

Report of Rába Plc. for Q1 of 2022

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

Company:	RÁBA Automotive Holding Plc.
Company address:	H-9027 Győr, Martin u. 1.
Sector:	Machine industry
Period:	Q1 of 2022
E-mail:	ir@raba.hu
Investors relations:	Éva Lang-Péli

EXECUTIVE SUMMARY

KEY ACHIEVEMENTS OF THE BUSINESS

- Supply chains disrupted because of the COVID-19 pandemic, together with the crisis on the energy market felt in Q4 of 2021 were coupled in Q1 of 2022 with yet another negative economic factor triggered by the Russian-Ukrainian military conflict, resulting in major challenges for economic actors. As a result of the turbulent economic environment, companies were faced with unprecedented price levels for almost all relevant cost elements. In consequence of the explosion in energy prices, energy purchase prices increased four-fivefold, steel raw material prices and premiums hit decade records, and labour market cost also saw double-digit growth again. What's more, in addition to the overall and significant inflationary pressures, issues such as the safety of supply, delivery accuracy, flexibility and integrity gained significance.
- In Q1 of 2022, there was still substantial business activity on the European truck and global agricultural vehicle markets, the passenger vehicle segment, however, was characterised by a substantial decline due to the disturbances in supply. Leveraging market demand, the Group achieved a 16.6 per cent increase in sales compared to the base period, the amount of sales revenue achieved was HUF 13.3 billion. Both business units with relevant production activity contributed to the outstanding sales revenue during the first quarter: the Axle business unit achieved an extraordinary increase in sales by 23.1 per cent, whereas the Automotive Components business unit achieved a 9.1 per cent increase. The sales revenue of the Vehicle business unit declined by 85.8 per cent, explained primarily 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. The integration had a fundamental impact on the figures during the base period. In terms of the exchange rate environment, in the exchange rate of the USD representing a lesser portion in the company's foreign exchange turnover, there was a considerable increase by 8.3 per cent, and in the EUR, representing a more substantial portion of FX sales, there was a moderate increase by 0.9 per cent compared to the levels of the previous year.
- The Russian-Ukrainian military conflict further exacerbated the disturbances in the supply chains, which were disrupted in certain cases. In consequence, the safety of supply became the number one factor of purchasing: the physical availability of raw materials, components and resources is of paramount importance for the production activity.

The excess demand characteristic for the commercial vehicle sector earlier and the negative effect of the disturbances in the supply chains were further exacerbated by the factor of uncertainty: delivery lead-times increased further and purchase prices considerably exceeded even earlier levels in Q1 of 2022. The inflationary environment became prevalent and was manifest for all production components and resources, exerting drastic pressures on operating activity and profitability.

The Rába Group passes on the above increased costs to its customers in accordance with the provisions of the contracts concluded and in line with individual agreements, mostly with a quarterly delay and in the case of complete products, with more long-term, fixed orders, with a longer

time delay. The considerably and continuously increasing purchase prices and the delay in passing on such costs, have led to the fact that the inflationary pressure has had a considerable negative impact on the group's profitability and margins in Q1 of 2022.

It is the Rába Group's firm objective to neutralise these negative impacts as soon as possible, through the enforcement in sales prices of the increase in purchase costs.

- In Q1 of 2022, gross margins at group level amounted to HUF 1,918 million with an efficiency of 14.5 per cent. The gross profit below that of the base period by 14.8 per cent was the net result of the drastic increase in production costs, the delay in passing on costs to our customers and the increase in sales volume.
- The balance of other revenues and expenditures amounted to HUF 242 million in profit during the review period, against the loss of HUF 42 million during the same period of the previous year.
- The operating loss of HUF 484 million generated during Q1 of 2022 at group level shows a considerable decline in profit generating capabilities. Drastically increasing raw material and energy prices, together with the substantial increase in wage costs has exerted considerable pressure on the profitability of the business units. Of the business units with relevant production activities, the Automotive Components business unit has generated profit at operating level (HUF 19 million), albeit with a significant loss in efficiency. The Axle business unit, though, the business unit with the most energy-intensive activity, has generated HUF 771 million in losses. The role and position of the Vehicle business unit within the new structure seems stable: although cyclically weak, the first quarter significantly exceeded the operating result of the base period by 53.3 per cent (HUF +32 million), although with operating losses of HUF 28 million.
- The EBITDA-level profit of the Rába Group during Q1 of 2022 shows a considerable deterioration in terms of both its efficiency and volume, amounting to HUF 137 million, a decline by HUF 876 million compared to the base period. The contribution of the business units to the Group-level results were HUF 141 million in profits by the Automotive Components business units and HUF 341 million and HUF 25 million in losses respectively, by the Axle and Vehicle business units. Re-establishing cash generation is the key focus among the current economic challenges. The Rába Group intends to secure this by passing on increased production costs to our customers, in addition to further increasing the flexibility of production, renewing production technology and consistently improving efficiency, while exercising stringent cost controls.
- The financial result in Q1 of 2022 amounted to HUF 65 million in losses, compared to the HUF 66 million in profits generated during the same period of the previous year. The financial performance was influenced by the realised exchange rate loss by HUF 47 million and the net interest burden of HUF 14 million.
- The total aggregate income and profit for Q1 of 2022 amounted to a loss of HUF 570 million.
- The financial situation of the Rába group was characterised by a stable liquidity position in spite of the challenges of the COVID-19 pandemic period and the Russian-Ukrainian military conflict. The net borrowings amounted to HUF 12.1 billion at the end of the review period, an increase by HUF 5.0 billion compared to the base period. 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 and safety of supply, capital expenditures are noteworthy. The revaluation, due to exchange rate fluctuation, of loans, worth HUF 169 million, not involving cash movements, also contributed to the increase in net borrowings.
- The shareholder's equity increased by 1.7 per cent compared to the same period of the previous year. The shareholder's equity per share reached HUF 1,530/share.

Thousand HUF	Q1 2021	Q1 2022	Change
Sales revenue	11 376 737	13 265 153	16.6%
Gross profit	2 250 311	1 917 941	-14.8%
<i>Gross margin</i>	19.8%	14.5%	-5.3%p
EBITDA	1 013 070	137 480	-86.4%
<i>EBITDA level</i>	8.9%	1.0%	-7.9%p
Operating profit	398 578	-484 154	-221.5%
Net financial profit/loss	66 185	-64 470	-197.4%
Profit after tax for the current year	363 708	-569 655	-256.6%
Total comprehensive income	363 708	-569 655	-256.6%

GOAL AND STRATEGY OF THE BUSINESS

“These lines in our accounts duly reflect the perseverance of the Rába Group, as a result of which we managed to increase sales by HUF 2 billion in Q1. The clearly negative impact of energy costs increased four-five-fold in some instances, led to the loss at the end of the first three months of the year. The key objective of our company this year is to maintain operating stability, continue the capital expenditure plan aimed at development and modernisation and to pass on the extreme energy costs caused by the explosion in energy prices. We believe that in order to strengthen our competitiveness it is essential to stick to our capital expenditure plans and continue the optimisation of production processes and the technological efficiency improvement measures started earlier”, said Béla Hetzmann, Chairman-CEO of Rába Automotive Holding Plc.

BUSINESS ENVIRONMENT OF THE ENTERPRISE

- The disrupted supply chains in the wake of the COVID-19 pandemic, together with the explosion in energy prices experienced in Q4 of 2021, were coupled by the Russian-Ukrainian military conflict in Q1 of 2022, presenting yet another significant factor exerting a negative impact on the international economic environment. Earlier supply problems were exacerbated as a result of the drastic decline in East-West supplies, and the uncertainties of the war and the sanctions have raised inflationary pressures to unprecedented levels. The military events that started on 24 February, 2022, were felt in the European passenger car industry and the Russian commercial vehicle sector in the first place, where March registration data already showed a significant decline in volume. The decline in demand has yet to be felt in the European commercial vehicle market and the global agricultural segments.
- The economy of Western Europe was characterised by substantial demand in Q1 of 2022, resulting in substantial demand for shipping and considerably increased shipping costs, due to the supply disruptions. All this lays the foundation for the expansion and renewal of commercial vehicle fleets. Parallel to the renewal of the vehicle fleets, the portfolio of used vehicles has not declined either, which has triggered substantial demand for spare parts. Consequently, in Q1 of 2022, demand activity exceeded that of the previous year on all major commercial vehicle markets of Rába.
- In Q1 of 2022, the demand of the European commercial vehicle market equalled the substantial level of the base period. Outlooks for the remainder of the year are fundamentally positive, annual demand is expected to be high, forecasts however, have become much more uncertain due to the substantial economic and political risks. The North American commercial vehicle market showed a decline of 5 per cent compared to the base period in 2021. The demand for Rába’s agricultural products is outstanding compared to the base period of 2021: the volume has more than doubled since the base period. During the last month of the quarter, the Russian truck market was already heavily impacted by the Russian-Ukrainian military conflict: most of the foreign manufacturers suspended their production activity in Russia and domestic producers cut back on production volumes considerably. Similar reactions have so far not been experienced on the Russian bus market, production volumes show a significant increase compared to the levels of the previous year. The supply chain of the European passenger vehicle market has substantial East-European exposure, so it is no surprise that there was a strong decline in volumes in reaction to the Russian-Ukrainian military conflict. In March, the number of new car registrations was

21 per cent below the level of the base period. As a result, the demand figures for Q1 are 12 per cent below the levels of the base period of a year ago.

- In light of the Russian-Ukrainian military conflict, the safety of supply has become even more important, at the expense of the importance of purchase prices. As a result, raw material purchase prices have gone up to an unprecedented extent. In Q4 of 2021 steel purchase prices were the highest of the past decade and rose even further in Q1 of 2022 by 17 per cent. Thus purchase prices over the review period on a year/year basis increased drastically, by 50.0 per cent.
- As the combined effect of the generalised inflationary pressure and the limited labour market capacities, human resource costs increased further in the first months of 2022. National average wage increased once again by more than 10 per cent, the increase of gross average wages amounted to 12.5 per cent during the review period. Finding and implementing into the production technology the improvement in operating efficiency to cover the prolonged increase of wage costs remains a major challenge for the Company.
- The energy crisis on the European market taking shape in H2 of 2021 was aggravated by the Russian-Ukrainian military conflict to unprecedented levels. Market players have had to learn that the explosion of energy prices is not a transitory phenomenon, the price pressure experienced in Q4 of 2021, further grew in Q1 of 2022. The increasing crisis of the energy market put unprecedented pressures on the operating activity and profitability of companies in Q1 of 2022. In Q1 of 2022, the increase in energy prices reached 277.3 per cent compared to the level of the previous year. The contracting terms of the Rába Group made it difficult to fix energy purchase prices so the Company manages the effects of the crisis primarily by increasing integrity and making sales prices more flexible.
- With regard to the exchange rate environment, an increase by 8.3 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, a more moderate increase by 0.9 per cent was seen in Q1 of 2022 compared to the levels of the previous year.¹

	Q1 2021	Q1 2022	Change
EURHUF – average	361.1	364.3	0.9%
EURHUF – end of period	363.7	369.6	1.6%
USDHUF – average	299.7	324.7	8.3%
USDHUF – end of period	309.7	332.1	7.2%
Changes in raw material prices*	123%	185%	50.0%
Wage level**	424.7	477.2	12.4%
Changes in energy prices***	210%	793%	277.3%

*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 01-02. 2022 data

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

SUMMARY OF RESULTS ACHIEVED DURING THE REVIEW PERIOD

Rába Axle Ltd.

The sales revenue of Rába Axle Ltd. in Q1 of 2022 amounted to HUF 8.8 billion compared to HUF 7.2 billion achieved during the base period of 2021. This corresponds to an increase of 23.1 per cent.

On the **American market** the sales revenue in the reporting period was USD 2.7 million, compared to the USD 1.0 million in Q1 of 2021. This corresponds to an increase by 170.0 per cent.

On the **EU market** Rába Axle Ltd.'s sales figures in HUF terms increased by 29.3.0 per cent, amounting to HUF 7.5 billion, compared to HUF 5.8 billion during the base period.

European exports in Q1 of 2022 exceeded the level of the base period by 27.2 per cent, amounting to EUR 15.9 million, against EUR 12.5 million in Q1 of 2021.

¹ The average exchange rates were calculated based on the official FX exchange rates of the MNB.

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

Domestic sales before consolidation amounted to HUF 1,650 million, which represents an increase by 33,4 per cent compared to the HUF 1,237 million of the base period.

On the **CIS and East-European** markets the export sales revenues achieved by Rába Axle Ltd. in Q1 of 2022 were 50.0 per cent lower than the base period in 2021, decreasing from EUR 0.4 million in the base period to EUR 0.2 million.

In the **other** markets the sales revenue during the reporting period amounted to EUR 1.2 million, which was 55.6 per cent lower than the EUR 2.7 million turnover of the 2021 base period.

The operating result of the Company in Q1 of 2022 was a loss of HUF 771 million, compared to HUF 195 million profit during the same period of the previous year.

At EBITDA level, the operating loss of the Axle business unit was HUF 341 million compared to profits of HUF 614 million registered a year earlier.

million HUF	Q1 2021	Q1 2022	Change
America	305	866	183.9%
EU - export	4 531	5 803	28.1%
EU - domestic	1 237	1 650	33.4%
CIS	146	67	-54.1%
Other	959	451	-53.0%
Total sales revenue	7 177	8 837	23.1%
EBITDA	614	-341	-155.5%
Operating profit	195	-771	-495.4%

Rába Automotive Components Ltd.

The sales revenue of Rába Automotive Components Ltd. amounted to HUF 4.5 billion in Q1 of 2022, which is a 9.1 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 Q1 of 2022 amounted to EUR 6.5 million, which represents an increase of 27.5 per cent compared to the EUR 5.1 million of the base period of 2021.

Domestic sales before consolidation amounted to HUF 2,098 million during the reporting period, which corresponds to a decrease by 6.8 per cent compared to the sales revenue of HUF 2,252 million during Q1 of 2021.

The Company generated a profit of HUF 19 million at operating level during the reporting period compared to the profit of HUF 229 million in Q1 of 2021.

On the level of EBITDA, the profit of the Automotive Components business unit was HUF 141 million during the period, compared to the profit of HUF 337 million of the previous year.

million HUF	Q1 2021	Q1 2022	Change
EU - export	1 835	2 362	28.7%
EU – domestic	2 252	2 098	-6.8%
Other	2	4	100.0%
Total sales revenue	4 090	4 464	9.1%
EBITDA	337	141	-58.2%
Operating profit	229	19	-91.7%

Rába Vehicle Ltd.

The sales revenue of Rába Vehicle Ltd. in Q1 of 2022 was 85.8 per cent below the figure of the base period and decreased from HUF 855 million to HUF 121 million.

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 unit into the activities of the Axle business unit as part of the crisis management measures implemented in 2020. As a result of this, the sales revenue of the Vehicle Business unit during the base period also included revenues related to the integration in the amount of HUF 720 million.

European exports were not made in Q1 of 2022.

Domestic sales before consolidation amounted to HUF 121 million in Q1 of 2022, upon a decrease by 85.8 per cent.

The operating result amounted to a loss of HUF 28 million in during the reporting period compared to the loss of HUF 60 million during the base period last year.

On the level of EBITDA, in the reporting period, the Vehicle Business unit registered a loss of HUF 25 million compared to the profit of HUF 49 million in Q1 of 2021.

million HUF	Q1 2021	Q1 2022	Change
EU - export	0	0	0.0%
EU - domestic	855	121	-85.8%
Total sales revenue	855	121	-85.8%
EBITDA	-49	-25	49.0%
Operating profit	-60	-28	53.3%

The Rába Group

The consolidated sales revenue of the Rába Group in Q1 of 2022 amounted to HUF 13.3 billion, which is an increase by 16.6 per cent compared to the figure of HUF 11.4 billion reported for the base period of Q1 of 2021.

The operating result of the group during the current period amounted to HUF 484 million in losses, compared to HUF 339 million in profits during the same period a year earlier.

During the reporting period, the financial result was a loss of HUF 64 million, which includes, among others, a net interest payment of HUF 14 million, as well as exchange rate losses of HUF 47 million.

Profits from the purchase of investment amounted to HUF 55.6 million during Q1 of 2022, which includes the adjustment for the 24.9 per cent share in Rekard.

Based on the above, the Rába Group generated net losses of HUF 570 million in Q1 of 2022, compared to the profit of HUF 364 million during the same period of the previous year.

On the level of EBITDA, the group registered profits of HUF 137 million in Q1 of 2022, against last year's figure of HUF 1,013 million.

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

Sales revenue by business unit

Sales revenue (HUF million)	Axle	Components	Vehicles	Rába Group consolidated
2021 Q1	7 177	4 090	854	11 377
2021 Q2	8 079	3 945	362	12 330
2021 Q3	6 075	3 175	286	9 520
2021 Q4	9 208	3 378	775	13 209
2022 Q1	8 837	4 464	121	13 265

Breakdown of the sales revenues for Q1 of 2022

HUF million	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	866	7 453	5 803	1 650	67	451	8 837
Components	0	4 460	2 362	2 098	4	0	4 464
Vehicle	0	121	0	121	0	0	121
Consolidated	866	11 878	8 167	3 710	71	451	13 265

Operating profit of group companies

	Operating profit					
	2021					2022
	Q1	Q2	Q3	Q4	Year	Q1
Axle	195	450	-295	145	495	-771
Component	229	303	-148	223	607	19
Vehicle	-60	67	45	217	269	-28
Other	35	585	20	-19	621	296
Total	399	1 405	-378	566	1 992	-484

PK2. Companies involved in the consolidation

Company	Share/Issue capital in HUF thousand	Ownership ratio (%)	Voting ratio ¹	Classification ²
Rába Axle Ltd.	9 765 800	100,00	100,00	S
Rába Automotive Components Ltd.	300 000	100,00	100,00	S
Rába Vehicle Ltd.	835 100	100,00	100,00	S

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 2021	Q1 2022	Change
Domestic sales revenues	3 598 612	3 710 468	103.1%
Export sales revenues	7 778 124	9 554 685	122.8%
Revenues	11 376 736	13 265 153	116.6%
Direct cost of sales	9 126 426	11 347 212	124.3%
Gross profit	2 250 310	1 917 941	85.2%
Cost of sales and marketing	121 789	110 349	90.6%
General and administration expenses	1 688 101	2 533 941	150.1%
Other revenues	143 353	450 003	313.9%
Other expenditures	185 195	207 808	112.2%
Total other operating expenses	-1 851 732	-2 402 095	129.7%
Revenue from operations	398 578	-484 154	-121.5%
Financial revenues	96 228	270	0.3%
Financial expenditures	30 043	64 740	215.5%
Net financial profit/loss	66 185	-64 470	97.4%
Profit from the purchase of subsidiary company	0	0	
Profit from the purchase of affiliated company	11 536	55 625	482.2%
PROFIT FROM THE PURCHASE OF INVESTMENT	11 536	55 625	482.2%
PROFIT BEFORE TAXATION	476 299	-492 998	-103.5%
Profit tax	112 592	76 657	68.1%
AFTER TAX PROFIT OF CURRENT YEAR	363 708	-569 655	-156.6%
Basic value of profit per share (HUF)	27	-42	
Diluted value of profit per share (HUF)	27	-42	

1. EARNED REVENUES

During Q1 of 2022, Rába generated HUF 13.265 million in sales revenue, compared to HUF 11,377 million during the same period of the previous year, which is a change of 16.6 per cent. 72 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 2022, the direct cost level of Rába was 85.5 per cent compared to 80.2 % during the base period. The amount of direct costs was HUF 11,347 million, 24.3 per cent higher than during the base period (Q1 of 2021: HUF 9,126 million).

Gross profit

The gross profit changed from HUF 2,250 million in the base period to HUF 1,917 million (HUF -333 million), which is due to the increase in sales revenues by HUF 1,888 million and by 2,221 million in direct expenses.

2.2. Cost of sales

The cost of sales decreased by 9.4 per cent and amounted to HUF 110 million during Q1 of 2022, compared to HUF 122 million in Q1 of 2021.

2.3. General overhead and administrative expenses

Rába accounts under general overhead and administrative expenses (Q1 of 2022: HUF 2,534 million, Q1 of 2021: 1,688 million) for its costs incurred in relation to the administration of the company (Q1 of 2022: HUF 1,257 million) and other general costs (Q1 of 2022: HUF 1,277 million).

2.4. Other revenues and expenditures

The balance of other revenues and expenditures amounted to a profit of HUF 242 million in Q1 of 2022 compared to HUF 42 million in losses during the same period of last year.

Most of the profit was generated through the sale of real estate via public auction during Q1 of 2022.

3. OPERATING PROFIT

The operating profit of the Company during Q1 of 2022 was HUF -484 million (Q1 of 2021: HUF 399 million). The decrease in gross profit (HUF -333 million) was deteriorated by the combined change in sales and general overhead costs (HUF -834 million) and is improved by the change in the balance of other revenues and expenditures (HUF 284 million). Profitability changed from 3.5 per cent during the base period to -3,6 per cent. The profitability of operating profit + depreciation changed from 8.9 per cent during the base period to 1 per cent.

4. FINANCIAL REVENUES AND EXPENDITURES

During Q1 of 2022, the net financial result was a loss of HUF 65 million, compared to the profit of HUF 66 million during the base period.

The net result of interest incomes and expenses was HUF -14 million during Q1 of 2022 (against HUF -17 million during the base period).

The net exchange rate difference of FX items during Q1 of 2022 was HUF -47 million (HUF 87 million in the base period).

Financial revenues and expenditures consisted of the following principal items:

in thousand HUF	Q1 of 2021	Q1 of 2022
Interest income	96	270
Exchange rate gains	96 132	0
Other financial revenues	0	0
Financial revenues	96 228	270
Interest payable	16 915	14 498
Exchange rate loss	8 737	47 011
Other financial expenditures	4 391	3 231
Financial expenditures	30 043	64 740

5. EARNINGS IN THE CURRENT YEAR

The earnings before taxation during Q1 of 2022 amounted to a loss of HUF 493 million, which, because of the factors outlined in sections 1-4. is HUF 969 million less than the figure for Q1 of 2021. The profitability ratio represents a -3,72 per cent return on sales on the basis of profit before taxation, against the level of 4.19 per cent during the base period.

The Group has HUF 77 million in tax liability during the review period. Within that, the corporate tax liability was HUF 15 million, the local business tax liability was HUF 54 million, the innovation supplement amounted to HUF 9 million, and the deferred tax expenditure in the reporting period was HUF -1 million.

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

Currency*	HUF	X	EUR	
Unit*	1.000	X	1.000.000	

*Currency and unit indicated with X.

Description of item	31.12.2021	31.03.2022	Index
Real estate. machines. equipment	25 417 345	24 895 457	97.9%
Intangible assets	41 320	31 608	76.5%
Other long-term assets	631	631	100.1%
Property for investment purposes	748 431	742 405	99.2%
Other investments	48 864	104 489	213.8%
Deferred tax receivables	27 939	27 945	100.0%
Total invested assets	26 284 530	25 802 536	98.2%
Inventories	9 942 314	12 069 317	121.4%
Trade receivables and other receivables	6 315 742	7 858 895	124.4%
Profit tax receivable	0	45 904	0%
Other non-financial assets and receivables	1 367 306	2 268 323	165.9%
Liquid assets, bank account	1 246 499	919 513	73.8%
Total current assets	18 871 861	23 161 951	122.7%
Total assets	45 156 391	48 964 487	108.4%
Registered capital	13 473 446	13 473 446	100.0%
Treasury shares	-108 952	-108 952	100.0%
Retained earnings	7 815 829	7 246 174	92.7%
Total equity and reserves	21 180 323	20 610 668	97.3%
Long-term credits and loans	8 253 300	8 267 168	100.2%
Provisions	0	0	100.0%
Deferred tax liability	226 278	225 448	99.6%
Leasing liabilities	36 840	30 666	83.2%
Other long-term liabilities	3 164 833	3 097 528	97.9%
Total long-term liabilities	11 681 252	11 620 809	99.5%
Provisions	390 262	390 262	100.0%
Profit tax liability	37 654	0	0.0%
Leasing liabilities	123 262	98 083	79.6%
Short-term portion of loans and credits	2 127 900	4 772 265	224.3%
Accounts payable and other payables	7 087 006	8 462 145	119.4%
Other non-financial liabilities	2 528 732	3 010 255	119.0%
Total short-term liabilities	12 294 816	16 733 010	136.1%
Total equity and liabilities	45 156 391	48 964 487	108.4%

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 25,417 million on 31 December, 2021 to HUF 24,895 million. This represents a decrease by

2.1 per cent. The depreciation of fixed assets was HUF 622 million in Q1 of 2022.

In line with the provisions of the IFRS 16 Standard, on 1 January, 2022, the Company identified assets, forklifts and passenger vehicles in the amount of HUF 369 million, where the lessor let use of the assets to Rába. The value of purchases during the review period amounted to HUF 7 million. During the reporting period, the depreciation of these assets amounted to HUF 20 million.

1.2. Intangible assets

The net value of intangible assets changed from HUF 41 million to HUF 32 million. This represents a decline by 23.5 per cent. The amount of depreciation accounted during the period was HUF 10 million.

1.3. Other long-term assets

This balance sheet line shows employee loans beyond one year, amounting to HUF 0.6 million, during both the current year and the base period.

1.4. Property for investment purposes

The book value of real estate for investment purposes at 31. December, 2021 was HUF 742 million, a decline by 0.8 per cent since the base period.

1.5. 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 28 million on 31 March, 2022, representing a marginal change compared to the base period

2. CURRENT ASSETS

2.1. Inventories

On 31 March, 2022, the closing value of stocks was HUF 12,069 million (31 December, 2021: HUF 9,942 million). The change is an increase by HUF 2,127 million. The components of the change are: an increase in materials and goods by HUF 1,445 million and an increase in unfinished, semi-finished and finished goods by HUF 682 million.

2.2. Accounts receivable and other receivables

The receivables line has been split into trade receivable and other receivables and other non-financial assets and receivables. The closing figure of trade receivables as at 31 March 2022 was HUF 7,859 million, an increase by HUF 1,543 million compared to the 31 December, 2021 figure (closing figure for 31 December, 2021: HUF 6,316 million). Other non-financial assets and receivables amounted to HUF 2,268 million on 31 March, 2022, HUF 901 million more than on 31 December, 2021 (31 December, 2021.: HUF 1,367 million). Within other non-financial assets and receivables, advances paid for investment and inventories increased by HUF 11 million and other receivables increased by HUF 890 million.

2.3. Profit tax receivables

At the end of the quarter, the Group had profit tax receivables amounting to HUF 46 million. Whereas during the base period there was no profit tax receivable.

2.4. Liquid assets

The closing figure of liquid assets on 31 March, 2022 was HUF 920 million, HUF 326 million less than on 31 December, 2021 (HUF 1,246 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, 2021	13 473 446	-108 952	0	6 532 641	0	19 897 135
Profit for current year				1 283 188		1 283 188
Dividend payment				0		0
Balance as at 01 January, 2022.	13 473 446	-108 952	0	7 815 829	0	21 180 323
Profit for current year					-569 655	-569 655
Balance as at 31 March, 2022	13 473 446	-108 952	0	7 815 829	-569 655	20 610 668

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, 2022, the share capital of the Company was HUF 13.473 million.

3.2. Treasury shares

On 31 March, 2022, the value of treasury shares was HUF 108.952 thousand (120.681 shares), with no changes since 31 December, 2021. 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 7,246 million) changed by HUF 570 million, i.e. the profit for the reporting year compared to the closing value for the previous year (HUF 7,816 million).

4. LONG-TERM LIABILITIES**4.1. Long-term credits and loans, leasing liabilities**

The closing value of long-term credits and loans as at 31 March, 2022 amounted to HUF 8,267 million, which was 0.2 per cent higher than the opening balance of the period (on 31. December, 2021, the closing figure was HUF 8,253 million).

On 1 January, 2022, the Company had long-term leasing liabilities of HUF 37 million and short-term leasing liabilities of HUF 123 million in the context of the leasing contracts identified in line with the provisions of the new IFRS 16 leasing standard. Leasing liabilities declined by HUF 31 million during the reporting period compared to the base period.

4.2. Provisions

The closing value of provisions as at 31 March, 2022, was HUF 390 million in short-term liabilities.

4.3. Deferred tax liability

On 31 March, 2022, the Company had deferred tax liabilities in the amount of HUF 225 million, which is HUF 1 million less than the amount on 31 December, 2021.

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

The total amount of short-term credits and loans of HUF 4,772 million is 124.3 per cent higher compared to the closing value at the 31 December 2021 (HUF 2,127 million). Short-term leasing liabilities amounted to HUF 98 million, a decline by HUF 25 million compared to 31 December, 2021.

The net borrowing of the Rába Group was HUF 12,120 million on 31. March, 2022, an increase by HUF 2,985 million compared to the level as at 31. December, 2021.

5.2. Provisions

The short-term portion of provisions amounted to HUF 390 million on 31 March, 2022, which is unchanged compared to the amount on 31 December, 2021.

5.3. Profit tax liability

At the end of Q1 of 2022, the Group had profit tax receivables.

On 31 December, 2021, the profit tax liability amounted to HUF 42 million, of which the local trade tax receivable represented HUF 7 million, the corporate tax liability was HUF 41 million and the innovation charge liability was HUF 8 million.

5.4. Accounts payable and other short-term liabilities

The accounts payable balance sheet line has been split into trade and other liabilities and other non-financial liabilities. On 31 March, 2022, the amount of trade and other short-term liabilities amounted to HUF 8,462 million, which is 19.4 per cent higher than the closing value as at 31 December 2021 (HUF 7,087 million).

The amount of other non-financial liabilities on 31 March, 2022 was HUF 3,010 million, which is 19 per cent higher than the closing value as at 31 December, 2021 (HUF 2,529 million).

Accounts payable increased by HUF 1,128 million, passive accruals also increased by HUF 329 million and other liabilities also increased by HUF 400 million.

PK 5. CONSOLIDATED CASH-FLOW STATEMENT

Data in HUF thousand

	31. December, 2021	31. March, 2022
Cash-flows from operating activities		
Profit before taxation	1 783 341	-492 998
<i>Adjustment items related to items with no cash movement:</i>		
Impact of revaluation of FX items	-57 596	42 067
Interest income	-2 153	0
Interest expenditure	30 701	-21 458
Depreciation and amortisation	2 399 738	621 634
Impairment of intangible assets. properties machines and equipment	38 760	2 658
Impairment of bad and doubtful receivables and of long term receivables	48 615	33 017
Impairment of stocks kept at net realisable value	273 396	69 000
Impairment of property for investment purpose	0	0
Scrapping of stocks	155 834	5 866
Provisions / (release)	2 832	0
Result from the sale of real estate machinery and fixtures and intangible assets	-823 026	-342 164
Profit from the purchase of subsidiary and affiliated company	163	-55 625
Revaluation of loans and credits at end of period	197 222	1 297
<i>Changes in working capital:</i>		
Changes in trade and other receivables	-1 783 435	-2 488 868
Changes in stocks	-4 508 322	-2 195 843
Changes in accounts payable and other liabilities	1 110 453	1 736 145
Taxes paid	-307 893	-123 999
Interests paid	-40 192	- 6 961
Net cash flows from operating activity	-1 482 231	-3 202 310
Cash-flows from investment activities		
Purchase of real estate, machinery and fixtures. as well as of intangibles	-4 051 495	-132 238
Revenues from the sale of real estate, machinery and fixtures as well as intangible asses	3 057 404	381 710
Increase in investments	0	0
Interests received	2 153	270
Net cash flows used for investment activities	-991 938	249 742
Cash flows from financing activities		
Loans and credits received	6 765 000	2 896 786
Loans and credits and leasing repayment	-6 405 348	-271 204
Dividend paid	0	0
Net cash flows from financing activities	359 652	2 625 582
Net increase/decrease of cash and cash equivalents	-2 114 517	-326 986

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, 2021, 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 an unaudited report. Rába Plc. published its statutory accounts for the year ended 31 December, 2021 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, 2021 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 13,039 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 11,043 million.

The amount of bank guarantees issued on behalf of the Rába Group is HUF 3,089 million.

RS1. Ownership structure. ratio of participation

Description of ownership	Total equity						Series listed ¹			
	Beginning of current year (01 January)			End of term (31 March)			Begin-ning of period		End of period	
	% ²	% ³	pcs	% ²	% ³	pcs	%	pcs	%	pcs
Domestic institutional/corporate	23,32	23,53	3 142 063	23,44	23,65	3 158 050				
Foreign institutional/corporate	0,95	0,96	127 806	0,92	0,93	124 209				
Foreign private individual	0,06	0,06	7 499	0,06	0,06	7 499				
Domestic private individual	20,27	20,45	2 730 422	20,19	20,37	2 719 696				
Employees. leading officials	0,06	0,06	7 535	0,04	0,04	5 871				
Treasury shares	0,90		120 681	0,90		120 681				
Shareholder forming part of general government ⁴	54,46	54,95	7 337 440	54,46	54,95	7 337 440				
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 (%)
Nemzeti Védelmi Ipari Innovációs Zrt. (National Defence Industry Innovation Ltd.)	no	7 321 140	54.34
Foundation for Széchenyi István University	no	2 694 689	20.00
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 ¹	-	-	-	-
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	32	34	35
At group level	1 190	1 311	1 231

The consolidated closing headcount as at 31 December, 2022 was 1,231. The increase in headcount is 3.4 per cent compared to the end of the base period.

TSZ2. Managing executives. strategic employees

Type ¹	Company	Position	Beginning of mandate	End/termi- nation
BD	Béla Hetzmann	Chairman of the Board	2020	
BD	Dr. Ibolya Virág Csernák Bánóczy	Board member	2019	2021
BD	Dr. Nóra Csüllög	Board member	2020	
BD	Dr. Károly Szász	Board member	2021	
BD	László Jakab	Board member	2021	
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	
SB	István Lepsényi	Chairman of the Supervisory Board	2020	
SB	Dr. Zsolt Harmath	Supervisory Board member	2016	
SB	Dr. Sándor József Szabó	Supervisory Board member	2020	
SP	Béla Hetzmann	Chief Executive Officer	2021	
SP	István Pintér	Chief Executive Officer	2003	2021
SP	Éva Lang-Péli	Chief Financial Officer	2021	
SP	Zoltán Váradi	Chief Financial Officer	2021	2021
SP	Béla Balog	Chief Financial Officer	2004	2021
SP	Roland Fehér	Technical Director	2021	
SP	Roland Fehér	Managing Director	2021	
SP	István Pintér	Managing Director	2004	2021
SP	László Urbányi	Managing Director	2005	
SP	János Torma	Managing Director	2005	

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

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

RÁBA PLC. (INDIVIDUAL) BALANCE SHEET (IFRS)

Data in HUF thousand

Description of item	31. December, 2021	31 March, 2022	Index
Property. machinery. equipment	6 559 402	6 530 778	99.56%
Intangible assets	3 452	3 073	89.02%
Other long-term assets	1 293 914	1 293 914	100.00%
Real estate for investment	748 432	742 406	99.19%
Subsidiary investments	10 567 419	10 567 419	100.00%
Other investments	48 864	104 489	213.84%
Deferred tax receivable	27 939	27 946	100.03%
Total invested assets	19 249 422	19 270 025	100.11%
Inventories	9 850	67 151	681.74%
Trade and other receivables	1 378 681	3 641 995	264.17%
Profit tax receivables	0	0	
Cash and cash equivalents	928 753	672 327	72.39%
Total current assets	2 317 284	4 381 473	189.08%
TOTAL ASSETS	21 566 706	23 651 498	109.67%
Registered capital	13 473 446	13 473 446	100.00%
Treasury shares	-108 952	-108 952	100.00%
Retained earnings	1 966 506	2 291 164	116.51%
Total equity and reserves	15 331 000	15 655 658	102.12%
Provisions	0	0	
Long-term credits and loans and leases	2 393	7 335	306.52%
Total long-term liabilities	2 393	7 335	306.52%
Provisions	166 858	166 858	100.00%
Short-term portion of loans and credits	0	1 262 848	
Accounts payable and other liabilities	6 066 455	6 558 799	108.12%
Total short-term liabilities	6 233 313	7 988 505	128.16%
TOTAL EQUITY AND LIABILITIES	21 566 706	23 651 498	109.67%

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

Data in HUF thousand

Description	Q1 2021	Q1 2022	Index
Sales revenues	506 688	523 089	103.2%
Direct costs of sales	131 558	123 710	94.0%
Gross profit	375 130	399 379	106.5%
Sales and marketing costs	0	144	
General overhead costs	293 554	371 613	126.6%
Other revenues	214	342 320	159.9%
Other expenditures	48 070	74 613	155.2%
Other operating expenditures total	-341 410	-104 050	30.5%
Operating profit	33 720	295 329	875.8%
Financial income	16 659	48 944	293.8%
Financial expenditures	15 298	53 167	347.5%
Net financial income	1 361	-4 223	-310.3%
Revenue from the purchase of affiliated company	11 536	55 625	482.2%
PROFIT BEFORE TAXATION	46 617	346 731	743.8%
Profit Tax	9 871	22 071	223.6%
PROFIT OF CURRENT YEAR	36 746	324 660	883.5%
TOTAL AGGREGATE PROFIT/LOSS OF CURRENT YEAR	36 746	324 660	883.5%
EBITDA	109 980	362 390	329.5%

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.

	Q1 2021					
	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated
Revenues	7 082 286	123 997	3 954 559	215 894	0	11 376 736
Inter-segment revenues	95 126	730 291	135 218	290 794	-1 251 431	0
Total revenue from sales	7 177 413	854 289	4 089 777	506 688	-1 251 431	11 376 736
Direct cost of sales	-5 953 329	-848 883	-3 317 502	-131 558	1 124 846	-9 126 426
GROSS PROFIT	1 224 084	5 407	772 275	375 130	-126 585	2 250 311
Sales and marketing costs	-102 115	-5 231	-48 307	0	33 864	-121 789
General overhead costs	-984 773	-27 170	-475 462	-293 554	92 858	-1 688 101
Other revenues	114 289	16 540	12 311	213	0	143 353
Other expenditures	-56 494	-48 968	-31 662	-48 071	0	-185 195
TOTAL OTHER OPERATING EXPENDITURES	-1 029 090	-64 830	-543 123	-341 412	126 723	-1 851 732
REVENUE FROM OPERATIONS	194 993	-59 422	229 151	33 718	138	398 580
Interest income	599	3 189	725	1 909	-6 326	96
Interest expenditure	-9 284	-6 097	-1 473	-6 386	6 326	-16 915
Profit tax expenditure	-42 641	-6 356	-53 725	-9 870	0	-112 592
Assets						
Real estate, machinery and equipment	15 140 642	1 673 962	2 134 624	6 926 195	20 382	25 895 805
Intangible assets	39 356	25 298	4 976	6 697	0	76 327
Real estate for investment	0	0	0	754 952	-1 000	753 952
Other long-term assets	49 671	4 193	2 973	1 456 850	-1 456 850	56 837
Inventories	5 818 835	6 613	1 388 568	9 679	-22 356	7 201 339
Receivables	6 119 664	5 065 307	3 145 703	420 091	-7 245 170	7 505 595
Cash and cash equivalent	443 435	25 222	14 622	2 076 221	0	2 559 501
Liabilities						
Provisions	66 994	91 280	161 759	138 247	0	458 280
Liabilities	9 079 855	987 600	3 912 614	6 944 894	-7 296 549	13 628 414
Capital expenditures	781 603	36 558	157 187	50 878	0	1 026 223
Depreciation	419 435	10 912	108 022	76 262	-138	614 492

	Q1 2022					
	Axle IFRS	Vehicle IFRS	Components IFRS	General overhead	Inter-segment filters	Consolidated
Revenues	8 717 337	120 522	4 250 157	177 137	0	13 265 153
Inter-segment revenues	119 608	0	213 359	345 952	-678 919	0
Total revenue from sales	8 836 945	120 522	4 463 516	523 089	-678 919	13 265 153
Direct cost of sales	-7 967 241	-98 583	-3 680 912	-123 710	523 234	-11 347 212
GROSS PROFIT	869 704	21 939	782 604	399 379	-155 683	1 917 941
Sales and marketing costs	-97 031	-3 619	-49 192	-144	39 637	-110 349
General overhead costs	-1 538 370	-43 655	-696 487	-371 613	116 185	-2 533 941
Other revenues	95 784	0	11 936	342 320	-37	450 003
Other expenditures	-101 056	-2 291	-29 884	-74 613	37	-207 808
TOTAL OTHER OPERATING EXPENDITURES	-1 640 674	-49 566	-763 627	-104 050	155 822	-2 402 095
REVENUE FROM OPERATIONS	-770 970	-27 628	18 977	295 329	138	-484 154
Interest income	186	1 279	296	3 591	0	270
Interest expenditure	-12 728	-194	-2 621	-4 036	0	-14 498
Profit tax expenditure	-20 955	-312	-33 319	-22 071	0	-76 657
Assets						
Real estate, machinery and equipment	16 018 382	26 805	2 298 556	6 530 778	20 935	24 895 457
Intangible assets	25 278	1 657	1 600	3 073	0	31 608
Real estate for investment	0	0	0	742 406	0	742 406
Other long-term assets	619	0	11	1 293 914	-1 293 914	631
Inventories	9 252 852	340 365	2 408 942	67 151	6	12 069 317
Receivables	7 583 414	4 435 597	3 975 244	3 641 995	-9 509 032	10 127 218
Cash and cash equivalent	204 966	20 009	22 210	672 327	0	919 512
Liabilities						
Provisions	43 500	50 843	129 059	166 858	3	390 262
Liabilities	10 286 478	879 279	3 475 035	6 558 799	-9 629 108	11 570 483
Capital expenditures	131 862	49	13 682	80 542	0	226 135
Depreciation	430 217	2 645	121 849	67 061	-138	621 634

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, 18 May, 2022

Béla Hetzmann
Chairman-CEO

Éva Lang-Péli
Chief Financial Officer