

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

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

| | |
|----------------------------|------------------------------|
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| Sector: | Machine industry |
| Period: | Q1 of 2020. |
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MANAGEMENT REPORT

MAIN RESULTS OF THE COMPANY

- The data relating to the demand in Q1 of 2020, reflects first and foremost the economic decline manifest in the second half of 2019, a result of the shrinking demand in the economy in general and in the sector in particular, rather than of the decline in activities due to the COVID-19 pandemic. The impact of the global pandemic on the demand is limited for now, detectable in the March figures, in the first place. Economic uncertainty, however, has increased significantly due to the global epidemic situation. This may lead to further decline in market demand in the short and medium term. The figures for external markets during Q1 of 2020 reflected the slow-down of global economic activity in almost all key segments. There was a significant decline in demand in all key markets of Rába. In terms of production costs, due to the wage pressure, which has been manifest for years, the elevated wage level continues to be a key cost factor and the continuously increasing energy price level resulted in the highest energy prices of the past ten years in Q1 of 2020. As regards sales, Q1 of 2020 was characterised by a 19.5 per cent decline in turnover at group level. Sales revenue amounted to HUF 11.9 billion against HUF 14.7 billion during the base period. The Axle Business Unit was the only one of the business divisions to achieve sales growth, amounting to 1.3 per cent. The Components and the Vehicle Business Units, though, suffered substantial sales declines, amounting to 19.4 and 57.1 per cents respectively. In the case of the Vehicle Business Unit, the substantial decline in sales was due to domestic sales, caused by the decline in defence sales. In terms of the exchange rate environment, an increase was manifest in Q1 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. In the case of the USD, the average exchange rate increased by 9.8 per cent, while the EUR exchange rate increased by 6.6 per cent compared to the level of the base period of one 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.
- Due to the high wage and energy price level causing substantial pressure on the cost side, to the declining material prices, higher exchange rates and to the effect of substantial volume fluctuations on the operation, the gross margin in Q1 of 2020 increased by 0.6 percentage points to 20.8 per cent, which corresponds to a gross profit of HUF 2.5 billion.
- The balance of other revenues and expenditures amounted to HUF 349 million in losses during the review period, against the profit of HUF 72 million during the same period of the previous year. The profit of other activities during the review period include write-offs in the amount of HUF 296 million due to the unsustainability in accounting terms of the Ministry of Defence capacities.
- Due to the substantially shrinking market demand and the volatile production environment, op-

erating profits remained below the level of the base period. At group level, the operating profit amounted to HUF 120 million in losses. In terms of business units, the Group-level operating losses are due primarily to the loss-making operation of the Vehicle Business Unit: due to the almost entirely missing domestic sales, the operating losses of the Vehicle Business Unit amounted to HUF 397 million, the Axle and the Components Business Units, though, managed to register profits at operating level: the operating profit of the Axle Business Unit amounted to HUF 116 million and to HUF 82 million for the Components Business Unit.

- In terms of cash generating efficiency, the Company generated a group-level EBITDA of HUF 450 million in Q1 of 2020, with a 3.8 per cent efficiency ratio. The considerable decline in efficiency, reaching some 6.0 per cent, i.e. HUF 997 million, is due to the decline or complete elimination of the relevant markets and to the wage and energy costs exceeding the levels of the review period. The contribution to the group-level EBITDA profit of the Axle Business Unit was a HUF 411 million in profits, whereas the Components and the Vehicle Business Units generated profits of HUF 199 million and losses of HUF 311 million respectively.
- The financial loss in Q1 of 2020 amounted to HUF 635 million, compared to the loss of HUF 7 million generated during the same period of the previous year. The financial performance was influenced by the realised exchange rate loss of HUF 610 million and the net interest burden of HUF 17 million.
- The total aggregate income and profit for Q1 of 2020 decreased by 214.6 per cent resulting in losses of HUF 853 million.
- The net borrowing in Q1 of 2020 shows a decrease by HUF 878 million compared to the same period of last year and an increase by HUF 102 million compared to the level of the year-end, amounting to HUF 8.0 billion. Of the principal factors, mention must be made of the level of the working capital, adjusted flexibly to the decline in market volume, the decline of working capital compared to the level of a year earlier is HUF 2,714 million, and HUF 208 million compared to the year-end level. It is owing to this that the net borrowing increased only by HUF 102 million in spite of the losses, compared to the year-end level. The revaluation, due to exchange rate fluctuation, of loans, worth HUF 737 million not involving cash movements, also contributed to the increase in net borrowing compared to the year-end level.
- The shareholder's equity decreased by 5.9 per cent compared to the same period of the previous year. The shareholder's equity per share reached HUF 1.510/share.

| thousand HUF | Q1 2019 | Q1 2020 | Change |
|---------------------------------------|--------------|--------------|--------------|
| Sales revenue | 14 724 695 | 11 856 038 | -19.5% |
| Gross profit | 2 967 117 | 2 466 501 | -16.9% |
| <i>Gross margin</i> | <i>20.2%</i> | <i>20.8%</i> | <i>0.6%p</i> |
| EBITDA | 1 446 085 | 449 577 | -68.9% |
| <i>EBITDA</i> | <i>9.8%</i> | <i>3.8%</i> | <i>-6%p</i> |
| Operating profit | 930 037 | -119 637 | -112.9% |
| Net financial profit/loss | -6 941 | -635 471 | -9055.3% |
| Profit after tax for the current year | 744 027 | -852 942 | -214.6% |
| Total comprehensive income | 744 027 | -852 942 | -214.6% |

GOAL, STRATEGY OF THE BUSINESS

"The 2020 business year has posed unexpected challenges to our company as we have to manage the general global economic slowdown, and the decrease in market activity due to the COVID-19 pandemic to boot. Thus the forecast is subject to uncertainty, however Rába keeps its focus on generating cash-flow and the structural reduction of operational costs in 2020. It is our resolute intention to exploit the opportunities of the global supply chains expected to shift due to the crisis. Despite the crisis we will continue to carry out our R&D developments and modernization programs, we will speed up the Industry 4.0 projects, and consider further company- and asset-based acquisition opportunities." – said István Pintér, Chairman-CEO of RÁBA Automotive Holding Plc.

EXTERNAL ENVIRONMENT OF THE BUSINESS

- Market figures for Q1 2020 reflect primarily the decline in the economic environment manifest in the second half of 2019. The impact of the COVID-19 pandemic resulting in shrinking demand was only manifest to a limited extent on actual figures, it was much more marked in terms of the uncertainty surrounding future economic outlooks. The increasing uncertainty made market players reluctant and drag their feet when it comes to investments, thus further decline in market demand is expected in the short and medium terms. In Europe, the registration figures for the heavy truck market show a 26.9 per cent decline in Q1 of 2020, and the North American market also showed a similar decline by 26.0 per cent. In terms of the agricultural segment, the demand for Rába products declined substantially in Q1 of 2020, resulting in a decline for the current year by 20.6 per cent. The Russian truck market is also characterised by a decline in demand, although market decline is more moderate, at 1.1 per cent in Q1 of 2020. The Russian bus market is seen as an exception among key sales segments, as this was the only area where there was an increase in activities, market demand during the quarter exceeded the level of a year earlier by 29.2 per cent. The European passenger vehicle market showed a significant decrease during Q1 of 2020, new vehicle registrations remained 26.3 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 Q1 of 2020 were 13.0 per cent lower than during the based period.
- The drastic increase in energy prices felt during H2 of 2019, continued in Q1 of 2020, as a result of which they exceeded the already high level of the base period by 1.7 per cent. Thus, energy prices reached a record high for the past 10 years in terms of quarterly average price levels. Energy prices higher than this were last recorded during the economic crisis of 2009.
- 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 of 2020. In the case of the USD the exchange rate increased by 9.8 per cent, while the EUR exchange rate increased by 6.6 per cent compared to the base period.¹

| | Q1 2019 | Q1 2020 | Change |
|---------------------------------|---------|---------|--------|
| EURHUF – average | 318.1 | 339.1 | 6.6% |
| EURHUF – end of period | 320.8 | 359.1 | 11.9% |
| USDHUF – average | 280.0 | 307.5 | 9.8% |
| USDHUF – end of period | 286.1 | 327.1 | 14.3% |
| Changes in raw material prices* | 125% | 108% | -13.0% |
| Changes in energy prices** | 207% | 211% | 1.7% |

*Rába indices –own calculation - base: 2007. Q1; average values for the period

**Rába indices – own calculation - base: Dec. 2004. Average values for the period

SUMMARY OF RESULTS OF DURING THE CURRENT PERIOD

Rába Axle Ltd.

The sales revenue of Rába Axle Ltd. in Q1 of 2020 amounted to HUF 6.6 billion compared to HUF 6.5 billion achieved during the base period of 2019. This corresponds to an increase of 1.3 per cent.

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

On the **American market** the sales revenue in the reporting period was USD 3.2 million, compared to the USD 3.5 million in Q1 of 2019. This corresponds to a decrease of 6.7 per cent.

On the **EU market** Rába Axle Ltd.'s sales figures in HUF terms decreased by 9.6 per cent, amounting to HUF 4.3 billion, compared to HUF 4.8 billion during the base period.

European exports remained below the level of the same period a year earlier by 19.3 per cent in Q1 of 2020 amounting to EUR 9.4 million, compared to HUF 11.6 million in Q1 of 2019.

Domestic sales before consolidation amounted to HUF 1,130 million which represents a decrease by 4.2 per cent compared to the HUF 1,084 million of the base period.

On the **CIS and East-European** markets. the export sales revenues achieved by Rába Axle Ltd. in Q1 of 2020 were 248.1 per cent higher than the base period in 2019, increasing from EUR 0.7 million to EUR 2.4 million.

In the **other** markets. the sales revenue during the reporting period amounted to EUR 1.3 million, which was 23.3 per cent below the EUR 1.7 million turnover of the 2019 base period.

The operating result of the Company in Q1 of 2020 was a profit of HUF 116 million, compared to HUF 220 million during the same period of the previous year.

At EBITDA level, the operating profit of the Axle business unit was HUF 411 million compared to HUF 502 million registered a year earlier.

| Million HUF | Q1 2019 | Q1 2020 | Change |
|----------------------------|--------------|--------------|---------------|
| America | 968 | 1 015 | 4.9% |
| EU - export | 3 700 | 3 195 | -13.6% |
| EU - domestic | 1 084 | 1 130 | 4.2% |
| CIS | 217 | 808 | 272.4% |
| Other | 541 | 444 | -17.9% |
| Total sales revenue | 6 510 | 6 593 | 1.3% |
| EBITDA | 502 | 411 | -18.1% |
| Operating profit | 220 | 116 | -47.3% |

Rába Automotive Components Ltd.

The sales revenue of Rába Automotive Components Ltd. amounted to HUF 3.8 billion in Q1 of 2020, which is a decrease of 19.4 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 of 2020 amounted to EUR 5.3 million, which represents a decrease of 16.0 per cent compared to the EUR 6.3 million of the base period of 2019.

Domestic sales before consolidation amounted to HUF 1,961 million during the reporting period, which corresponds to a decrease by 26.7 per cent compared to the sales revenue of HUF 2,677 million during Q1 of 2019.

The Company generated profits of HUF 82 million at operating level during the reporting period compared to a profit of HUF 178 million in Q1 of 2019.

On the level of EBITDA, the profit of the Automotive Components business unit was HUF 199 million during the period, compared to HUF 297 million of the previous year.

| Million HUF | Q1 2019 | Q1 2020 | Change |
|----------------------------|--------------|--------------|---------------|
| EU - export | 1 993 | 1 790 | -10,2% |
| EU – domestic | 2 677 | 1 961 | -26,7% |
| Other | 0 | 11 | 0,0% |
| Total sales revenue | 4 670 | 3 762 | -19,4% |
| EBITDA | 297 | 199 | -33,0% |
| Operating profit | 178 | 82 | -53,9% |

Rába Vehicle Ltd.

The sales revenue of Rába Vehicle Ltd. in Q1 of 2020 was below the figure of the base period by 57.1 per cent and decreased from HUF 4.1 billion to HUF 1.8 billion.

A significant portion of the sales revenue of Rába Vehicle Ltd. is generated on the European market.

European exports were 4.0 per cent below than the level of the base period, thus declining from EUR 4.8 million to EUR 4.6 million.

Domestic sales before consolidation amounted to HUF 197 million in Q1 of 2020, compared to HUF 2,589 million during the base period, representing a decrease by 92.4 per cent.

The operating losses amounted to HUF 397 million during the reporting period compared to the profit of HUF 540 million during the base period last year.

On the level of EBITDA, in the reporting period, the Vehicle Business Unit registered losses of HUF 311 million compared to the profit of HUF 599 million in Q1 of 2019.

| Million HUF | Q1 2019 | Q1 2020 | Change |
|----------------------------|--------------|--------------|----------------|
| EU - export | 1 526 | 1 567 | 2.7% |
| EU - domestic | 2 589 | 197 | -92.4% |
| Total sales revenue | 4 115 | 1 764 | -57.1% |
| EBITDA | 599 | -311 | -151.9% |
| Operating profit | 540 | -397 | -173.5% |

The Rába Group

The consolidated sales revenue of the Rába Group in Q1 of 2020 amounted to HUF 11.9 billion, which is a decline by 19.5 per cent compared to the figure of HUF 14.7 billion reported for the base period Q1 of 2019.

The operating loss of the group during the current period amounted to HUF 120 million, compared to HUF 930 million in profits during the same period a year earlier.

During the reporting period, the financial result was a loss of HUF 635 million, which includes, among others, a net interest payment of HUF 17 million, as well as exchange rate losses of HUF 610 million.

Profits from the purchase of investment amounted to HUF 7 million during the reporting year, which includes the adjustment for the 24.9 per cent share in Re kard by 24.9.

Based on the above, the Rába Group generated net losses of HUF 853 million in Q1 of 2020, compared to a profit of HUF 744 million during the same period of the previous year.

On the level of EBITDA, the group registered profits of HUF 450 million in Q1 of 2020, against last year's figure of HUF 1,446 million.

The Rába Group – other data and events pertaining to the business activity**Sales revenue by business unit**

| Sales revenue (HUF million) | Axle | Components | Vehicle | 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 |

Breakdown of the sales revenues for Q1 of 2020

| HUF million | America | EU | | | CIS | Other | Total |
|---------------------|--------------|--------------|--------------|--------------|------------|------------|---------------|
| | | Total | export | domestic | | | |
| Axle | 1 015 | 4 326 | 3 195 | 1 130 | 808 | 444 | 6 593 |
| Components | 11 | 3 751 | 1 790 | 1 961 | 0 | 0 | 3 762 |
| Vehicle | 0 | 1 764 | 1 567 | 197 | 0 | 0 | 1 764 |
| Consolidated | 1 026 | 9 578 | 6 553 | 3 025 | 808 | 444 | 11 856 |

Operating profit of group companies

| | Operating profit | | | | | |
|--------------|------------------|------------|------------|------------|--------------|-------------|
| | 2019. | | | | | 2020. |
| | Q1 | Q2 | Q3 | Q4 | Year | Q1 |
| Axle | 220 | 20 | 93 | 34 | 367 | 116 |
| Components | 178 | 185 | 109 | 192 | 664 | 82 |
| Vehicle | 540 | 93 | -129 | -44 | 460 | -397 |
| Other | -8 | 1 | -110 | -34 | -151 | 79 |
| Total | 930 | 299 | -37 | 148 | 1 340 | -120 |

PK2. Companies involved in the consolidation

| Company | Share/Issue capital in HUF thousand | Ownership ratio (%) | Voting ratio | Classification ² |
|---------------------------------|--|------------------------|-----------------|-----------------------------|
| Rába Axle Ltd. | 9,762,800 | 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 Ltd. | 3,000 | 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).

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 2019.* | Q1 2020. | Index |
|--|-------------------|-------------------|-----------------|
| Domestic sales revenues | 5 779 643 | 3 025 081 | 52.3% |
| Export sales revenues | 8 945 052 | 8 830 957 | 98.7% |
| Revenues | 14 724 695 | 11 856 038 | 80.5% |
| Direct cost of sales | 11 757 578 | 9 389 537 | 79.9% |
| Gross profit | 2 967 117 | 2 466 501 | 83.1% |
| Cost of sales and marketing | 220 370 | 143 121 | 64.9% |
| General and administration expenses | 1 888 873 | 2 093 730 | 110.8% |
| Other revenues | 201 836 | 112 589 | 55.8% |
| Other expenditures* | 129 673 | 461 876 | 356.2% |
| Total other operating expenses | -2 037 080 | -2 586 138 | 127.0% |
| Revenue from operations | 930 037 | -119 637 | -12.9% |
| Financial revenues | 22 971 | 435 983 | 1898.0% |
| Financial expenditures | 29 912 | 1 071 454 | 3582.0% |
| Net financial profit/loss | -6 941 | -635 471 | -9155.3% |
| Profit from the purchase of subsidiary company | 0 | 0 | |
| Profit from the purchase of affiliated company | 0 | 6 818 | |
| PROFIT FROM THE PURCHASE OF INVESTMENT | 0 | 6 818 | |
| PROFIT BEFORE TAXATION | 923 096 | -748 292 | -81.1% |
| Profit tax | 179 069 | 104 652 | 58.4% |
| After-tax profit in the current year | 744 027 | -852 944 | -114.6% |
| Basic value of profit per share (HUF) | 55 | -63 | |
| Diluted value of profit per share (HUF) | 55 | -63 | |

*In Q1 of 2019, innovation supplement was recorded under other expenditures, which from the end of 2019 was reclassified as profit tax.

1. EARNED REVENUES

During Q1 of 2020, Rába generated HUF 11,856 million in sales revenue, compared to HUF 14,725 million during the same period of the previous year, which is a change of 19.5 per cent. 74.5 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 of 2020, the direct cost level of Rába was 79.2 per cent compared to 79.9 per cent of the base period. The amount of direct costs was HUF 9,390 million, 20.1 per cent lower than during the base period (Q1 of 2019: HUF 11,758 million).

Gross profit

The gross profit changed from HUF 2,967 million in the base period to HUF 2,467 million (HUF - 501 million), which is due to the decrease in sales revenue by HUF 2,869 million and by 2,368 million in direct expenses.

2.2. Cost of sales

The cost of sales decreased by 35.1 per cent and amounted to HUF 143 million during Q1 of 2020, compared to HUF 220 million in Q1 of 2019.

2.3. General overhead and administrative expenses

Rába accounts under general overhead and administrative expenses (Q1 of 2020: HUF 2,094 million, Q1 of 2019: 1,889 million) for its costs incurred in relation to the administration of the company

(Q1 of 2020: HUF 852 million) and other general costs (Q1 of 2020: HUF 1,241 million).

2.4. Other revenues and expenditures

Other revenues amounted to a loss of HUF 349 million in Q1 of 2020 compared to HUF 72 million in profits 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 296 million.

3. OPERATING PROFIT

The operating profit of the Company during Q1 of 2020 was HUF -120 million (Q1 of 2019: HUF 930 million). The decrease in gross profit (HUF 501 million) was further deteriorated by the combined change in sales and general overhead costs (HUF 128 million) and by the change in the balance of other revenues and expenditures (HUF 421 million). Profitability changed from 6.3 per cent during the base period to -1,0 per cent. The profitability of operating profit + depreciation changed from 9.8 per cent during the base period to 3.8 per cent.

4. FINANCIAL REVENUES AND EXPENDITURES

During Q1 of 2020, the net financial result was a loss of HUF 635 million, compared to the loss of HUF 7 million during the base period.

The net result of interest incomes and expenses was HUF -17 million during Q1 of 2020 (against HUF -19 million during the base period).

The net exchange rate difference of FX items during Q1 of 2020 was HUF -610 million (HUF 17 million in the base period).

Financial revenues and expenditures consisted of the following principal items:

in HUF thousand

| | Q1 of 2019 | Q1 of 2020 |
|-------------------------------|---------------|------------------|
| Interest income | 8 | 1 771 |
| Exchange rate gains | 22 963 | 433 384 |
| Other financial revenues | 0 | 828 |
| Financial revenues | 22 971 | 435 983 |
| Interest payable | 18 798 | 19 068 |
| Exchange rate loss | 6 280 | 1 043 818 |
| Other financial expenditures | 4 834 | 8 569 |
| Financial expenditures | 29 912 | 1 071 456 |

5. PROFIT IN THE CURRENT YEAR

The earnings before taxation during Q1 of 2020 amounted to HUF 748 million, which, because of the factors outlined in sections 1-4. is HUF 1,671 million less than the figure for Q1 of 2019. The profitability ratio represents a -6.3 per cent return on sales on the basis of profit before taxation, against the level of 6.3 per cent during the base period.

The Group has HUF 105 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 81 million, the innovation supplement amounted to HUF 14 million, and the deferred tax liability in the reporting period was HUF 7 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 | 31.03.2020 | Index |
|---|-------------------|-------------------|---------------|
| Real estate. machines. equipment | 25 394 003 | 25 067 950 | 98.7% |
| Intangible assets | 147 709 | 132 151 | 89.5% |
| Other long-term assets | 148 859 | 127 484 | 85.6% |
| Property for investment purposes | 815 632 | 809 958 | 99.3% |
| Other investments | 45 027 | 51 846 | 115.1% |
| Deferred tax receivables | 12 012 | 11 900 | 99.1% |
| Total invested assets | 26 563 242 | 26 201 288 | 98.6% |
| Inventories | 7 651 242 | 7 916 287 | 103.5% |
| Trade receivables and other receivables | 6 487 674 | 8 105 177 | 124.9% |
| Profit tax receivable | 62 489 | 161 438 | 258.3% |
| Liquid assets. bank account | 804 510 | 1 418 155 | 176.3% |
| Total current assets | 15 005 915 | 17 601 058 | 117.3% |
| Total assets | 41 569 157 | 43 802 346 | 105.4% |
| Registered capital | 13 473 446 | 13 473 446 | 100.0% |
| Treasury shares | -108 952 | -108 952 | 100.0% |
| Retained earnings | 7 832 514 | 6 979 573 | 89.1% |
| Total equity and reserves | 21 197 008 | 20 344 066 | 96.0% |
| Long-term credits and loans | 4 164 552 | 3 662 718 | 87.9% |
| Provisions | 237 208 | 237 209 | 100.0% |
| Deferred tax liability | 113 276 | 120 247 | 106.2% |
| Leasing liabilities | 195 480 | 172 261 | 88.1% |
| Total long-term liabilities | 4 710 516 | 4 192 435 | 89.0% |
| Provisions | 171 367 | 116 241 | 67.8% |
| Leasing liabilities | 82 575 | 82 575 | 100.0% |
| Short-term portion of loans and credits | 4 561 176 | 5 778 127 | 126.7% |
| Trade liabilities and other payables | 10 846 515 | 13 288 901 | 122.5% |
| Total short-term liabilities | 15 661 633 | 19 265 845 | 123.0% |
| Total equity and liabilities | 41 569 157 | 43 802 346 | 105.4% |

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 25,068 million. This represents a decline by 1.3 per cent. The depreciation of fixed assets was HUF 528 million in Q1 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 0 million). During the reporting period, the depreciation of these assets amounted to HUF 23 million.

1.2. Intangible assets

The net value of intangible assets changed from HUF 148 million to HUF 132 million. This represents a decline by 10.5 per cent. The amount of depreciation accounted during the period was HUF 41 million.

1.3. Other long-term assets

This balance sheet line shows other long-term loans given HUF 11 million (31 December, 2019: HUF 15 million), as well as long-term advance payments in the amount of HUF 117 million (31 March 2020: HUF 134 million) are also shown here. 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 the year, the amount of long term advance receivables declined by HUF 21 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 810 million from HUF 816 million during the base period.

1.5. Investments

In 2019, the Company acquired Diagonal Valor Ltd. 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. 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 12 million on 31 March, 2020, which is no change compared to the figure on 31 December, 2019.

2. CURRENT ASSETS**2.1. Inventories**

On 31 March, 2020, the closing value of stocks was HUF 7,916 million (31 December, 2019: HUF 7,651 million). The change is an increase by HUF 265 million. The components of the change are: an increase in materials and goods by HUF 31 million and an increase in unfinished, semi-finished and finished goods by HUF 234 million.

2.2. Trade receivables and other receivables

The closing figure of receivables as at 31 March 2020 was HUF 8,105 million, a decline by HUF 1,617 million compared to the 31. December, 2019 figure (closing figure for 31 December, 2019: HUF 6,488 million). Accounts receivable increased by HUF 1,203 million, advances made for investment and inventories increased by HUF 192 million and other receivables increased by HUF 222 million.

2.3. Profit tax receivables

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

On 31 March 2020, the Group had a HUF 161 million in profit tax receivables, within which the corporate tax receivable amounted to HUF 91 million and the local trade tax receivable was HUF 88 million and the innovation supplement was a liability of HUF 18 million.

On 31 December, 2019, there was 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 March 2020 was HUF 1,418 million, HUF 613 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 | | | | 744 027 | | 744 027 |
| Balance as at 31 March, 2019 | 13 473 446 | -108 952 | 0 | 8 244 484 | 0 | 21 608 979 |
| Profit of the current year | | | | -172 155 | | -172 155 |
| Dividend payment | | | | -239 815 | | -239 815 |
| Balance as at 01 January, 2020. | 13 473 446 | -108 952 | 0 | 7 832 514 | 0 | 21 197 008 |
| Profit for current year | | | | -852 942 | | -852 942 |
| Balance as at 31 March 2020 | 13 473 446 | -108 952 | 0 | 6 979 573 | 0 | 20 344 066 |

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 March 2020, the share capital of the Company was HUF 13.473 million.

3.2. Treasury shares

On 31 March 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 6,980 million) changed by HUF -853 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 March 2020 amounted to HUF 3,835 million, which was 7.5 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 and the amount thus declines by HUF 23 million during the reporting period.

4.2. Provisions

The closing value of provisions as at 31 March 2020 was HUF 353 million, of which HUF 237 million is long-term.

4.3. Deferred tax liability

On 31 March 2020, the Company had deferred tax liabilities in the amount of HUF 120 million, which is HUF 7 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 5,861 million increased by 7.8 per cent compared to the closing value at the 31 December 2019 (HUF 5,437 million). Short-term leasing liabilities amounted to HUF 83 million, with no changes since 31 December 2019.

The net borrowing of the Rába Group was HUF 8,023 million on 31 March 2020, an increase by HUF 101 million compared to the level as at 31 December 2019.

5.2. Provisions

The short-term portion of provisions amounted to HUF 116 million on 31 March 2020, which is HUF 55 million lower 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 March 2020, the amount of accounts payable and other short-term liabilities was HUF 13,289 million, which is 22.5 per cent higher than the closing value as at the end of December 2019 (HUF 10,847 million). Accounts payable increased by HUF 1,676 million, other liabilities declined by HUF 63 million, whereas passive accruals increased by HUF 829 million.

PK 5. CONSOLIDATED CASH-FLOW STATEMENT

Data in HUF thousand

| | 31.12.2019 | 31.03.2020 |
|---|-------------------|------------------|
| Cash-flows from operating activities | | |
| Profit before taxation | 1 004 473 | -748 292 |
| <i>Adjustment items related to items with no cash movement:</i> | | |
| Interest income | 0 | 0 |
| Interest expenditure | 17 461 | 19 068 |
| Depreciation and amortisation | 2 115 003 | 569 215 |
| Impairment of intangible assets, properties machines and equipment | 20 233 | 246 606 |
| Impairment of bad and doubtful receivables and of long term receivables | 96 404 | 5 375 |
| Impairment of stocks kept at net realisable value | 233 094 | 153 000 |
| Scrapping of stocks | 155 341 | 3 437 |
| Provisions / (release) | -81 368 | -55 124 |
| Result from the sale of real estate machinery and fixtures and intangible assets | -117 178 | -352 |
| Profit from the purchase of subsidiary and affiliated company | 75 745 | -6 818 |
| Revaluation of loans and credits at end of period | 232 892 | 737 106 |
| <i>Changes in working capital:</i> | | |
| Changes in trade and other receivables | 5 757 482 | -1 622 879 |
| Changes in stocks | 1 031 912 | -421 482 |
| Changes in accounts payable and other liabilities | -1 787 084 | 2 442 925 |
| Taxes paid | -381 911 | -196 516 |
| Interests paid | -69 023 | 0 |
| Net cash flows from operating activity | 8 303 476 | 1 125 268 |
| Cash-flows from investment activities | | |
| Purchase of real estate, machinery and fixtures, as well as of intangibles | -7 997 779 | -1 486 452 |
| Revenues from the sale of real estate, machinery and fixtures as well as intangible asses | 128 282 | 1 018 267 |
| Increase in investments | -474 700 | 0 |
| Interests received | 10 732 | 1 770 |
| Net cash flows used for investment activities | -8 333 465 | -466 415 |
| Cash flows from financing activities | | |
| Loans and credits received | 4 230 790 | 176 323 |
| Loans and credits and leasing repayment | -3 840 006 | -221 533 |
| Dividend paid | -239 815 | 0 |
| Net cash flows from financing activities | 150 969 | -45 210 |
| Net increase/decrease of cash and cash equivalents | 120 980 | 613 643 |

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 9,441 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 9,441 million.

The amount of bank guarantees issued on behalf of the Rába Group is HUF 3,480 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) | | | At beginning of period | | At end of term | |
| | % ² | % ³ | pcs | % ² | % ³ | pcs | % | pcs | % | pcs |
| Domestic institution- al/corporate | 7.05 | 7.11 | 949 288 | 7.29 | 7.35 | 981 744 | | | | |
| Foreign institution- al/corporate | 2.15 | 2.17 | 289 697 | 2.13 | 2.15 | 286 473 | | | | |
| Foreign private individual | 0.07 | 0.07 | 9 804 | 0.07 | 0.07 | 9 732 | | | | |
| Domestic private individual | 15.25 | 15.39 | 2 054 773 | 15.03 | 15.17 | 2 025 613 | | | | |
| 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 Institutions 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 (%) |
|---|------------------------|-------------------|--------------|
| Magyar Nemzeti Vagyonkezelő Zrt. (Hungarian State Holding Co. Ltd.) | 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 | |
|--------------------|-----------|-----|----------|-----|
| | Pcs. | % | Pcs. | % |
| At corporate level | 120 681 | 0.9 | 120 681 | 0.9 |
| Subsidiaries | - | - | - | - |
| Grand total | 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 | 17 |
| At group level | 1 423 | 1 325 | 1 325 |

The consolidated closing headcount as at 31 March 2020 was 1,325. The decline in headcount is 6.9 per cent compared to the end of the base period.

TSZ2. Managing executives. strategic employees

| Type ¹ | Company | Position | Beginning of mandate | End/termination of mandate |
|-------------------|----------------------------------|---|----------------------|----------------------------|
| BD | István Pintér | Chairman of the BD | 2005 | |
| BD | Dr. Ibolya Virág Csernák Bánóczy | Board member | 2019 | |
| BD | János Major | Board member | 2019 | |
| BD | Dr. Ákos Mátyás Pálvölgyi | Board member | 2019 | |
| BD | Roland Sebők | Board member | 2019 | |
| BD | Dr. Tamás Tóth | Board member | 2019 | |
| BD | György Wáberer | Board member | 2012 | |
| BD | Ákos Csókay | Board member | 2017 | 2019 |
| BD | Dr. János Géza Fördös | Board member | 2016 | 2019 |
| BD | Dr. Péter Hartmann | Board member | 2016 | 2019 |
| BD | Dr. Miklós Rátky | Board member | 2014 | 2019 |
| BD | Andor Nándor Tóth | Board member | 2018 | 2019 |
| SB | Dr. Zoltán Lajos Pafféri | Chairman of the SB | 2018 | |
| SB | Dr. Zsolt Harmath | SB member | 2016 | |
| SB | Dr. Tünde Kanta | SB member | 2017 | |
| 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 Purchasing 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).

On 30 April 2020, pursuant to the authorisation granted by Gov't. Decree. No. 102/2020 (IV.10.) the Board of Directors of Rába Plc. based on the competence of the General Meeting of Shareholders, as of 30 April 2020, recalled Dr. Ákos Mátyás Pálvölgyi from the Board of Directors of the Company. Simultaneously, elected Dr. András Ákos Toperczer to the Board of Directors for a definite period from 30 April 2020 until 19 May 2021.

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

RÁBA NYRT. (INDIVIDUAL) BALANCE SHEET (IFRS)

Data in HUF thousand

| Description of item | 31.12. 2019 | 31.03.2020 | Index |
|---|-------------------|-------------------|----------------|
| Property, machinery, equipment* | 6 003 693 | 7 409 479 | 123.42% |
| Intangible assets | 13 294 | 11 902 | 89.53% |
| Other long-term assets | 1 414 417 | 1 414 417 | 100.00% |
| Real estate for investment | 392 912 | 392 912 | 100.00% |
| Subsidiary investments | 12 318 571 | 12 141 904 | 98.57% |
| Other investments | 45 027 | 51 846 | 115.14% |
| Deferred tax receivable | 12 012 | 11 898 | 99.05% |
| Total invested assets | 20 199 926 | 21 434 358 | 106.11% |
| Inventories | 8 103 | 8 473 | 104.57% |
| Trade and other receivables | 2 938 341 | 2 091 537 | 71.18% |
| Profit tax receivable | 10 600 | 13 171 | 124.25% |
| Cash and cash equivalents | 443 860 | 900 384 | 202.85% |
| Total current assets | 3 400 904 | 3 013 565 | 88.61% |
| TOTAL ASSETS | 23 600 830 | 24 447 923 | 103.59% |
| Registered capital | 13 473 446 | 13 473 446 | 100.00% |
| Treasury shares | -108 952 | -108 952 | 100.00% |
| Retained earnings | 3 392 669 | 3 296 901 | 97.18% |
| Total equity and reserves | 16 757 163 | 16 661 395 | 99.43% |
| Provisions | 95 700 | 95 700 | 100.00% |
| Long-term credits and loans | 367 | -849 | -231.34% |
| Total long-term liabilities | 96 067 | 94 851 | 98.73% |
| Provisions | 17 362 | 16 200 | 93.31% |
| Short-term portion of loans and credits | 1 983 119 | 2 154 540 | 108.64% |
| Accounts payable and other liabilities | 4 747 119 | 5 520 937 | 116.30% |
| Total short-term liabilities | 6 747 600 | 7 691 677 | 113.99% |
| TOTAL EQUITY AND LIABILITIES | 23 600 830 | 24 447 923 | 103.59% |

* In Q1 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 2019 | Q1 2020 | Index |
|--|-----------------|-----------------|-----------------|
| Sales revenues | 422 151 | 474 587 | 112.4% |
| Direct costs of sales | 93 940 | 101 240 | 107.8% |
| Gross profit | 328 211 | 373 347 | 113.8% |
| Sales and marketing costs | 2 482 | 382 | 15.4% |
| General overhead costs | 266 961 | 305 412 | 114.4% |
| Other revenues | 212 977 | 5 566 | 2.6% |
| Other expenditures* | 68 056 | 36 971 | 54.3% |
| Other operating expenditures total | -124 522 | -337 199 | 270.8% |
| Operating profit | 203 689 | 36 148 | 17.7% |
| Financial income | 28 522 | 46 020 | 161.3% |
| Financial expenditures | 28 779 | 177 781 | 617.7% |
| Net financial income | -257 | -131 761 | 51268.9% |
| Revenue from the purchase of affiliated company | 0 | 6 818 | |
| PROFIT BEFORE TAXATION | 203 432 | -88 795 | -43.6% |
| Profit Tax* | 3 574 | 6 970 | 195.0% |
| PROFIT OF CURRENT YEAR | 199 858 | -95 765 | -47.9% |
| TOTAL AGGREGATE PROFIT/LOSS OF CURRENT YEAR | 199 858 | -95 765 | -47.9% |
| EBITDA | 259 157 | 101 642 | 39.2% |

* In Q1 of 2019, innovation supplement is under other expenditures, from the end of 2019, these are moved to profit taxes

SEGMENT INFORMATION

From a business perspective, the Group can be split into three main segments: Axles, Vehicles 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 of 2019/31.03.2019 | | | | | |
|---|-----------------------|-------------------|-------------------|------------------|-----------------------|--------------------|
| | Axle IFRS | Vehicle IFRS | Components IFRS | General overhead | Inter-segment filters | Consolidated |
| Revenues | 6 245 466 | 4 002 830 | 4 415 637 | 60 762 | 0 | 14 724 695 |
| Inter-segment revenues | 264 662 | 111 951 | 254 101 | 361 389 | -992 103 | 0 |
| Total revenue from sales | 6 510 128 | 4 114 781 | 4 669 738 | 422 151 | -992 103 | 14 724 695 |
| Direct cost of sales | -5 387 387 | -3 165 137 | -3 884 916 | -93 940 | 773 800 | -11 757 579 |
| GROSS PROFIT | 1 122 742 | 949 644 | 784 822 | 328 211 | -218 303 | 2 967 115 |
| Sales and marketing costs | -73 304 | -139 588 | -4 995 | -2 482 | 0 | -220 370 |
| General overhead costs | -969 787 | -275 736 | -594 814 | -266 961 | 218 424 | -1 888 873 |
| Other revenues | 165 013 | 18 540 | 19 102 | 212 977 | -213 796 | 201 836 |
| Other expenditures* | -24 480 | -12 470 | -26 064 | -68 056 | 1 396 | -129 673 |
| TOTAL OTHER OPERATING EXPENDITURES | -895 514 | -404 783 | -601 490 | -123 575 | 6 024 | -2 037 080 |
| REVENUE FROM OPERATIONS | 227 228 | 544 861 | 183 331 | 204 636 | -212 279 | 930 035 |
| Interest income | 454 | 3 581 | 290 | 1 782 | -6 099 | 8 |
| Interest expenditure | -12 687 | -4 757 | -4 051 | -5 100 | 6 099 | -20 496 |
| Profit tax expenditure | -62 089 | -76 722 | -53 479 | -4 521 | 0 | -196 811 |
| Assets | | | | | | |
| Real estate, machinery and equipment | 8 249 964 | 1 570 502 | 3 553 994 | 6 052 726 | 9 002 | 19 436 189 |
| Intangible assets | 83 136 | 43 765 | 23 846 | 11 520 | 0 | 162 267 |
| Real estate for investment | 0 | 0 | 0 | 338 217 | 0 | 338 217 |
| Other long-term assets | 159 211 | 14 371 | 10 156 | 1 503 882 | -1 373 483 | 314 137 |
| Inventories | 5 965 052 | 2 011 380 | 1 910 788 | 8 155 | -33 781 | 9 861 594 |
| Receivables | 9 052 309 | 5 769 578 | 2 281 856 | 2 408 316 | -5 438 323 | 14 073 736 |
| Cash and cash equivalent | 730 307 | 2 264 | 3 329 | 155 084 | -1 | 890 983 |
| Liabilities | | | | | | |
| Provisions | 33 398 | 218 695 | 41 280 | 188 985 | 3 | 482 361 |
| Liabilities* | 8 476 448 | 2 957 783 | 3 932 780 | 3 220 036 | -5 437 722 | 13 149 326 |
| Capital expenditures | 679 976 | 72 471 | 12 753 | 33 566 | 0 | 798 766 |
| Depreciation | 282 224 | 59 080 | 119 397 | 55 468 | -121 | 516 049 |

* In Q1 of 2019, innovation supplement is under other expenditures, from the end of 2019, these are moved to profit taxes

* In Q1 of 2019, innovation supplement is under liabilities

| | Q1 of 2020/31.03.2020 | | | | | |
|---|-----------------------|-------------------|-------------------|------------------|-----------------------|-------------------|
| | Axle IFRS | Vehicle IFRS | Components IFRS | General overhead | Inter-segment filters | Consolidated |
| Revenues | 6 448 015 | 1 711 634 | 3 530 324 | 166 065 | 0 | 11 856 038 |
| Inter-segment revenues | 144 839 | 52 392 | 231 505 | 326 968 | -755 704 | 0 |
| Total revenue from sales | 6 592 854 | 1 764 026 | 3 761 829 | 493 033 | -755 704 | 11 856 038 |
| Direct cost of sales | -5 232 804 | -1 508 428 | -3 118 906 | -101 240 | 571 840 | -9 389 538 |
| GROSS PROFIT | 1 360 050 | 255 598 | 642 923 | 391 792 | -183 864 | 2 466 500 |
| Sales and marketing costs | -97 005 | -39 200 | -46 759 | -382 | 40 225 | -143 121 |
| General overhead costs | -1 084 128 | -325 041 | -517 138 | -308 123 | 140 700 | -2 093 730 |
| Other revenues | 48 297 | 13 364 | 12 288 | 48 193 | -9 553 | 112 589 |
| Other expenditures | -111 086 | -302 006 | -9 185 | -39 599 | -1 | -461 876 |
| TOTAL OTHER OPERATING EXPENDITURES | -1 243 922 | -652 882 | -560 795 | -299 912 | 171 372 | -2 586 138 |
| REVENUE FROM OPERATIONS | 116 128 | -397 284 | 82 128 | 91 881 | -12 492 | -119 638 |
| Interest income | 488 | 2 307 | 71 | 1 790 | -2 885 | 1 770 |
| Interest expenditure | -9 194 | -5 113 | -3 445 | -4 202 | 2 885 | -19 068 |
| Profit tax expenditure | -40 358 | -18 853 | -35 526 | -9 915 | 0 | -104 652 |
| Assets | | | | | | |
| Real estate, machinery and equipment | 13 635 267 | 1 970 045 | 2 459 844 | 7 409 482 | -406 687 | 25 067 951 |
| Intangible assets | 71 905 | 35 477 | 12 867 | 11 902 | 0 | 132 151 |
| Real estate for investment | 0 | 0 | 0 | 392 913 | 417 046 | 809 958 |
| Other long-term assets | 102 983 | 9 227 | 6 525 | 1 423 166 | -1 414 417 | 127 484 |
| Inventories | 4 963 508 | 1 076 298 | 1 903 540 | 8 472 | -35 530 | 7 916 287 |
| Receivables | 5 675 046 | 4 798 041 | 2 484 751 | 2 337 313 | -7 189 972 | 8 105 178 |
| Cash and cash equivalent | 350 341 | 3 587 | 4 987 | 1 059 241 | -1 | 1 418 154 |
| Liabilities | | | | | | |
| Provisions | 71 393 | 170 155 | 0 | 0 | 3 | 353 451 |
| Liabilities | 9 980 038 | 2 019 094 | 3 038 245 | 5 524 072 | -7 189 970 | 13 371 478 |
| Capital expenditures | 630 085 | 198 720 | 258 698 | 1 293 358 | 0 | 2 380 861 |
| Depreciation | 294 380 | 86 657 | 117 184 | 68 056 | 2 938 | 569 215 |

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, 13 May 2020

István Pintér
Chairman - Chief Executive Officer

Béla Balog
Chief Financial Officer