	-14 174	43 220	-304,9%
Net financial income	-16 496	-184 523	1118,6%	54 933	-17 572	-32,0%
Revenue from the purchase of affiliated company	-29 878	4 000		-29 878	-7 907	
PROFIT BEFORE TAXATION	-8 906	41 786	-469,2%	-31 199	78 901	-252,9%
Profit Tax	14 502	33 138	228,5%	5 533	18 404	332,6%
PROFIT OF CURRENT YEAR	-23 408	8 648	-36,9%	-36 732	60 497	-164,7%
TOTAL AGGREGATE PROFIT/LOSS OF CURRENT YEAR	-23 408	8 648	-36,9%	-36 732	60 497	-164,7%
EBITDA	263 482	498 163	189,1%	2 306	173 941	7543,0%

SEGMENT INFORMATION

From a business perspective, the Group can be split into three main segments: Axle, Vehicle and Automotive Components.

It is on the basis of these business segments that the Group prepares segment information for the management. Management is responsible for assigning resources to the segments, as well as for holding the segments accountable for their performance.

The Axle Segment encompasses the production and sale of axles, axle parts and axle components, the Vehicle Segment is responsible for the manufacturing of truck and bus chassis and the related components, as well as for the assembly and sale of vehicles, while the Automotive Components Segment is responsible for the production of vehicle components, seat frames, pressed structures, as well as truck chassis and for the sewing of seat covers and for the sale of these products.

Segment results, segment assets and segment liabilities include items that can be directly attributed to the given segment. General overhead items include the revenues, expenditures, assets and liabilities of the holding headquarters.

Capital expenditures of the segment include the total expenditures during the period expended upon real estate, machinery and equipment, as well as intangible assets.

	Q1-Q4 2019						q4 019					
	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated
Revenues	23 091 565	10 766 125	15 608 042	315 925	0	49 781 657	5 943 803	2 220 827	3 570 446	124 107	0	11 859 184
Inter-segment revenues	697 691	360 048	866 129	1 301 625	-3 225 493	0	125 653	102 281	175 505	300 528	-703 966	0
Total revenue from sales	23 789 256	11 126 173	16 474 171	1 617 550	-3 225 493	49 781 657	6 069 455	2 323 108	3 745 951	424 635	-703 966	11 859 184
Direct cost of sales	-19 608 724	-9 058 274	-13 815 312	-395 417	2 415 115	-40 462 612	-5 051 716	-1 969 135	-3 101 248	-108 776	509 479	-9 721 395
GROSS PROFIT	4 180 532	2 067 899	2 658 859	1 222 133	-810 379	9 319 044	1 017 739	353 974	644 703	315 860	-194 487	2 137 788
Sales and marketing costs **	-319 741	-504 828	-31 219	-30 374	0	-886 163	-87 586	-170 486	-6 296	-4 054	0	-268 422
General overhead costs **	-3 583 559	-1 044 576	-1 969 882	-1 137 468	800 861	-6 934 625	-895 224	-128 436	-463 706	-321 697	184 612	-1 624 452
Other revenues	460 622	131 146	87 602	221 064	-215 188	685 246	164 143	54 965	25 498	4 334	-1 392	247 549
Other expenditures*	-370 505	-189 169	-81 193	-206 714	4 159	-843 421	-165 033	-153 728	-7 659	-19 524	1 392	-344 551
TOTAL OTHER OPERATING EXPENDITURES	-3 813 183	-1 607 427	-1 994 693	-1 153 492	589 833	-7 978 962	-983 699	-397 685	-452 164	-340 940	184 612	-1 989 877
REVENUE FROM OPERATIONS	367 349	460 472	664 166	68 641	-220 546	1 340 082	34 040	-43 711	192 539	-25 080	-9 875	147 912
Interest income	6 152	15 048	1 193	54 998	-66 660	10 732	5 414	4 299	503	48 296	-47 790	10 721
Interest expenditure	-49 471	-21 112	-16 266	-25 360	25 726	-86 483	-11 571	-5 111	-4 247	-6 960	6 856	-21 034
Profit tax expenditure	-155 258	-78 457	-179 634	-19 253	0	-432 601	-65 093	-19 822	-52 096	-10 284	0	-147 294
Assets												
Real estate, machinery and equipment	13 598 571	2 231 607	3 549 948	6 185 702	-171 824	25 394 003	151 848	178 038	81 767	175 834	-181 834	405 652
Intangible assets	79 648	38 452	16 314	13 294	0	147 708	-990	-2 975	-1 558	-1 408	0	-6 931
Real estate for investment	0	0	0	392 913	422 720	815 632	0	0	0	54 695	422 720	477 415
Other long-term assets	118 318	10 630	7 516	1 426 812	-1 414 417	148 859	-10 222	-935	-659	-77 070	-40 934	-129 821
Inventories	4 919 226	1 069 345	1 690 099	8 103	-35 530	7 651 242	-1 181 916	-692 517	-426 114	-1 140	-1 750	-2 303 437
Receivables	4 719 937	4 562 629	1 539 469	2 986 148	-7 320 509	6 487 673	-61 558	-171 561	-261 323	-406 313	-202 312	-1 103 067
Cash and cash equivalent	247 639	2 989	4 899	548 983	-1	804 510	-19 320	-122	1 743	537 247	0	519 548
Liabilities												
Provisions	71 393	215 518	8 598	113 062	3	408 575	37 996	59 629	-21 656	-110 427	0	-34 458
Liabilities*	8 871 150	1 634 139	2 941 615	4 751 313	-7 269 128	10 929 090	680 676	-661 738	-619 081	737 056	-150 932	-14 019
Capital expenditures	7 110 099	998 269	766 532	248 070	0	9 122 970	661 024	444 331	302 400	140 507	0	1 548 262
Depreciation	1 088 168	276 513	509 629	232 925	7 768	2 115 003	273 179	76 966	136 874	65 472	8 126	560 616

* As from 01.01.2020, the classification of sales and marketing costs and general overhead and administration costs has been specified at group level. The effect of the reclassification in Q1-Q3 of 2019 is HUF 232 million net.

	Q1-Q4 2020						Q4 2020					
	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated
Revenues	20 216 000	5 851 371	12 020 602	666 479	0	38 754 452	5 461 258	1 656 929	3 722 334	150 092	0	8 549 847
Inter-segment revenues	342 096	194 271	449 984	1,292 462	-2 278 814	-1	56 415	63 721	59 163	355 302	-520 503	0
Total revenue from sales	20 558 096	6 045 642	12 470 586	1,958 941	-2 278 814	38 754 451	5 517 673	1 720 650	3 781 497	505 395	-520 503	8 549 847
Direct cost of sales	-16 658 586	-5 138 489	-10 116 936	-385 303	1 577 227	-30 722 086	-4 292 823	-1 388 867	-2 664 418	-92 704	336 176	-6 811 297
GROSS PROFIT	3 899 510	907 153	2 353 651	1,573 638	-701 587	8 032 365	1 224 849	331 783	1 117 080	412 690	-184 327	1 738 549
Sales and marketing costs	-277 256	-129 676	-145 302	-382	131 873	-420 743	-65 572	-31 630	-44 128	0	28 671	-72 579
General overhead costs	-3 572 844	-848 061	-1 744 330	-1,250 200	570 073	-6 845 363	-883 833	-209 460	-380 497	-349 486	155 831	-1 379 109
Other revenues	293 291	122 953	43 247	63 957	13 792	537 241	156 809	82 781	22 069	-65 757	-48 202	93 562
Other expenditures	-336 306	-277 470	-398 624	-164 702	-58 154	-1 235 256	-139 477	32 477	-158 453	30 340	202	-315 517
TOTAL OTHER OPERATING EXPENDITURES	-3 893 114	-1 132 255	-2 245 009	-1,351 327	647 112	-7 974 593	-932 073	-125 832	-561 009	-384 902	136 501	-1 673 643
REVENUE FROM OPERATIONS	6 396	-225 102	108 641	222 311	-44 198	68 049	292 776	205 951	556 071	27 788	-47 826	64 906
Interest income	8 703	18 807	5 871	12 643	-37 200	8 824	7 744	4 058	1 427	-2 728	-9 167	1 804
Interest expenditure	-48 809	-19 560	-14 667	-44 704	37 200	-90 539	-11 069	-3 751	-2 820	-11 804	9 167	-25 618
Profit tax expenditure	-130 891	-62 440	-118 401	-33 094	0	-344 827	-34 781	-20 965	-34 395	-15 007	0	-76 325
Assets												
Real estate, machinery and equipment	14 829 671	1 961 894	2 198 543	6,975 315	21 888	25 987 311	-159 941	9 695	-88 215	-56 489	174	223 536
Intangible assets	48 733	26 590	5 637	7 897	0	88 858	-7 713	-2 936	210	-1 222	0	-17 085
Real estate for investment	0	0	0	753 952	53 966	807 918	0	0	0	-54 695	0	0
Other long-term assets	66 512	5 596	3 962	1,414 417	-1 421 720	68 767	-5 801	-825	-581	-3 218	0	-20 344
Inventories	3 978 381	736 542	1 161 307	9 679	-78 051	5 807 858	-445 385	-116 664	-206 624	-2 129	0	-515 169
Receivables	5 330 589	4 774 237	2 247 673	332 701	-6 741 393	5 943 807	947 779	554 384	-138 286	-2 569 699	615 349	395 456
Cash and cash equivalent	1 409 776	17 093	40 274	1,836 278	-1	3 303 420	748 354	13 009	36 107	288 358	0	886 834
Liabilities												
Provisions	66 994	91 273	161 759	0	4	387 431	-4 398	-68 854	106 469	0	0	103 600
Liabilities	7 134 258	1 605 014	3 033 976	6,940 025	-6 788 350	11 924 923	-1 386 846	313 137	266 029	1 857 632	615 349	415 639
Capital expenditures	2 590 705	369 264	266 266	1,458 254	0	4 684 489	96 498	49 884	28 250	-355		
Depreciation	1 251 449	344 815	467 007	275 852	1 536	2 340 659	331 287	90 332	113 256	66 999	-174	587 808

PK1. General information pertaining to the financial data

	Yes	No			
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Accounting principles	Hungarian	<input type="checkbox"/>	IFRS	<input checked="" type="checkbox"/>	Other <input type="checkbox"/>

Other:

Declaration of liability

We, the undersigned, authorised signatories of the Company, hereby declare that the data and statements contained in the quarterly report are true and accurate. The report reflects the true and fair value of the Company's assets, liabilities, financial position, profit and loss, as well as of the situation, development and performance of the business and also describes the main risks and factors of uncertainty. The Company does not conceal any fact that is important for assessing its financial and economic position.

Győr, 17 February 2021

István Pintér
Chief Executive Officer

Béla Balog
Chief Financial Officer