

# Report on the Results of Rába Plc. in H1 of 2021

Unaudited, consolidated half-year report  
according to the International Financial Reporting Standards (IFRS)

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Sector:	Machine industry
Period:	H1 of 2021
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## MANAGEMENT REPORT

### MAIN RESULTS OF THE COMPANY

- H1 of 2021 marked the recovery period from the pandemic and as such was of key importance in terms of strengthening market positions and securing competitiveness sustainable in the long run. Meeting the increased demand for sales in a flexible manner and overcoming the difficulties in the supply chain both meant a substantial challenge for the Company. The series of strategic actions implemented in the second half of 2020 provides a good basis for the flexible adjustment, with the focus on digitisation and technological development, as well as on restructuring and cost optimisation. Bottlenecks in production capacities manifest across the board resulted in increased lead times and purchase prices, which highlight the importance of integrity and flexibility, in the interest of maintaining profitability.
- Q2 of 2021 was characterised by continued significant economic activity on the global market, as a result of which all major markets of Rába showed a significant increase in demand. An exception to this is the Russian bus market and the project-type off-highway segment, where sales in H1 of 2021 remained below the level of the base period in 2020. It should be borne in mind, for the evaluation of both the quarter and the first 6-month period, that the negative effects of the COVID-19 pandemic severely impacted the base period. The sales trends of the Rába Group in H1 of 2021 and their regional distribution duly represent global trends in demand. Group-level sales reached HUF 23.7 billion upon an increase by 23.4 per cent in H1 and HUF 12.3 billion upon an increase by 67.6 per cent in Q2. The Axle and the Components business units contributed a 42.2 and a 41.8 per cent growth respectively, while the Vehicle business unit contributed a decline by 60.7 per cent. The sales figures of the Vehicle business unit were fundamentally influenced by the fact, that as a result of the crisis management measures introduced in 2020, the production of steel structures for civilian applications was transferred from the Vehicle business unit to the Axle business unit. In terms of the exchange rate environment, in the exchange rates of the USD representing a lesser portion in the company's foreign exchange turnover, there was a decline by 5.2 per cent, and in the EUR, representing a more substantial portion of FX sales, there was an increase by 3.7 per cent compared to the levels of the previous year.
- Base material supply linked to the stable increase in demand within the heavy vehicle sector was secured through a substantial increase in delivery lead times and upon continuously increasing steel prices. The relaunch of steel manufacturing capacities operated only partially for various company-specific reasons or withdrawn from production during the COVID-19 pandemic, is done in a phased fashion only. The situation was further deteriorated by the fundamental changes in supply and demand relations on the global market and in the Chinese trading position.

As a result of the above, the steel market was, from November 2020 until the end of the first 6 months of this year, characterised by steadily growing prices, triggering various degrees, 50-100 % (30 June, 2021) of base material price increase on the world market, which is reflected in metal products to a varying extent, depending on their complexity. Based on procurement information to date for the second half of the year, in the case of products with a lower level of

complexity, further price increase is felt, whereas in higher-complexity product segments a market consolidation can be observed, attributable to the summer closures.

The above substantial increase in costs is passed on by the Rába Group to its trading partners as per the terms of the existing agreements and as a result of negotiations, with a quarterly delay in the case of the majority of the products and with a 6-month delay for more complete products and for products with orders fixed in the longer-term. These two factors, namely that until June of 2021, base material prices have shown a steadily increasing tendency and that the cost increase can be passed on to the customers with a time lag only, have a negative impact on the profit positions and margins of the group of companies in both Q1 and Q2 of 2021.

It is Rába's firm objective to neutralise these negative impacts following the stabilisation of world market prices through the enforcement in sales prices of the increase of purchase costs.

- As a result of the increase in sales volume, capacity utilisation improved and at the same time there was significantly increasing price pressure exerted on the production activity in the case of all major cost elements. The Rába Group reacted to the volatility of external markets by increasing integrity and flexible adjustment based on the earlier crisis measures. As a result, gross margins reached 20.3 per cent in H1 of 2021 and 20.7 per cent in Q2 of 2021, significantly exceeding the value for the base period. The amount of gross profit generated at group-level is a tangible indication of the recovery after the crisis, achieved with increasing profitability: the gross profit of HUF 4,806 million, achieved in H1 of 2021, is 41.2 per cent, i.e. 1,403 million more than the value for the base period, whereas the increase in sales volume (23.4 per cent) and the increasing cost burden would have predicted less of an increase.
- The balance of other revenues and expenditures amounted to HUF 888 million in profit during the review period, against the loss of HUF 450 million during the same period of the previous year. The profit of other activities during the base period included a real estate transaction carried out during Q2, with an impact on profits of HUF 815 million. The result of other activity during the base period included a one-off, unplanned write-off in the amount of HUF 296 million due to the unsustainability in accounting terms of the Ministry of Defence capacities.
- To improve operating profitability, in addition to increasing the efficiency and flexibility of the manufacturing activity, the Company implemented controls of the general and overhead costs. The indirect costs declining by HUF 96 million on a year/year basis, upon increasing sales, made a substantial contribution to the outstanding operating profit of HUF 1,804 million. All business units made a positive contribution through profitable operation to the group-level operating profit. The operating profit of the Axle business unit was HUF 645 million in H1 of 2021, upon an efficiency of 5.6 per cent in Q2. The operating profit of the Components business unit was HUF 532 million in H1, upon an efficiency of 7.7 per cent in Q2. The production of civilian applications of the Vehicle business unit was successfully integrated into the Axle business unit, the role and position of the Vehicle business unit within the new structure seem to be stabilised. Accordingly, their operating activity was profitable both on a quarterly and 6-month basis, albeit at a different level. A real estate sale concluded in Q2 also contributed to the operating profit. This can be considered as a one-off, adjustment item: the impact of the transaction was HUF 815 million.
- In terms of cash generating efficiency, an outstanding result has been achieved apart from the one-off, adjustment items as well. The EBITDA margin in both Q2 and H1 of 2021 exceeded the 9.0 per cent value, considered the industry benchmark. The group-level EBITDA without the one-off items in Q2 of 2021, amounted to 9.6 per cent and to 9.3 per cent in H1. As a result of the outstanding cash-generating efficiency, substantial increase in production volume and the one-off items, the group-level EBITDA exceeded HUF 3 billion, amounting to a total of HUF 3,009 million. The considerable cash generating efficiency was manifest in the case of both of the two key production business units as well: the Axle business unit achieved a 10.6 per cent EBITDA on sales, whereas the Components business unit reached 10.4 per cent in Q2 of 2021. The Vehicle business unit contributed to the group-level EBITDA with positive cash generating efficiency, albeit to a lesser extent.
- The financial result in H1 of 2021 amounted to HUF 260 million, compared to the loss of HUF 651 million generated during the same period of the previous year. The financial performance was influenced by the realised exchange rate gain by HUF 290 million and the net interest burden of HUF 23 million.

- The total aggregate income and profit for H1 of 2021 amounted to HUF 1,826 million.
- In H1 of 2021, the financial situation of the Rába group was characterised by a stable liquidity position in spite of the COVID-19 pandemic period and the challenges of the recovery period that followed. The net borrowings amounted to HUF 7.5 billion at the end of the review period and declined by HUF 3.2 billion compared to the same period of 2020, however increased by HUF 1.0 billion compared to the situation at the end of the previous year. Of the factors influencing the level of net borrowings, the profitable operating activity, the increase in working capital as a result of increasing production volumes, capital expenditures and the profit of the one-off real estate sale are noteworthy. The revaluation, due to exchange rate fluctuation, of loans, worth HUF 287 million, not involving cash movements, also contributed to the change in net borrowings.
- The shareholder's equity increased by 12.6 per cent compared to the same period of the previous year. The shareholder's equity per share reached HUF 1.612/share.

thousand HUF	H1 2020	H1 2021	Change	Q2 2020	Q2 2021	Change
Sales revenue	19 213 992	23 707 013	23.4%	7 357 953	12 330 277	67.6%
Gross profit	3 402 304	4 805 675	41.2%	935 803	2 555 364	173.1%
<i>Gross margin</i>	17.7%	20.3%	2.6%p	12.7%	20.7%	8%p
EBITDA	49 085	3 008 529	6029.2%	-400 493	1 995 459	598.3%
<i>EBITDA level</i>	0.3%	12.7%	12.4%p	-5.4%	16.2%	21.6%p
Operating profit	-1 102 069	1 804 113	263.7%	-982 432	1 405 535	243.1%
Net financial profit/loss	-651 315	260 119	139.9%	-15 844	193 934	1324.0%
Profit after tax for the current year	-1 901 286	1 826 064	196.0%	-1 048 345	1 462 356	239.5%
Total comprehensive income	-1 901 286	1 826 064	196.0%	-1 048 345	1 462 356	239.5%

## GOAL AND STRATEGY OF THE BUSINESS

"The first six months of this year saw significant recovery in our most important markets, and Rába could take advantage of it with flexible and efficient production, based on its strategic partnerships. Owing to this we closed a very successful half-year, and our expectations are positive for the rest of the year as well. Our successful adaptation to the difficulties caused by the crisis was based on cost optimization and technological development, thus, once again, it has been proven that in order to increase our competitiveness and keep our key customers, we need the most modern infrastructure and machinery, which means continuous improvement. To this end, we will replace the current stabilization strategy – that has proven to be effective – with a modernization strategy, which focuses on modernizing our technology, equipment and real estate and strengthening our international technology partnerships. Our vision is a 21st century manufacturing company with the product portfolio, operation and efficiency required by our markets." – said Béla Hetzmann, Chairman-CEO of RÁBA Automotive Holding Plc.

## BUSINESS ENVIRONMENT OF THE BUSINESS

- Q2 of 2021 continued to be characterised by considerable sales activity, as a result of which there was considerable shipping demand for industrial raw materials and commercial goods. The high shipping volume leads to the increase in vehicle purchase prices and shipping tariffs, which suggest further positive outlooks on the market of vehicle manufacturers regarding the demand during the coming period. Accordingly, market conditions were favourable on all of Rába's principal markets in H1 of 2021. Sales activities improved compared to the levels of a year earlier, impacted by the economic effects of the COVID-19 pandemic. The only exception to this is the Russian bus market, where sales in H1 of 2021 did not reach the level of the base period in 2020.
- In H1 of 2021, the European truck market exceeded the level of a year earlier, fundamentally impacted by the economic effects of the COVID-19 pandemic, by 39 per cent. Market outlooks remain positive for the second half of the year, thus the high level of demand is likely to remain sustained in the European segment. The North American truck market expanded by 33 per cent

compared to the base period in 2020. There was a significant growth in demand for Rába's agricultural products in Q2, which led to a 29 per cent increase in sales for H1 compared to the level of the previous year. Sales on the Russian truck market were in line with international trends, market growth reached 38 per cent in H1 of 2021. Contrarily, the Russian market of new buses is still below the H1 2020 level, the sales volume is some 2 per cent below the level of the previous year. The market of European passenger vehicles is characterised by increasing demand in H1 of 2021, new car registrations were 27 per cent higher than during the base period a year earlier.

- Capacity shortages resulting from increased demands have led to increasing purchase prices upon uncertain supply conditions. The considerable increase in steel prices, by 14.6 per cent on a year/year basis experienced in Q1 of 2021 further increased in Q2 and reached 29 per cent compared to the same quarter of 2020. All this has led to 21.7 per cent higher purchase prices for steel purchases in H1 of 2021.
- The increase in human resource expenses continued in Q2 of 2021 as well, the increase in wages continues to exert considerable pressure on operating activities. Improving operating efficiency, to cover the continuously increasing wage costs is increasingly challenging for the Company.
- The third key cost item, energy costs have also started increasing significantly during Q2 of 2021. Annual price increase in Q3 amounted to 9.6 per cent, while energy price increase in H1 reached 6.9 per cent. All this led to the highest energy purchase prices of the past decade, having a negative impact on the profitability of production.
- With regard to the exchange rate environment, a decrease by 5.2 per cent occurred in the case of the USD, representing a lesser proportion in the FX turnover of the company, whereas for the EUR, representing more substantial weight in the FX turnover, an increase by 3.7 per cent was seen in H1 of 2021 compared to the levels of the previous year.<sup>1</sup>

	H1 2020	H1 2021	Change	Q2 2020	Q2 2021	Change
EURHUF – average	345.2	357.9	3.7%	351.5	354.8	0.9%
EURHUF – end of period	356.6	351.9	-1.3%	356.6	351.9	-1.3%
USDHUF – average	313.3	297.0	-5.2%	319.4	294.3	-7.9%
USDHUF – end of period	317.8	296.0	-6.9%	317.8	296.0	-6.9%
Changes in raw material prices*	107%	130%	21.7%	106%	136%	29.0%
Wage level**	390.0	426.6	9.4%	399.5	436.1	9.2%
Changes in energy prices**	198%	212%	6.9%	205%	225%	9.6%

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

\*\*KSH (Central Statistical Office) national gross average wage (thousand HUF/month) –based on 05. 01 2021. data

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

## SUMMARY OF RESULTS DURING THE REVIEW PERIOD

### Rába Axle Ltd.

The sales revenue of Rába Axle Ltd. in H1 of 2021 amounted to HUF 15.3 billion compared to HUF 10.7 billion achieved during the base period of 2020. This corresponds to an increase of 42.2 per cent.

On the **American market** the sales revenue in the reporting period was USD 3.0 million, compared to the USD 5.5 million in H1 of 2020. This corresponds to a decrease of 45.4 per cent.

On the **EU market** Rába Axle Ltd.'s sales figures in HUF terms increased by 68.1 per cent, amounting to HUF 12.1 billion, compared to HUF 7.2 billion during the base period.

**European exports** in H1 of 2021 exceeded the level of the base period by 82.9 per cent, amounting

<sup>1</sup> The average exchange rates were calculated based on the official FX exchange rates of the MNB.

Source: <http://www.mnb.hu/arfolyam-lekerdezes>

to EUR 26.7 million, against EUR 14.6 million in H1 of 2020. Sales figures are fundamentally influenced by the reorganisation of the civilian applications of the Vehicle business unit to the activities of the Axle business unit as a result of the crisis management measures of 2020.

**Domestic sales** before consolidation amounted to HUF 2,511 million, which represents an increase by 16.5 per cent compared to the HUF 2,155 million of the base period.

On the **CIS and East-European** markets the export sales revenues achieved by Rába Axle Ltd. in H1 of 2021 were 75.8 per cent lower than the base period in 2020, decreasing from EUR 3.3 million in the base period to EUR 0.8 million.

In the **other markets**, the sales revenue during the reporting period amounted to EUR 5.6 million, which was 180.0 per cent higher than the EUR 2.0 million turnover of the 2020 base period.

The operating result of the Company in H1 of 2021 was a profit of HUF 645 million, compared to HUF 313 million in losses during the same period of the previous year.

At EBITDA level, the operating profit of the Axle business unit was HUF 1,468 million compared to HUF 293 million registered a year earlier.

million HUF	H1 2020	H1 2021	Change	Q2 2020	Q2 2021	Change
America	1 731	896	-48.2%	716	591	-17.5%
EU - export	5 019	9 545	90.2%	1 824	5 014	174.9%
EU - domestic	2 155	2 511	16.5%	1 025	1 274	24.3%
CIS	1 139	302	-73.5%	331	156	-52.9%
Other	688	2 001	190.8%	244	1 043	327.5%
<b>Total sales revenue</b>	<b>10 732</b>	<b>15 256</b>	<b>42.2%</b>	<b>4 140</b>	<b>8 079</b>	<b>95.1%</b>
<b>EBITDA</b>	<b>293</b>	<b>1 468</b>	<b>401.0%</b>	<b>-118</b>	<b>853</b>	<b>822.9%</b>
<b>Operating profit</b>	<b>-313</b>	<b>645</b>	<b>306.1%</b>	<b>-429</b>	<b>450</b>	<b>204.9%</b>

### Rába Automotive Components Ltd.

The sales revenue of Rába Automotive Components Ltd. amounted to HUF 8.0 billion in H1 of 2021, which is a 41.8 per cent increase compared to the base period.

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

**European exports** during H1 of 2021 amounted to EUR 10.5 million, which represents an increase of 29.6 per cent compared to the EUR 8.1 million of the base period of 2020.

**Domestic sales** before consolidation amounted to HUF 4,252 million during the reporting period, which corresponds to an increase by 48.9 per cent compared to the sales revenue of HUF 2,856 million during H1 of 2020.

The Company generated a profit of HUF 532 million at operating level during the reporting period compared to a profit of HUF 380 million in H1 of 2020.

On the level of EBITDA, the profit of the Components business unit was HUF 749 million during the period, compared to the loss of HUF 143 million of the previous year.

million HUF	H1 2020	H1 2021	Change	Q2 2020	Q2 2021	Change
EU - export	2 795	3 775	35.1%	1 005	1 940	93.0%
EU – domestic	2 856	4 252	48.9%	896	2 000	123.2%
Other	14	7	-50.0%	3	5	66.7%
<b>Total sales revenue</b>	<b>5 665</b>	<b>8 034</b>	<b>41.8%</b>	<b>1 903</b>	<b>3 945</b>	<b>107.3%</b>
<b>EBITDA</b>	<b>-143</b>	<b>749</b>	<b>623.8%</b>	<b>-343</b>	<b>412</b>	<b>220.1%</b>
<b>Operating profit</b>	<b>-380</b>	<b>532</b>	<b>240.0%</b>	<b>-462</b>	<b>303</b>	<b>165.6%</b>

### Rába Vehicle Ltd.

The sales revenue of Rába Vehicle Ltd. in H1 of 2021 was below the figure of the base period by

60.7 per cent and decreased from HUF 3.1 billion to HUF 1.2 billion.

The sales figures of the Vehicle business unit are fundamentally influenced by the reorganisation of the production of steel structures for civilian applications from the Vehicle business into the activities of the Axle business unit. As a result of this, a significant portion of the sales revenue of Rába Vehicle Ltd. is generated on the European market.

**European exports** were 10.0 per cent below than the level of the base period, thus declining from EUR 7.3 million to EUR 0.0 million.

**Domestic sales** before consolidation amounted to HUF 1,217 million in H1 of 2021, upon an increase by 108.0 per cent.

The operating result amounted to HUF 7 million in profits during the reporting period compared to the loss of HUF 496 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 29 million compared to the profit of HUF 326 million in H1 of 2020.

million HUF	H1 2020	H1 2021	Change	Q2 2020	Q2 2021	Change
EU - export	2 510	-1	-100.0%	943	-1	-100.1%
EU - domestic	585	1 217	108.0%	388	363	-6.4%
<b>Total sales revenue</b>	<b>3 095</b>	<b>1 217</b>	<b>-60.7%</b>	<b>1 331</b>	<b>362</b>	<b>-72.8%</b>
<b>EBITDA</b>	<b>-326</b>	<b>29</b>	<b>108.9%</b>	<b>-15</b>	<b>77</b>	<b>613.3%</b>
<b>Operating profit</b>	<b>-496</b>	<b>7</b>	<b>101.4%</b>	<b>-99</b>	<b>67</b>	<b>167.7%</b>

### The Rába Group

The consolidated sales revenue of the Rába Group in H1 of 2021 amounted to HUF 23.7 billion, which is an increase by 23.4 per cent compared to the figure of HUF 19.2 billion reported for the base period of H1, 2020.

The operating profit of the group during the current period amounted to HUF 1,804 million, compared to HUF 1,102 million in profits during the same period a year earlier.

During the reporting period, the financial result was HUF 260 million, which includes, among others, a net interest payment of HUF 23 million, as well as exchange rate gains of HUF 290 million.

Profits from the purchase of investment amounted to HUF 29.8 million during H1 of 2021, which includes the adjustment for the 24.9 per cent share in ReKard.

Based on the above, the Rába Group generated net profits of HUF 1,826 million in H1 of 2021, compared to the loss of HUF 1,901 million during the same period of the previous year.

On the level of EBITDA, the group registered profits of HUF 3,009 million in H1 of 2021, against last year's figure of HUF 49 million.

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

#### Sales revenue by business division

Sales revenue (HUF million)	Axle	Components	Vehicle	Rába Group consolidated
2020 Q1	6 593	3 762	1 764	11 856
<b>2020 Q2</b>	<b>4 140</b>	<b>1 903</b>	<b>1 331</b>	<b>7 358</b>
2020 Q3	4 308	3 024	1 230	8 550
2020 Q4	5 518	3 781	1 721	10 991
2021 Q1	7 177	4 090	854	11 377
<b>2021 Q2</b>	<b>8 079</b>	<b>3 945</b>	<b>362</b>	<b>12 330</b>

**Breakdown of the sales revenues for H1 of 2021**

HUF million	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	896	12 057	9 545	2 511	302	2 001	<b>15 256</b>
Components	7	8 027	3 775	4 252	0	0	<b>8 034</b>
Vehicle	0	1 217	-1	1 217	0	0	<b>1 217</b>
<b>Consolidated</b>	<b>904</b>	<b>20 500</b>	<b>13 322</b>	<b>7 178</b>	<b>302</b>	<b>2 001</b>	<b>23 707</b>

**Operating profit of group companies**

	Operating profit						
	2020				Year	2021	
	Q1	Q2	Q3	Q4		Q1	Q2
Axle	116	-429	27	292	6	195	450
Components	82	-462	-67	556	109	229	303
Vehicle	-397	-99	65	206	-225	-60	67
Other	79	8	40	210	337	35	585
<b>Total</b>	<b>-120</b>	<b>-982</b>	<b>65</b>	<b>1 264</b>	<b>227</b>	<b>399</b>	<b>1 405</b>

**PK2. Companies involved in the consolidation**

Company	Share/Issue capital in HUF thousand	Ownership ratio (%)	Voting ratio <sup>1</sup>	Classification <sup>2</sup>
Rába Axle Ltd.	9 765 800	100.00	100.00	L
Rába Automotive Components Ltd.	300 000	100.00	100.00	L
Rába Vehicle Ltd.	835 100	100.00	100.00	L
Diagonal Valor Ltd. <sup>3</sup>	0	100.00	100.00	L

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

<sup>2</sup>Subsidiary (S); Jointly controlled (J); Affiliated (A).

<sup>3</sup> 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	H1 2020	H1 2021	Index	Q2 2020	Q2 2021	Index
Domestic sales revenues	5 315 692	7 177 738	135.0%	2 290 611	3 579 126	156.3%
Export sales revenues	13 898 300	16 529 276	118.9%	5 067 343	8 751 151	172.7%
<b>Revenues</b>	<b>19 213 992</b>	<b>23 707 013</b>	<b>123.4%</b>	<b>7 357 953</b>	<b>12 330 277</b>	<b>167.6%</b>
Direct cost of sales	15 811 688	18 901 339	119.5%	6 422 151	9 774 913	152.2%
<b>Gross profit</b>	<b>3 402 304</b>	<b>4 805 675</b>	<b>141.2%</b>	<b>935 803</b>	<b>2 555 364</b>	<b>273.1%</b>
Cost of sales and marketing*	244 342	246 093	100.7%	101 221	124 304	122.8%
General and administration expenses*	3 809 991	3 643 154	95.6%	1 716 261	1 955 053	113.9%
Other revenues	176 071	1 240 280	704.4%	63 482	1 096 927	1727.9%
Other expenditures	626 111	352 594	56.3%	164 234	167 399	101.9%
<b>Total other operating expenses</b>	<b>-4 504 373</b>	<b>-3 001 562</b>	<b>66.6%</b>	<b>-1 918 234</b>	<b>-1 149 829</b>	<b>59.9%</b>
<b>Revenue from operations</b>	<b>-1 102 069</b>	<b>1 804 113</b>		<b>-982 432</b>	<b>1 405 535</b>	
Financial revenues	403 005	448 112	111.2%	-32 978	351 884	
Financial expenditures	1 054 320	187 993	17.8%	-17 134	157 950	
<b>Net financial profit/loss</b>	<b>-651 315</b>	<b>260 119</b>	<b>39.9%</b>	<b>-15 844</b>	<b>193 934</b>	
Profit from the purchase of subsidiary company	0	0		0	0	
Profit from the purchase of affiliated company	15 451	29 778	192.7%	8 633	18 242	211.3%
<b>PROFIT FROM THE PURCHASE OF INVESTMENT</b>	<b>15 451</b>	<b>29 778</b>	<b>192.7%</b>	<b>8 633</b>	<b>18 242</b>	<b>211.3%</b>
<b>PROFIT BEFORE TAXATION</b>	<b>-1 737 932</b>	<b>2 094 010</b>		<b>-989 643</b>	<b>1 617 711</b>	
<b>Profit tax*</b>	<b>163 354</b>	<b>267 946</b>	<b>164.0%</b>	<b>58 702</b>	<b>155 355</b>	<b>264.6%</b>
<b>After-tax profit in the current year</b>	<b>-1 901 286</b>	<b>1 826 064</b>		<b>-1 048 345</b>	<b>1 462 356</b>	
Basic value of profit per share (HUF)	-141	136				
Diluted value of profit per share (HUF)	-141	136				

**1. EARNED REVENUES**

During H1 of 2021, Rába generated HUF 23,707 million in sales revenue, compared to HUF 19,214 million during the same period of the previous year, which is a change of 23.4 per cent. 69.7 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 H1 of 2021, the direct cost level of Rába was 79.7 per cent compared to 82.3 % of the base period. The amount of direct costs was HUF 18,901 million, 19.5 per cent higher than during the base period (H1 of 2020: HUF 15,812 million).

**Gross profit**

The gross profit changed from HUF 3,402 million in the base period to HUF 4,806 million (HUF 1,404 million), which is due to the increase in sales revenues by HUF 4,493 million and by 3,089 million in direct expenses.

**2.2. Cost of sales**

The cost of sales increased by 0.7 per cent and amounted to HUF 246 million during H1 of 2021, compared to HUF 244 million in H1 of 2020.

**2.3. General overhead and administrative expenses**

Rába accounts under general overhead and administrative expenses (H1 of 2021: HUF 3,643 million, H1 of 2020: 3,810 million) for its costs incurred in relation to the administration of the company (H1 of 2021: HUF 2,190 million) and other general costs (H1 of 2021: HUF 1,453 million).



**2.4. Other revenues and expenditures**

The balance of other revenues and expenditures amounted to a profit of HUF 888 million in H1 of 2021 compared to HUF 450 million in losses during the same period of last year.

During Q2, a real estate item was sold, making up most of the profit.

**3. OPERATING PROFIT**

The operating profit of the Company during H1 of 2021 was HUF 1,804 million (H1 of 2020: HUF -1,102 million). The increase in gross profit (HUF 1,403 million) was improved by the combined change in sales and general overhead costs (HUF 165 million) and the change in the balance of other revenues and expenditures (HUF 1,338 million). Profitability changed from -5.7 per cent during the base period to 7.6 per cent. The profitability of operating profit + depreciation changed from 0.3 per cent during the base period to 12.7 per cent.

**4. FINANCIAL REVENUES AND EXPENDITURES**

During H1 of 2021, the net financial result was a profit of HUF 260 million, compared to the loss of HUF 651 million during the base period.

The net result of interest incomes and expenses was HUF -23 million during H1 of 2021 (against HUF -39 million during the base period).

The net exchange rate difference of FX items during H1 of 2021 was HUF 290 million (HUF -605 million in the base period).

Financial revenues and expenditures consisted of the following principal items:

in HUF thousand	H1 of 2020	H1 of 2021
Interest income	3 556	96
Exchange rate gains	398 621	448 016
Other financial revenues	828	0
<b>Financial revenues</b>	<b>403 005</b>	<b>448 112</b>
Interest payable	42 514	22 856
Exchange rate loss	1 003 285	158 347
Other financial expenditures	8 520	6 790
<b>Financial expenditures</b>	<b>1 054 320</b>	<b>187 993</b>

**5. EARNINGS IN THE CURRENT YEAR**

The earnings before taxation during H1 of 2021 amounted to a profit of HUF 2,094 million, which, because of the factors outlined in Sections 1-4 is HUF 3,832 million more than the figure for H1 of 2020. The profitability ratio represents an 8.83 per cent return on sales on the basis of profit before taxation, against the level of -9.05 per cent during the base period.

The Group has HUF 268 million in tax liability during the review period. Within that, the corporate tax liability was HUF 74 million, the local business tax liability was HUF 163 million, the innovation supplement amounted to HUF 28 million, and the deferred tax liability in the reporting period was HUF 3 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	31.12.2020	30.06.2021	Index
Real estate. machines. equipment	25 985 667	25,460,723	98.0%
Intangible assets	88 858	48,710	54.8%
Other long-term assets	76 071	42,405	55.7%
Property for investment purposes	753 952	753,952	100.0%
Other investments	49 027	78,805	160.7%
Deferred tax receivables	25 835	24,519	94.9%
<b>Total invested assets</b>	<b>26 979 410</b>	<b>26,409,114</b>	<b>97.9%</b>
Inventories	5 862 553	8,865,650	151.2%
Trade receivables and other receivables	5 948 228	7,669,663	128.9%
Profit tax receivable	111 882	17,090	15.3%
Liquid assets. bank account	3 303 420	2,831,545	85.7%
<b>Total current assets</b>	<b>15 226 083</b>	<b>19,383,948</b>	<b>127.3%</b>
<b>Total assets</b>	<b>42 205 493</b>	<b>45,793,062</b>	<b>108.5%</b>
Registered capital	13 473 446	13,473,446	100.0%
Treasury shares	-108 952	-108,952	100.0%
Retained earnings	6 532 641	8,358,705	128.0%
<b>Total equity and reserves</b>	<b>19 897 135</b>	<b>21,723,199</b>	<b>109.2%</b>
Long-term credits and loans	6 207 210	7,447,529	120.0%
Provisions	40 062	40,062	100.0%
Deferred tax liability	143 795	145,647	101.3%
Leasing liabilities	148 708	112,459	75.6%
<b>Total long-term liabilities</b>	<b>6 539 776</b>	<b>7,745,697</b>	<b>118.4%</b>
Provisions	347 368	296,557	85.4%
Leasing liabilities	105 094	105,094	100.0%
Short-term portion of loans and credits	3 505 248	2,836,407	80.9%
Trade liabilities and other payables	11 810 872	13,086,108	110.8%
<b>Total short-term liabilities</b>	<b>15 768 582</b>	<b>16,324,166</b>	<b>103.5%</b>
<b>Total equity and liabilities</b>	<b>42 205 493</b>	<b>45,793,062</b>	<b>108.5%</b>

**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 25,986 million on 31 December, 2020 to HUF 25,461 million. This represents a decrease by 0.2 per cent. The depreciation of fixed assets was HUF 1,181 million in H1 of 2021.

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 248 million on 1 January, 2021, with no purchases during the reporting period). During the reporting period, the depreciation of these assets amounted to HUF 44 million.

**1.2. Intangible assets**

The net value of intangible assets changed from HUF 89 million to HUF 49 million. This represents a decline by 45.2 per cent. The amount of depreciation accounted during the period was HUF 23 million.

**1.3. Other long-term assets**

This balance sheet line shows other long-term loans given in the amount of HUF 1 million (31 December, 2020: HUF 5 million), as well as long-term advance payments in the amount of HUF 41 million (31 December, 2020: HUF 71 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 H1, the amount of long term advance receivables declined by HUF 30 million during the period.

**1.4. Property for investment purposes**

The book value of real estate for investment purposes at 30 June, 2020 was HUF 754 million, unchanged since 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. 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 25 million on 30 June, 2021, 1 million less than during the base period.

**2. CURRENT ASSETS****2.1. Inventories**

On 30 June, 2021, the closing value of stocks was HUF 8,866 million (31 December, 2020: HUF 5,863 million). The change is a decline by HUF 3,003 million. The components of the change are: an increase in materials and goods by HUF 2,580 million and an increase in unfinished, semi-finished and finished goods by HUF 423 million.

**2.2. Trade receivables and other receivables**

The closing figure of receivables as at 30 June, 2021 was HUF 7,670 million, an increase by HUF 1,722 million compared to the 31 December, 2020 figure (closing figure for 31 December, 2020: HUF 5,948 million). Accounts receivable increased by HUF 1,179 million, advances made for investment and inventories increased by HUF 306 million and other receivables also increased by HUF 237 million.

**2.3. Profit tax receivables**

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

On 30 June, 2021, the Group had HUF 17 million in profit tax receivables, within which the corporate tax receivables amounted to HUF 11 million and the local trade tax receivable was HUF 5 million and the innovation supplement was a liability of HUF 1 million.

On 31 December, 2020, there was also a profit tax receivable of HUF 112 million, within which corporate tax receivables amounted to HUF 77 million, the local trade tax receivables amounted to HUF 42 million and the innovation supplement was a liability of HUF 7 million

**2.4. Liquid assets**

The closing figure of liquid assets on 30 June, 2021 was HUF 2,832 million, HUF 471 million less than on 31 December, 2020 (HUF 3,303 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, 2020	13 473 446	-108 952	0	7 832 514	0	21 197 008
Profit for current year				-1 030 404		-1 030 404
Dividend payment				-269 469		-269 469
Balance as at 01 January, 2021	13 473 446	-108 952	0	6 532 641	0	19 897 135
Profit for current year				1 826 064		1 826 064
Balance as at 30 June, 2021	13 473 446	-108 952	0	8 358 705	0	21 723 199

**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 30 June, 2021, the share capital of the Company was HUF 13.473 million.

**3.2. Treasury shares**

On 30 June, 2021, the value of treasury shares was HUF 108.952 thousand (120.681 shares), with no changes since 31 December, 2020. 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 8,359 million) changed by HUF 1,826 million, i.e. the profit for the reporting year compared to the closing value for the previous year (HUF 6,533 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 30 June, 2021 amounted to HUF 7,448 million, which was 20 per cent higher than the opening balance of the period (on 31 December, 2020, the closing figure was HUF 6,207 million).

On 1 January, 2021, the Company had long-term leasing liabilities of HUF 149 million and short-term leasing liabilities of HUF 105 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 37 million during the reporting period compared to the base period.

**4.2. Provisions**

The closing value of provisions as at 30 June, 2021 was HUF 337 million, of which HUF 40 million is long-term.

**4.3. Deferred tax liability**

On 30 June, 2021, the Company had deferred tax liabilities in the amount of HUF 146 million, which is HUF 2 million more than the amount on 31 December, 2020.

**5. SHORT-TERM LIABILITIES****5.1. Short-term credits and loans**

The total amount of short-term credits and loans of HUF 2,836 million is 14.6 per cent lower compared to the closing value at the 31 December 2020 (HUF 3,505 million). Short-term leasing liabilities amounted to HUF 105 million, no change compared to 31 December, 2020.

The net borrowing of the Rába Group was HUF 7,452 million on 30 June, 2021, an increase by HUF 1,043 million compared to the level as at 31 December, 2020.

## 5.2. Provisions

The short-term portion of provisions amounted to HUF 297 million on 30 June, 2021, which is HUF 50 million lower than the amount on 31 December, 2020.

## 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 30 June, 2021, the amount of accounts payable and other short-term liabilities was HUF 13,086 million, which is 10.8 per cent higher than the closing value as at 31 December 2020 (HUF 11,811 million). Accounts payable decreased by HUF 735 million, passive accruals decreased by HUF 447 million, and other liabilities also decreased by HUF 93 million, whereas.

## PK 5. CONSOLIDATED CASH-FLOW STATEMENT

Data in HUF thousand

	30.06.2020.	30.06.2021.
<b>Cash-flows from operating activities</b>		
Profit before taxation	-1 737 935	2 094 010
<i>Adjustment items related to items with no cash movement:</i>		
Interest income	0	0
Interest expenditure	42 514	-10 509
Depreciation and amortisation	1 151 153	1 204 414
Impairment of intangible assets, properties machines and equipment	246 606	9 263
Impairment of bad and doubtful receivables and of long term receivables	8 317	10 791
Impairment of stocks kept at net realisable value	199 573	183 000
Impairment of property for investment purpose	0	0
Scrapping of stocks	29 976	9 641
Provisions / (release)	-42 311	-50 811
Result from the sale of real estate machinery and fixtures and intangible assets	-3 322	833 080
Profit from the purchase of subsidiary and affiliated company	-15 451	-29 778
Revaluation of loans and credits at end of period	679 124	-295 188
<i>Changes in working capital:</i>		
Changes in trade and other receivables	111 959	-1 732 226
Changes in stocks	285 343	-3 195 738
Changes in accounts payable and other liabilities	-813 625	1 331 661
Taxes paid	-218 221	-169 985
Interests paid	0	-12 437
<b>Net cash flows from operating activity</b>	<b>-76 301</b>	<b>179 278</b>
<b>Cash-flows from investment activities</b>		
Purchase of real estate, machinery and fixtures, as well as of intangibles	-3 032 281	-2 646 486
Revenues from the sale of real estate, machinery and fixtures as well as intangible asses	1 021 391	1 164 822
Increase in investments	0	0
Interests received	3 556	96
<b>Net cash flows used for investment activities</b>	<b>-2 007 334</b>	<b>-1 481 568</b>
<b>Cash flows from financing activities</b>		
Loans and credits received	3 033 312	3 884 562
Loans and credits and leasing repayment	-423 431	-3 054 146
Dividend paid	0	0
<b>Net cash flows from financing activities</b>	<b>2 609 881</b>	<b>830 416</b>
<b>Net increase/decrease of cash and cash equivalents</b>	<b>526 246</b>	<b>-471 874</b>

**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, 2020, 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, 2020 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, 2020 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 11,146 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 9.210 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 <sup>1</sup>			
	Beginning of current year (01 January)			At end of term (30 June)			Begin- ning of period		End of period	
	% <sup>2</sup>	% <sup>3</sup>	pcs	% <sup>2</sup>	% <sup>3</sup>	pcs	%	pcs	%	pcs
Domestic institutional/corporate	4.34	4.38	584 606	3.91	3.95	526 806				
Foreign institutional/corporate	0.96	0.97	129 121	0.97	0.98	130 369				
Foreign private individual	0.07	0.07	8 832	0.07	0.07	9 457				
Domestic private individual	19.16	19.33	2 581 003	19.65	19.83	2 647 344				
Employees. leading officials	0.13	0.13	17 074	0.05	0.05	6 660				
Treasury shares	0.90		120 681	0.90		120 681				
Shareholder forming part of general government <sup>4</sup>	74.46	75.13	10 032 129	74.46	75.13	10 032 129				
International Development Institutions <sup>5</sup>	0.00	0.00	0	0.00	0.00	0				
Other <sup>6</sup>	0.00	0.00	0	0.00	0.00	0				
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>13 473 446</b>	<b>100.00</b>	<b>100.00</b>	<b>13 473 446</b>				

<sup>1</sup>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.

<sup>2</sup> Ownership ratio

<sup>3</sup> 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.

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

<sup>5</sup> 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
<b>Total</b>		<b>10.015.829</b>	<b>74,34</b>

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

	1 January,		31 March		30 June	
	pcs	%	pcs	%	pcs	%
At corporate level	120 681	0.9	120 681	0.9	120 681	0.9
Subsidiaries <sup>1</sup>	-	-	-	-	-	-
Grand total	120 681	0.9	120 681	0.9	120 681	0.9

<sup>1</sup> 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	18	29	31
At group level	1 289	1 173	1 235

The consolidated closing headcount as at 30 June, 2021 was 1,235. The decline in headcount is 4.2 per cent compared to the end of the base period.

**TSZ2. Managing executives, strategic employees**

Type <sup>1</sup>	Name	Position	Beginning of mandate	End/termination of mandate
BD	Béla Hetzmann	Chairman of the BD	2005	
BD	Dr. Ibolya Virág Csernák Bánóczy	Board member	2019	2021
BD	Dr. Nóra Csüllög	Board member	2020	
BD	Éva Lang-Péli	Board member	2020	
BD	János Major	Board member	2019	2021
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	Dr. Ákos Mátyás Pálvölgyi	Board member	2019	2020
SB	István Lepsényi	Chairman of the Supervisory Board	2020	
SB	Dr. Zsolt Harmath	SB member	2016	
	Dr. Sándor József Szabó	SB member	2020	
SB	Dr. Zoltán Lajos Pafféri	Chairman of the SB	2018	2020
SB	Dr. Tünde Kanta	SB member	2017	2020
SP	Béla Hetzmann	Chief Executive Officer	2021	
SP	István Pintér	Chief Executive Officer	2003	2021
SP	Zoltán Váradi	Chief Financial Officer	2021	
SP	Béla Balog	Chief Financial Officer	2004	2021
SP	Ádám Steszli	HR and Controlling Director	2014	Indefinite
SP	Attila Deák	Director, Strategic Procurement and Business Development	2019	indefinite
SP	Roland Fehér	Managing Director	2021	
SP	István Pintér	Managing Director	2004	2021
SP	László Urbányi	Managing Director	2005	indefinite
SP	János Torma	Managing Director	2005	indefinite

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

## **EVENTS AFTER THE CLOSING DATE**

Pursuant to paragraph 3. § (1) of act CVI of 2007 on state assets (hereinafter: Vtv.), MNV Zrt. (State Holding Co. Ltd.) shall exercise all ownership rights and obligations in relation to state assets, unless provided otherwise by the law or a ministerial decree.

Pursuant to paragraph 3. § (2a) of the Vtv., in order to better achieve the objectives set in 2. § of the Vtv., in terms of state assets defined in a ministerial decree and for a definite period of time, within the framework of Vtv and by setting certain rules of exercising the rights, the entity exercising all or a specific part of the rights and obligations, can be determined by the minister responsible for overseeing state assets for assets under the ownership of MNV Zrt., by appointing the central budgetary organ as per act CXCV of 2011 on the central government and the 100% state owned business entity.

The minister without portfolio responsible to oversee state assets has amended decree 1/2018. (VI.25.) NVTNM by decree 7/2021. (VI.3.) NVTNM on the amendment of decree 1/2018. (VI.25.) NVTNM on the appointment of persons exercising all of the ownership rights and obligations of the state over certain state-owned business entities, as a result of which, as from 4 June, 2021, Nemzeti Védelmi Ipari Innovációs Zártkörűen Működő Részvénytársaság (National Defense Industry Innovation Ltd.) has been appointed to exercise all of the rights and obligations of the state as owner.

uThe shares owned by the Hungarian state were transferred on 20 July 2021. from the securities account of MNV Zrt. to the securities account of Nemzeti Védelmi Ipari Innovációs Zártkörűen Működő Részvénytársaság.



***As from 1 January, 2017, Rába'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	31.12.2020	30.06.2020.	Index
Property, machinery, equipment	6 975 315	6 554 757	93.97%
Intangible assets	7 897	5 589	70.77%
Other long-term assets	1 456 850	1 456 850	100.00%
Real estate for investment	753 952	753 952	100.00%
Subsidiary investments	10 567 419	10 567 418	100.00%
Other investments	49 027	78 805	160.74%
Deferred tax receivable	17 193	15 878	92.35%
<b>Total invested assets</b>	<b>19 827 653</b>	<b>19 433 249</b>	<b>98.01%</b>
Inventories	9 679	72 552	749.58%
Trade and other receivables	332 701	730 035	219.43%
Profit tax receivables	0	0	
Cash and cash equivalents	1 836 278	1 761 926	95.95%
<b>Total current assets</b>	<b>2 178 658</b>	<b>2 564 513</b>	<b>117.71%</b>
<b>TOTAL ASSETS</b>	<b>22 006 311</b>	<b>21 997 762</b>	<b>99.96%</b>
Registered capital	13 473 446	13 473 446	100.00%
Treasury shares	-108 952	-108 952	100.00%
Retained earnings	1 618 179	2 259 137	139.61%
<b>Total equity and reserves</b>	<b>14 982 673</b>	<b>15 623 631</b>	<b>104.28%</b>
Provisions	0	0	
Long-term credits and loans	23 151	17 981	77.67%
<b>Total long-term liabilities</b>	<b>23 151</b>	<b>17 981</b>	<b>77.67%</b>
Provisions	138 247	52 500	37.98%
Short-term portion of loans and credits	0	1 691 712	
Accounts payable and other liabilities	6 862 240	4 611 938	67.21%
<b>Total short-term liabilities</b>	<b>7 000 487</b>	<b>6 356 150</b>	<b>90.80%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22 006 311</b>	<b>21 997 762</b>	<b>99.96%</b>

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

Data in HUF thousand

Description	H1 2020	H1 2021	Index	Q2 2020	Q2 2021	Index
Sales revenues	926 707	991 385	107.0%	452 120	484 697	107.2%
Direct costs of sales	201 500	235 984	117.1%	100 260	104 426	104.2%
<b>Gross profit</b>	<b>725 207</b>	<b>755 401</b>	<b>104.2%</b>	<b>351 860</b>	<b>380 271</b>	<b>108.1%</b>
Sales and marketing costs	382	184	48.2%	0	184	
General overhead costs	593 384	855 812	144.2%	287 972	562 258	195.2%
Other revenues	8 067	815 135	10104.6%	2 501	814 922	32583.8%
Other expenditures	87 227	94 734	108.6%	50 256	46 663	92.9%
<b>Other operating expenditures total</b>	<b>-672 926</b>	<b>-135 595</b>	<b>20.2%</b>	<b>-335 727</b>	<b>205 817</b>	<b>-61.3%</b>
<b>Operating profit</b>	<b>52 281</b>	<b>619 806</b>	<b>1185.5%</b>	<b>16 133</b>	<b>586 088</b>	<b>3632.9%</b>
Financial income	51 038	58 702	115.0%	5 018	42 043	837.8%
Financial expenditures	188 986	25 936	13.7%	11 205	10 638	94.9%
<b>Net financial income</b>	<b>-137 947</b>	<b>32 766</b>	<b>-23.8%</b>	<b>-6 187</b>	<b>31 405</b>	<b>-507.6%</b>
Revenue from the purchase of affiliated company	15 451	29 778	192.7%	8 633	18 242	211.3%
<b>PROFIT BEFORE TAXATION</b>	<b>-70 215</b>	<b>682 350</b>	<b>-971.8%</b>	<b>18 579</b>	<b>635 735</b>	<b>3421.8%</b>
<b>Profit Tax</b>	<b>12 627</b>	<b>41 386</b>	<b>327.8%</b>	<b>5 655</b>	<b>31 516</b>	<b>557.3%</b>
<b>PROFIT OF CURRENT YEAR</b>	<b>-82 842</b>	<b>640 964</b>	<b>-773.7%</b>	<b>12 924</b>	<b>604 219</b>	<b>4675.2%</b>
<b>TOTAL AGGREGATE PROFIT/LOSS OF CURRENT YEAR</b>	<b>-82 842</b>	<b>640 964</b>	<b>-773.7%</b>	<b>12 924</b>	<b>604 219</b>	<b>4675.2%</b>
<b>EBITDA</b>	<b>186 984</b>	<b>763 193</b>	<b>408.2%</b>	<b>85 342</b>	<b>653 213</b>	<b>765.4%</b>

**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.

As from January 2021, the following activities have been transferred from the Vehicle segment to the Axle segment: manufacturing of truck and bus chassis and the related components.

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.

	H1 2020						Q2 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	10 521 905	3 007 862	5 349 097	335 128	0	19 213 992	4 073 890	1 296 228	1 818 773	169 063	0	7 357 954
Inter-segment revenues	210 546	86 942	316 196	610 024	-1 223 709	-1	65 707	34 550	84 691	283 056	-468 005	-1
<b>Total revenue from sales</b>	<b>10 732 451</b>	<b>3 094 804</b>	<b>5 665 293</b>	<b>945 152</b>	<b>-1 223 709</b>	<b>19 213 992</b>	<b>4 139 597</b>	<b>1 330 778</b>	<b>1 903 464</b>	<b>452 119</b>	<b>-468 005</b>	<b>7 357 953</b>
<b>Direct cost of sales</b>	<b>-8 837 945</b>	<b>-2 688 074</b>	<b>-4 985 510</b>	<b>-201 500</b>	<b>901 338</b>	<b>-15 811 690</b>	<b>-3 605 141</b>	<b>-1 179 645</b>	<b>-1 866 604</b>	<b>-100 260</b>	<b>329 498</b>	<b>-6 422 151</b>
<b>GROSS PROFIT</b>	<b>1 894 506</b>	<b>406 731</b>	<b>679 784</b>	<b>743 652</b>	<b>-322 371</b>	<b>3 402 302</b>	<b>534 456</b>	<b>151 133</b>	<b>36 860</b>	<b>351 860</b>	<b>-138 507</b>	<b>935 802</b>
Sales and marketing costs	-164 564	-74 353	-70 737	-382	65 694	-244 342	-67 559	-35 153	-23 977	0	25 469	-101 221
General overhead costs	-1 969 462	-547 196	-944 273	-596 290	247 231	-3 809 990	-885 335	-222 155	-427 134	-288 167	106 531	-1 716 261
Other revenues	89 063	26 428	19 598	50 693	-9 711	176 072	40 766	13 064	7 310	2 500	-158	63 483
Other expenditures	-162 125	-307 454	-64 206	-92 484	158	-626 111	-51 039	-5 449	-55 021	-52 884	159	-164 235
<b>TOTAL OTHER OPERATING EXPENDITURES</b>	<b>-2 207 089</b>	<b>-902 575</b>	<b>-1 059 618</b>	<b>-638 463</b>	<b>303 373</b>	<b>-4 504 372</b>	<b>-963 167</b>	<b>-249 693</b>	<b>-498 823</b>	<b>-338 551</b>	<b>132 001</b>	<b>-1 918 234</b>
<b>REVENUE FROM OPERATIONS</b>	<b>-312 583</b>	<b>-495 844</b>	<b>-379 834</b>	<b>105 189</b>	<b>-18 998</b>	<b>-1 102 070</b>	<b>-428 711</b>	<b>-98 560</b>	<b>-461 963</b>	<b>13 308</b>	<b>-6 506</b>	<b>-982 432</b>
Interest income	928	9 884	2 684	11 056	-20 996	3 556	440	7 577	2 613	9 266	-18 111	1 785
Interest expenditure	-23 479	-10 609	-7 427	-21 994	20 996	-42 514	-14 285	-5 497	-3 983	-17 793	18 111	-23 446
Profit tax expenditure	-65 042	-31 279	-51 493	-15 540	0	-163 354	-24 684	-12 426	-15 967	-5 624	0	-58 702
<b>Assets</b>												
Real estate, machinery and equipment	14 707 682	1 919 426	2 379 426	7 030 476	10 533	26 047 544	1 072 415	-50 619	-80 418	-379 005	417 220	979 593
Intangible assets	64 162	32 501	10 431	10 511	0	117 605	-7 743	-2 975	-2 436	-1 392	0	-14 546
Real estate for investment	0	0	0	808 648	0	808 648	0	0	0	415 735	-417 046	-1 311
Other long-term assets	87 648	7 824	5 534	1 420 250	-1 414 417	106 839	-15 335	-1 403	-991	-2 916	0	-20 645
Inventories	4 378 533	940 212	1 844 977	8 158	-35 530	7 136 350	-584 975	-136 085	-58 563	-314	0	-779 937
Receivables	4 387 393	4 358 818	1 332 476	4 032 228	-7 743 517	6 367 398	-1 287 653	-439 223	-1 152 275	1 694 915	-553 545	-1 737 781
Cash and cash equivalent	581 940	4 221	4 901	739 695	-1	1 330 757	231 599	634	-85	-319 546	0	-87 398
<b>Liabilities</b>												
Provisions	71 393	160 127	10 290	0	3	366 264	0	-10 027	10 290	0	0	12 813
Liabilities	9 668 638	1 511 348	2 197 523	4 485 522	-7 743 516	10 119 516	-311 400	-507 745	-840 722	-1 038 550	-553 545	-3 251 962
Capital expenditures	1 948 910	170 997	268 852	1 385 937	0	3 774 696	1 318 825	-27 723	10 154	92 579	0	1 393 835
Depreciation	605 282	170 191	236 533	137 263	1 884	1 151 153	310 902	83 534	119 348	69 208	-1 054	581 938

RÁBA Plc.'s consolidated report for H1 of 2021 in accordance with the IFRS

	H1 2021						Q2 2021.					
	Axles IFRS	Vehicles IFRS	Components IFRS	General overhead	Inter-seg-ment filters	Consolidated	Axles IFRS	Vehicles IFRS	Components IFRS	General overhead	Inter-seg-ment filters	Consolidated
Revenues	15 077 554	489 398	7 746 991	393 070	0	23 707 013	7 995 268	365 401	3 792 432	177 176	0	12 330 277
Inter-segment revenues	178 567	727 152	287 304	598 316	-1 791 338	0	83 441	-3 140	152 086	307 521	-539 908	0
<b>Total revenue from sales</b>	<b>15 256 121</b>	<b>1 216 550</b>	<b>8 034 295</b>	<b>991 385</b>	<b>-1 791 338</b>	<b>23 707 013</b>	<b>8 078 709</b>	<b>362 261</b>	<b>3 944 518</b>	<b>484 697</b>	<b>-539 908</b>	<b>12 330 277</b>
<b>Direct cost of sales</b>	<b>-12 678 677</b>	<b>-1 070 281</b>	<b>-6 449 590</b>	<b>-235 984</b>	<b>1 533 194</b>	<b>-18 901 339</b>	<b>-6 725 348</b>	<b>-221 400</b>	<b>-3 132 089</b>	<b>-104 426</b>	<b>408 348</b>	<b>-9 774 915</b>
<b>GROSS PROFIT</b>	<b>2 577 444</b>	<b>146 269</b>	<b>1 584 704</b>	<b>755 401</b>	<b>-258 144</b>	<b>4 805 675</b>	<b>1 353 361</b>	<b>140 862</b>	<b>812 429</b>	<b>380 271</b>	<b>-131 559</b>	<b>2 555 363</b>
Sales and marketing costs	-211 204	-12 831	-93 199	-184	71 325	-246 093	-109 089	-7 600	-44 892	-184	37 461	-124 304
General overhead costs	-2 013 711	-28 620	-932 107	-855 812	187 095	-3 643 154	-1 028 940	-1 449	-456 645	-562 257	94 237	-1 955 054
Other revenues	457 078	24 514	34 500	815 136	-90 947	1 240 280	342 788	7 974	22 189	814 922	-90 947	1 096 927
Other expenditures	-164 529	-122 201	-62 077	-94 733	90 947	-352 594	-108 035	-73 233	-30 414	-46 663	90 947	-167 398
<b>TOTAL OTHER OPERATING EXPENDITURES</b>	<b>-1 932 366</b>	<b>-139 139</b>	<b>-1 052 884</b>	<b>-135 594</b>	<b>258 420</b>	<b>-3 001 562</b>	<b>-903 275</b>	<b>-74 309</b>	<b>-509 761</b>	<b>205 819</b>	<b>131 697</b>	<b>-1 149 829</b>
<b>REVENUE FROM OPERATIONS</b>	<b>645 078</b>	<b>7 130</b>	<b>531 821</b>	<b>619 807</b>	<b>277</b>	<b>1 804 113</b>	<b>450 085</b>	<b>66 553</b>	<b>302 668</b>	<b>586 089</b>	<b>138</b>	<b>1 405 532</b>
Interest income	1 088	8 951	1 482	7 472	-18 898	96	489	5 763	757	5 563	-12 572	0
Interest expenditure	-9 528	-8 315	-3 867	-20 044	18 898	-22 856	-243	-2 218	-2 393	-13 658	12 572	-5 941
Profit tax expenditure	-114 450	-8 657	-103 453	-41 386	0	-267 946	-71 808	-2 301	-49 729	-31 515	0	-155 353
<b>Assets</b>												
Real estate, machinery and equipment	16 524 904	125 758	2 234 777	6 554 762	20 520	25 460 722	1 384 262	-1 548 204	100 157	-371 437	138	-435 083
Intangible assets	30 895	10 852	1 373	5 589	0	48 710	-8 461	-14 446	-3 603	-1 108	0	-27 617
Real estate for investment	0	0	0	753 952	0	753 952	0	0	0	-1 000	1 000	0
Other long-term assets	36 230	4 193	1 981	1 456 850	-1 456 850	42 405	-13 441	0	-991	0	0	-14 432
Inventories	6 963 502	23 431	1 829 521	72 552	-23 356	8 865 650	1 144 666	16 823	440 953	62 873	-1 000	1 664 316
Receivables	5 236 724	4 286 981	4 219 051	730 035	-6 803 128	7 669 663	-882 941	-776 004	1 073 348	309 945	442 042	166 390
Cash and cash equivalent	920 017	10 146	139 456	1 761 926	0	2 831 545	476 582	-15 076	124 834	-314 296	1	272 045
<b>Liabilities</b>												
Provisions	66 994	91 273	125 849	52 500	3	336 619	0	0	-35 911	52 500	0	-121 657
Liabilities	11 270 643	716 231	3 469 765	4 589 070	-6 854 507	13 191 202	2 188 162	-271 370	-442 849	-2 353 853	442 042	-437 868
Capital expenditures	901 205	36 558	466 406	111 537	0	1 515 706	119 602	0	309 219	60 659	0	489 480
Depreciation	822 609	21 450	217 246	143 386	-277	1 204 414	403 174	10 538	109 225	67 125	-138	589 922

**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 half-year 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, 25 August, 2021

Béla Hetzmann  
Chairman - Chief Executive Officer

Zoltán Váradi  
Chief Financial Officer