

Report of RÁBA Plc. for Q1-Q3 of 2022

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

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Sector:	Machine industry
Period:	Q1-Q3 of 2022
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EXECUTIVE SUMMARY

KEY ACHIEVEMENTS OF THE BUSINESS

- Due to the prolonged military conflict between Russia and the Ukraine, the earlier thought that the economic environment will be uncertain and European production costs will increase drastically in the long run seems to be substantiated. In Q3 of 2022 the price of energy and labour costs have reached unprecedented levels, which has put record pressure on the profitability of operation. In the automotive industry, the military conflict's negative impact was most palpable in the European passenger vehicle segments. In the European commercial vehicle and the global agricultural vehicle segments the decline in demand has not been felt so far in Q1-Q3 of 2022. Accordingly, in Q1-Q3 of 2022, the demand on all major commercial vehicle markets of Rába exceeded the levels of the previous year.
- Relying on the market demand and on the exchange rate environment conducive to exports, the Rába group generated outstanding sales results in Q3 and in Q1-Q3 of 2022. In Q3, all business units involved in production registered a sales increase exceeding 50 per cent, as a result of which the quarterly sales revenue at group level reached HUF 15.8 billion, upon an increase by 66.4 per cent. As from Q3 of 2022, the portfolio of the Rába group has been expanded, Rekard Llc. will operate as a wholly-owned subsidiary of Rába, included in the Rába group consolidation. Owing to the extraordinary increase in sales revenue during Q2 and to the expanded portfolio, the group-level sales revenue in Q1-Q3 of 2022 amounted to HUF 45.8 billion, which exceeds the level of the base period of a year earlier by 38.0 per cent. 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 25.5 per cent, and in the EUR, representing a more substantial portion of FX sales, there was a moderate increase by 8.0 per cent compared to the levels of the previous year.
- In Q3 of 2022, energy prices and labour costs increased further reaching record levels, whereas steel purchase prices after a minor decline still exceeded the level of the base period considerably. Clearly, inflation has become a general feature putting drastic pressure on the 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-Q3 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-Q3 of 2022, gross margins at group level amounted to HUF 7,832 million, an increase by HUF 1,732 million, 28.4 per cent, as the combined result of the flexible adjustment in production and sales, the expanded portfolio and due to the drastic increase in production costs. In Q3, the gross margin exceeded the level of the base period by HUF 1,224 million and amounted to HUF 2,519 million. The additional profit resulting from the expanded portfolio amounted to HUF 255

million.

- The balance of other revenues and expenditures amounted to HUF 405 million in profit during the review period, against the profit of HUF 850 million during the same period of the previous year. The revenue of other activities during the base period included a substantial real estate transaction, with an impact of HUF 815 million on the profit.
- In Q3 characterised by low profitability due to the summer closures, the group of companies managed to generate operating profit amounting to HUF 335 million, which is HUF 714 million higher than the profit of the previous year. All subsidiaries contributed to the operating revenues of Q3, with a profit exceeding that of the base period: the Component Business Unit generated HUF 289 million with an increase by HUF 437 million, the Vehicle Business Unit generated HUF 73 million in operating profits upon an increase by HUF 28 million and the Axle Business Unit generated HUF 146 million in losses, with an increase by HUF 149 million. Following the loss-making Q1 burdened by considerable excess communal energy costs, the confident performance in Q2 and Q3 has ensured the profit at operating level in Q1-Q3 of 2022: the revenue from operations at group-level amounted to HUF 1,085 million. The additional operating profit resulting from the expanded portfolio due to Re kard Llc., amounted to HUF 118 million.
- All organisational units of the Rába group make substantial efforts to regain the cash generating capabilities compromised by the record-high level of production costs. Key measures, in addition to passing on to customers of the inflationary effects, include further increase of production flexibility, the renewal of production technology and the consistent improvement of efficiency in addition to stringent cost control. The EBITDA-level profit of the Rába group during Q3 of 2022 amounted to HUF 1,005 million, exceeding the level of the previous year by HUF 790 million. All business units with production activities contributed EBITDA-level results exceeding the base period to the group-level result. The contribution of the Component Business Unit was HUF 371 million, of the Axle Business Unit it was HUF 320 million, whereas of the Vehicle Business Unit it was HUF 75 million at EBITDA level in Q3. Through such improving cash generating capabilities the group-level EBITDA for the cumulative period of Q1-Q3 of 2022 amounted to HUF 2,996 million. The additional EBITDA resulting from the expanded portfolio due to Re kard Llc., amounted to HUF 167 million.
- The financial result of the review period was fundamentally impacted by the revaluation of loans involving no cash movement. In Q1-Q3 of 2022, the result of financial operations amounted to HUF 1,693 million in losses, compared to the HUF 45 million in profits generated during the same period of the previous year. The amount of non-realised loss due to the revaluation of loans was HUF 1,671 million. Additionally, the financial result also includes a net interest burden of HUF 85 million.
- The total aggregate income and profit for Q1-Q3 of 2022 amounted to a loss of HUF 815 million.
- The financial situation of the Rába group was characterised by a stable liquidity position in spite of the uncertainties caused by the Russian-Ukrainian military conflict. The net borrowings amounted to HUF 15.5 billion at the end of the review period, an increase by HUF 5.4 billion compared to the base period. Of the factors influencing the level of net borrowings, the operating profit since the base period, and the increase in working capital (increased stock level) because of increasing production volumes and the safety of supply, and capital expenditures aimed at technological development and efficiency improvement are noteworthy. The revaluation, due to exchange rate fluctuation, of loans, worth HUF 1,671 million, not involving cash movements, also contributed to the increase in net borrowings.
- The shareholder's equity declined by 0.8 per cent compared to the same period of the previous year. The shareholder's equity per share reached HUF 1.550/share.

Thousand HUF	Q1-Q3 2021	Q1-Q3 2022	Change	Q3 2021	Q3 2022	Change
Sales revenue	33 226 821	45 846 598	38.0%	9 519 808	15 839 320	66.4%
Gross profit	6 100 254	7 832 261	28.4%	1 294 579	2 519 322	94.6%
<i>Gross margin</i>	<i>18,4%</i>	<i>17,1%</i>	<i>-1.3%p</i>	<i>13,6%</i>	<i>15,9%</i>	<i>2.3%p</i>
EBITDA	3 223 051	2 996 045	-7.0%	214 523	1 004 906	368.4%
<i>EBITDA level</i>	<i>9,7%</i>	<i>6,5%</i>	<i>-3.2%p</i>	<i>2,3%</i>	<i>6,3%</i>	<i>4.1%p</i>
Operating profit	1 425 590	1 084 702	-23.9%	-378 523	334 944	188.5%
Net financial profit/loss	45 461	-1 693 151	-3824.4%	-214 658	-786 957	-266.6%
Profit after tax for the current year	1 160 640	-814 757	-170.2%	-665 424	-562 729	15.4%
Total aggregate income	1 160 640	-814 757	-170.2%	-665 424	-562 729	15.4%

GOAL AND STRATEGY OF THE BUSINESS

“In Q3 of 2022, the Rába group successfully and consistently pursued the implementation of the strategy defined by the Board of Directors of Rába Plc. in the first half of 2021.

The overwhelming majority of structural and organisational changes necessary to increase efficiency has been successfully implemented in the group of companies, as well as in the individual subsidiaries. The latest moves related to corporate structure involved the acquisition of the remaining 75.1 per cent stake in Rekard Llc. on the one hand, as a result of which the company will operate as a wholly owned Rába subsidiary in the future and the reorganisation of the Sárvár Plant of Rába Automotive Components Ltd., into Rába Axle Ltd on the other.

The Rába Development Institute is a key element of our Company's vision and strategy. Development competence represents a key strength of the Rába group with further potentials if managed and strengthened, hence its priority status.

In Q3 of 2022, having concluded the preparatory and approval – by the appropriate bodies – phases, the practical implementation of the RÁBA Modernisation Programme 2025 has started.

The RÁBA Modernisation Programme 2025 encompasses the reorganisation of the entire production structure at the central Győr plant, as well as the reinstallation of the production lines in the individual production halls and movement within plant sections of individual activities. Additionally, it entails the implementation of a substantial capital expenditure programme into machinery and the modernisation of the real estate infrastructure, together with the optimisation of the Group's energy consumption in the medium and long run, the latter through the establishment of alternative energy sources and the renegotiation of traditional energy supply agreements. Parallel to these changes, the organisational culture of the Group is and will also be consciously renewed and developed.

The transformation, modernisation and capital expenditure measures already implemented and still underway will continuously improve our efficiency, however their positive impact on the operation and profitability will mostly be felt once the Modernisation Programme is concluded, in the second half of 2024 and in 2025.

In spite of the burden resulting from the reorganisation processes of the corporate structure and production and of the continuously increasing energy prices, the Rába group managed to operate profitably in Q3 of 2022 as well. Passing on the cost of energy prices to our customers and the elimination of the uncertainties caused by the supply chains continue to use resources in our organisation far exceeding the demands of the business as usual but we have managed and will continue to manage these. We have maintained and will ensure the stability of the Group in the future as well, stringent cost control remains in place and we work methodically on the renewal of the Rába group”, said Béla Hetzmann, Chairman-Chief Executive Officer of RÁBA Automotive Holding Plc.

BUSINESS ENVIRONMENT OF THE ENTERPRISE

- The disrupted supply chains resulting 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 risk factor. 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 raised inflationary pressures to unprecedented levels. In

2022, economic actors realised that the severe economic difficulties will not be resolved in the short-term and considerable volatility is to be expected in various sectors of the economy. All this will force economic actors to adjust to external circumstances and flexible adaptation should become an increasingly important aspect of their daily operation. The military conflict was felt in the European passenger car industry in the first place. The decline in demand has not yet been felt by Q1-Q3 of 2022 in the European commercial vehicle market and the global agricultural segments.

- In Q3 of 2022, the demand of the European commercial vehicle market was strong, the registration of heavy vehicles in Europe increased by more than 15 per cent, resulting in a cumulative market growth of 5 per cent. Market outlooks for the remainder of the year and the following year remain positive, and do not suggest significant decline, forecasts however, have become much more uncertain due to the substantial economic and political risks. The North American commercial vehicle market showed a 7 per cent increase compared to the base period in 2021. The demand for Rába's agricultural products increased considerably in 2022: the volume has increased by some 45 per cent since the base period a year earlier. In compliance with the European sanctions in force against Russia, in Q2 and Q3 of 2022 Rába had no commercial activities with its Russian partners. 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 Q1-Q3 of 2022, the number of new car registrations declined by 10 per cent
- The substantial economic risks resulted in largely volatile movements on the market of steel. As a result, in Q3 of 2022 steel raw material purchase prices declined by 15 per cent compared to the record levels reached in Q2 of 2022. Such decline in prices, however, can only be seen as a minor adjustment for now, since the price of steel is considerably above the level of the base period both on a quarterly, and on a cumulative basis. In terms of Q3, the annual price increase is 13.8 per cent, and in the cumulative period 38.8 per cent higher purchase prices impacted the operation.
- In Q3 of 2022, substantial shortage of labour force was still characteristic for the labour market. Together with the generalised inflationary pressure, it raised the risk of labour fluctuation considerably, suggesting a substantial increase in wages. National average wage increases in an accelerated fashion reaching 14.4 per cent in January-August, 2022. 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.
- Q3 of 2022 was a turbulent period on the energy market preceding the 2022 winter period. Purchase prices increased to such extent over a short period of time, that the viability of energy-intensive industrial sectors is fundamentally questioned. AS for Q3, the increase in energy prices reached 263.7 per cent, resulting in a price increase of 254.2 per cent during the cumulative period. In terms of future outlooks of the energy market, long-term uncertainty and at the same time drastically increasing purchase prices are to be expected. 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, a substantial increase by 25.5 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 8.0 per cent was seen compared to the levels of the previous year.¹

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

	Q1-Q3 2021	Q1-Q3 2022	Change	Q3 2021	Q3 2022	Change
EURHUF – average	356.5	385.0	8.0%	353.9	403.5	14.0%
EURHUF – end of period	360.5	421.4	16.9%	360.5	421.4	16.9%
USDHUF – average	298.1	374.2	25.5%	300.1	400.6	33.5%
USDHUF – end of period	310.7	428.6	38.0%	310.7	428.6	38.0%
Changes in raw material prices*	139%	193%	38.8%	159%	181%	13.8%
Wage level**	441.2	505.0	14.4%	440.2	508.7	15.6%
Energy prices***	251%	888%	254.2%	317%	1155%	263.7%

*Rába indices – own calculation - base: 2007. H1; average values for the period

**KSH (Central Statistical Office) national gross average wage (thousand HUF/month) –based on 01-05. 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-Q3 of 2022 amounted to HUF 30.5 billion compared to HUF 21.3 billion achieved during the base period of 2021. This corresponds to an increase of 43.1 per cent.

On the **American market** the sales revenue in the reporting period was USD 8.7 million, compared to the USD 5.5 million in Q1-Q3 of 2021. This corresponds to an increase by 58.2 per cent.

On the **EU market** Rába Axle Ltd.'s sales figures in HUF terms increased by 41.8 per cent, amounting to HUF 25.5 billion, compared to HUF 18.0 billion during the base period.

European exports in Q1-Q3 of 2022 exceeded the level of the base period by 31.6 per cent, amounting to EUR 52.9 million, against EUR 40.2 million in Q1-Q3 of 2021.

Domestic sales before consolidation amounted to HUF 5,092 million, which represents an increase by 40.9 per cent compared to the HUF 3,614 million of the base period.

On the **CIS and East-European** markets the export sales revenues achieved by Rába Axle Ltd. in Q1-Q3 of 2022 were 95.8 per cent lower than the base period in 2021, decreasing from EUR 1.3 million in the base period to EUR 0.0 million.

In the **other** markets the sales revenue during the reporting period amounted to EUR 4.6 million, which was 28.4 per cent lower than the EUR 3.6 million turnover of the 2021 base period.

Sales figures were fundamentally impacted by the reorganisation in Q3 of 2022 of the organisational and operational management of the Sárvár plant of the Component Business Unit from the Component Business Unit to the activities of the Axle Business Unit, as part of the efficiency improvement measures.

The operating result of the Company in Q1-Q3 of 2022 was a loss of HUF 225 million, compared to HUF 350 million profit during the same period of the previous year.

At EBITDA level, the operating profit of the Axle business unit was HUF 1,100 million compared to profits of HUF 1,585 million registered a year earlier.

	Q1-Q3 2021	Q1-Q3 2022	Change	Q3 2021	Q3 2022	Change
America	1 628	3 241	99.1%	731	1 244	70.2%
EU - export	14 349	20 382	42.0%	3 575	7 001	95.8%
EU - domestic	3 614	5 092	40.9%	1 103	1 584	43.6%
CIS	457	21	-95.4%	155	-44	-128.4%
Other	1 283	1 779	38.7%	510	722	41.6%
Total sales revenue	21 331	30 514	43.1%	6 075	10 508	73.0%
EBITDA	1 585	1 100	-30.6%	118	320	171.2%
Operating profit	350	-225	-164.3%	-295	-146	50.5%

Rába Automotive Components Ltd.

The sales revenue of Rába Automotive Components Ltd. amounted to HUF 15.0 billion in Q1-Q3 of 2022, which is a 33.4 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-Q3 of 2022 amounted to EUR 17.7 million, which represents an increase of 18.0 per cent compared to the EUR 15.0 million of the base period of 2021.

Domestic sales before consolidation amounted to HUF 8,133 million during the reporting period, which corresponds to an increase by 38.8 per cent compared to the sales revenue of HUF 5,860 million during Q1-Q3 of 2021.

Sales figures were fundamentally impacted by the reorganisation in Q3 of 2022 of the organisational and operational management of the Sárvár plant of the Component Business Unit from the Component Business Unit to the activities of the Axle Business Unit, as part of the efficiency improvement measures.

The Business Unit generated a profit of HUF 665 million at operating level during the reporting period compared to the profit of HUF 384 million in Q1-Q3 of 2021.

On the level of EBITDA, the profit of the Automotive Components business was HUF 990 million during the period, compared to the profit of HUF 710 million of the previous year.

	Q1-Q3 2021	Q1-Q3 2022	Change	Q3 2021	Q3 2022	Change
EU - export	5 341	6 802	27.4%	1 567	1 732	10.5%
EU – domestic	5 860	8 133	38.8%	1 608	3 494	117.3%
Other	7	18	157.1%	0	0	0.0%
Total sales revenue	11 209	14 953	33.4%	3 175	5 226	64.6%
EBITDA	710	990	39.4%	-39	371	1051.3%
Operating profit	384	665	73.2%	-148	289	295.3%

Rába Vehicle Ltd.

The sales revenue of Rába Vehicle Ltd. in Q1-Q3 of 2022 was 28.7 per cent below the figure of the base period and decreased from HUF 1,503 million to HUF 1,071 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.

The Rába Vehicle Ltd. generates a considerable portion of its sales revenue on the domestic market, and has sales on the European market on a project basis.

European exports amounted to HUF 423 million in Q1-Q3 of 2022.

Domestic sales before consolidation amounted to HUF 649 million in Q1-Q3 of 2022, upon a decrease by 56.8 per cent.

The operating result amounted to HUF 130 million in profits during the reporting period compared to the HUF 52 million during the base period last year.

On the level of EBITDA, in the reporting period, the Vehicle Business registered a profit of HUF 137 million compared to the profit of HUF 83 million in Q1-Q3 of 2021.

	Q1-Q3 2021	Q1-Q3 2022	Change	Q3 2021	Q3 2022	Change
EU - export	-1	423	42400.0%	0	211	0.0%
EU - domestic	1 504	649	-56.8%	286	239	-16.4%
Total sales revenue	1 503	1 071	-28.7%	286	449	57.0%
EBITDA	83	137	65.1%	54	75	38.9%
Operating profit	52	130	150.0%	45	73	62.2%

Rekard Llc.

As from Q3 of 2022, the portfolio of the Rába group has been expanded, Rekard Llc. will operate as a wholly-owned subsidiary of Rába, included in the Rába group consolidation.

The sales revenue of Rekard Llc. in Q3 of 2022 amounted to HUF 1,026 million.

Much of the sales of Rekard Llc. is done on the European market.

European export generated sales of HUF 753 million in Q3 of 2022.

The revenue from **domestic sales** before consolidation amounted to HUF 271 million in Q3 of 2022.

The result of the operating activity amounted to HUF 118 million in profits in Q3 of 2022.

At the level of EBITDA, the operating result of Rekard Llc. was a profit of HUF 167 million during the period.

Million HUF	Q3 2021	Q3 2022	Change
EU – export	0	753	n.a.*
EU - domestic	0	271	n.a.*
Other	0	2	n.a.*
Total sales revenue	0	1 026	n.a.*
EBITDA	0	167	n.a.*
Operating profit	0	118	n.a.*

* not applicable, in the 2021 base period Rekard Llc. was not consolidated.

The Rába group

The consolidated sales revenue of the Rába group in Q1-Q3 of 2022 amounted to HUF 45.8 billion, which is an increase by 38.0 per cent compared to the figure of HUF 33.2 billion reported for the base period of Q1-Q3 of 2021.

The operating result of the group during the current period amounted to HUF 1,085 million in profits, compared to HUF 1,426 million in profits during the same period a year earlier.

During the reporting period, the financial result was a loss of HUF 1,693 million, which includes, among others, a net interest payment of HUF 85 million, as well as the non-realised revaluation of loans resulting from the increase in exchange rates of HUF 1,671 million.

Based on the above, the Rába group generated net losses of HUF 815 million in Q1-Q3 of 2022, compared to the profit of HUF 1,161 million during the same period of the previous year.

On the level of EBITDA, the group registered profits of HUF 2,996 million in Q1-Q3 of 2022, against last year's figure of HUF 3,223 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	Rekard	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
2022 Q2	11 170	5 267	501		16 742
2022 Q3	10 508	5 226	449	1 026	15 839

Breakdown of the sales revenues for Q1-Q3 of 2022

HUF million	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	3 241	25 474	20 382	5 092	21	1 779	30 514
Components	18	14 935	6 802	8 133	4	0	14 957
Vehicle	0	1 071	423	649	0	0	1 071
Rekard	0		753	271	2	0	
Consolidated	3 259	40 782	28 366	12 416	27	1 779	45 847

Operating profit of group companies

Million HUF	Operating profit								
	2021					2022			
	Q1	Q2	Q3	Q4	year	Q1	Q2	Q3	year
Axle	195	450	-295	145	495	-771	692	-146	-225
Component	229	303	-148	223	607	19	357	289	665
Vehicle	-60	67	45	217	269	-28	85	73	130
Rekard								118	118
Other	35	585	20	-19	621	296	100	1	397
Total	399	1 405	-378	566	1 992	-484	1 234	335	1 085

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
Rekard Llc.	100 000	100.00	100.00	S

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

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT ACCORDING TO IFRS

data in thousand HUF

Description of item	Q1-Q3 2021	Q1-Q3 2022	Index	Q3 2021	Q3 2022	Index
Domestic sales revenues	10 155 906	12 415 798	122.3%	2 978 168	4 212 366	141.4%
Export sales revenues	23 070 915	33 430 799	144.9%	6 541 640	11 626 955	177.7%
Revenues	33 226 821	45 846 598	138.0%	9 519 808	15 839 320	166.4%
Direct cost of sales	27 126 567	38 014 337	140.1%	8 225 228	13 319 998	161.9%
Gross profit	6 100 254	7 832 261	128.4%	1 294 579	2 519 322	194.6%
Cost of sales and marketing	345 794	353 280	102.2%	99 701	126 723	127.1%
General and administration expenses	5 178 754	6 798 938	131.3%	1 535 600	2 175 063	141.6%
Other revenues	1 335 705	853 424	63.9%	95 425	184 288	193.1%
Other expenditures	485 821	448 764	92.4%	133 227	66 880	50.2%
Total other operating expenses	-4 674 664	-6 747 559	144.3%	-1 673 102	-2 184 378	130.6%
Revenue from operations	1 425 590	1 084 702	76.1%	-378 523	334 944	-88.5%
Financial revenues	127 722	1 126 277	881.8%	-320 390	580 332	-181.1%
Financial expenditures	82 261	2 819 428	3427.4%	-105 732	1 367 289	-1293.2%
Net financial profit/loss	45 461	-1 693 151	3724.4%	-214 658	-786 957	366.6%
Profit from the purchase of subsidiary company	0	0		0	0	
Profit from the purchase of affiliated company	4 448	108 611	2441.8%	-25 330	0	0.0%
PROFIT FROM THE PURCHASE OF INVESTMENT	4 448	108 611	2441.8%	-25 330	0	0.0%
PROFIT BEFORE TAXATION	1 475 499	-499 838	-33.9%	-618 511	-452 013	73.1%
Profit tax	314 859	314 919	100.0%	46 913	110 716	236%
AFTER TAX PROFIT OF CURRENT YEAR	1 160 640	-814 757	-70.2%	-665 424	-562 729	84.6%
Basic value of profit per share (HUF)	86	-60				
Diluted value of profit per share (HUF)	86	-60				

1. EARNED REVENUES

During Q1-Q3 of 2022, Rába generated HUF 45,847 million in sales revenue, compared to HUF 33,227 million during the same period of the previous year, which is a change of 38 per cent. 73 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-Q3 of 2022, the direct cost level of Rába was 82.9 per cent compared to 81.6 per cent during the base period. The amount of direct costs was HUF 38,014 million, 40.1 per cent higher than during the base period (Q1-Q3 of 2021: HUF 27,127 million).

Gross profit

The gross profit changed from HUF 6,100 million in the base period to HUF 7,832 million (an increase of HUF 1,732 million), which is due to the increase in sales revenues by HUF 12,620 million and by 10,888 million in direct expenses.

2.2. Cost of sales

The cost of sales increased by 2.2 per cent and amounted to HUF 353 million during Q1-Q3 of 2022, compared to HUF 353 million in Q1-Q3 of 2021.

2.3. General overhead and administrative expenses

Rába accounts under general overhead and administrative expenses (Q1-Q3 of 2022: HUF 6,799 million, Q1-Q3 of 2021: 5,179 million) for its costs incurred in relation to the administration of the company (Q1-Q3 of 2022: HUF 3,919 million) and other general costs (Q1-Q3 of 2022: HUF 2,880 million).

2.4. Other revenues and expenditures

The balance of other revenues and expenditures amounted to a profit of HUF 405 million in Q1-Q3 of 2022 compared to HUF 850 million in profits 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-Q3 of 2022 was HUF 1,085 million (Q1-Q3 of 2021: HUF 1,426 million). The increase in gross profit (HUF 1,732 million) was deteriorated by the combined change in sales and general overhead costs (HUF -1,628 million) and the change in the balance of other revenues and expenditures (HUF -445 million). Profitability changed from 4.3 per cent during the base period to 2.4 per cent. The profitability of operating profit + depreciation changed from 9.7 per cent during the base period to 6.5 per cent.

4. FINANCIAL REVENUES AND EXPENDITURES

During Q1-Q3 of 2022, the net financial result was a loss of HUF 1,693 million, compared to the profit of HUF 45 million during the base period.

The net result of interest incomes and expenses was HUF -85 million during Q1-Q3 of 2022 (against HUF -42 million during the base period).

The net exchange rate difference of FX items during Q1-Q3 of 2022 was HUF -1,601 million (HUF 97 million in the base period).

Financial revenues and expenditures consisted of the following principal items:

in thousand HUF	Q1-Q3 of 2021	Q1-Q3 of 2022
Interest income	98	3 382
Exchange rate gains	127 624	1 122 895
Other financial revenues	0	0
Financial revenues	127 722	1 126 277
Interest payable	42 157	88 405
Exchange rate loss	30 928	2 724 114
Other financial expenditures	9 176	6 909
Financial expenditures	82 261	2 819 428

5. EARNINGS IN THE CURRENT YEAR

The earnings before taxation during Q1-Q3 of 2022 amounted to a loss of HUF -500 million, which, because of the factors outlined in sections 1-4. is HUF 1,975 million less than the figure for Q1-Q3 of 2021. The profitability ratio represents a -1.09 per cent return on sales on the basis of profit before taxation, against the level of 4.44 per cent during the base period.

The Group has HUF 315 million in tax liability during the review period. Within that, the corporate tax liability was HUF 46 million, the local business tax liability was HUF 237 million, the innovation supplement amounted to HUF 40 million, and the deferred tax expenditure in the reporting period was HUF -8 million.

STATEMENT OF CONSOLIDATED FINANCES ACCORDING TO IFRS (BALANCE SHEET ACCORDING TO IFRS)

Figures in thousand HUF

Description of item	31.12.2021	30.09.2022	Index
Real estate, machines, equipment	25 417 345	26 297 223	103.5%
Intangible assets	41 320	13 536	32.8%
Other long-term assets	631	11	1.7%
Property for investment purposes	748 431	742 405	99.2%
Other investments	48 864	82 775	169.4%
Deferred tax receivables	27 939	31 503	112.8%
Total invested assets	26 284 531	27 167 453	103.4%
Inventories	9 942 314	15 927 144	160.2%
Trade receivables and other receivables	6 315 742	10 650 026	168.6%
Profit tax receivable	0	0	0.0%
Other non-financial assets and receivables	1 367 306	3 218 850	235.4%
Liquid assets, bank account	1 246 499	2 127 347	170.7%
Total current assets	18 871 861	31 923 367	169.2%
Total assets	45 156 391	59 090 820	130.9%
Registered capital	13 473 446	13 473 446	100.0%
Treasury shares	-108 952	-108 952	100.0%
Retained earnings	7 815 829	7 518 006	96.2%
Total equity and reserves	21 180 323	20 882 500	98.6%
Long-term credits and loans	8 253 300	12 469 789	151.1%
Provisions	0	0	100.0%
Deferred tax liability	226 278	221 770	98.0%
Leasing liabilities	36 840	0	0.0%
Other long-term liabilities	3 164 833	3 004 386	94.9%
Total long-term liabilities	11 681 252	15 695 945	134.4%
Provisions	390 262	488 617	125.2%
Profit tax liability	37 655	34 086	90.5%
Leasing liabilities	123 262	90 371	73.3%
Short-term portion of loans and credits	2 127 900	5 150 459	242.0%
Accounts payable and other payables	7 087 006	12 609 307	177.9%
Other non-financial liabilities	2 528 732	4 139 535	163.7%
Total short-term liabilities	12 294 817	22 512 375	183.1%
Total equity and liabilities	45 156 392	59 090 820	130.9%

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 26,297 million. This represents an increase by 3.5 per cent. The depreciation of fixed assets was HUF 1,911 million in Q1-Q3 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 14 million. During the reporting period, the depreciation of these assets amounted to HUF 62 million.

1.2. Intangible assets

The net value of intangible assets changed from HUF 41 million to HUF 14 million. This represents a decline by 67.2 per cent. The amount of depreciation accounted during the period was HUF 28 million.

1.3. Other long-term assets

This balance sheet line shows employee loans beyond one year, diminished to HUF 0.01 million, during the current year.

1.4. Property for investment purposes

The book value of real estate for investment purposes at 30 September, 2022 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 Llc., shown under the balance sheet line "other investments". On 1 July, 2022, the option was drawn and the company became a wholly-owned subsidiary.

1.6. Deferred tax receivables

The amount of receivable was HUF 32 million on 30 September, 2022, representing an increase by 12.8 per cent compared to the base period

2. CURRENT ASSETS**2.1. Inventories**

On 30 September, 2022, the closing value of stocks was HUF 15,927 million (31 December, 2021: HUF 9,942 million). The change is an increase by HUF 5,985 million. The components of the change are: an increase in materials and goods by HUF 4,278 million and an increase in unfinished, semi-finished and finished goods by HUF 1,707 million.

2.2. Accounts receivable and other receivables

The receivables line has been split into trade and other receivables and other non-financial assets and receivables. The closing figure of trade receivables as at 30 September, 2022 was HUF 10,650 million, an increase by HUF 4,334 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 3,219 million on 30 September, 2022, HUF 1,852 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 408 million and other receivables increased by HUF 1,444 million.

2.3. Profit tax receivables

At the end of the review period, the Group had profit tax liabilities, similar to the base period.

2.4. Liquid assets

The closing figure of liquid assets on 30 September, 2022 was HUF 2,127 million, HUF 881 million higher 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					-814 757	-814 757
Rekard Llc. option drawdown				516 934		516 934
Balance as at 30 September, 2022	13 473 446	-108 952	0	8 332 763	-814 757	20 882 500

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

3.2. Treasury shares

On 30 September, 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 7,518 million) declined by HUF 298 million 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 30 September, 2022 amounted to HUF 12,470 million, which was 51.1 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, 2021, 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 70 million during the reporting period compared to the base period, of which HUF 37 million is related to the long-term leasing liability.

4.2. Provisions

The closing value of provisions as at 30 September, 2022 was HUF 487 million in short-term liabilities.

4.3. Deferred tax liability

On 30 September, 2022, the Company had deferred tax liabilities in the amount of HUF 222 million, which is HUF 4 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 5,150 million is 142 per cent higher compared to the closing value at the 31. December 2021 (HUF 2,127 million). Short-term leasing liabilities amounted to HUF 90 million, a decline by HUF 33 million compared to 31 December, 2021.

The net borrowing of the Rába Group was HUF 15,493 million on 30 September, 2022, an increase by HUF 6,358 million compared to the level as at 31 December, 2021.

5.2. Provisions

The short-term portion of provisions amounted to HUF 489 million on 30 September, 2022, which is an increase by HUF 99 million compared to the amount on 31 December, 2021.

5.3. Profit tax liability

At the end of Q1-Q3, 2022, the Group had profit tax liabilities amounting to HUF 34 million, of which the local trade tax receivable represented HUF 51 million, the corporate tax liability was HUF 67 million and the innovation charge liability was HUF 18 million.

On 31 December, 2021, the profit tax liability was HUF 38 million, of which the local trade tax receivable amounted to HUF 7 million, the corporate tax liability amounted to HUF 37 million and the innovation charge liability amounted to 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 30 September, 2022, the amount of trade and other short-term liabilities amounted to HUF 12,609 million, which is 77.9 per cent higher than the closing value as at 31 December 2021 (HUF 7,087 million).

The amount of other non-financial liabilities on 30. September, 2022 was HUF 4,140 million, which is 63.7 per cent higher than the closing value as at 31. December, 2021 (HUF 2,529 million).

Accounts payable increased by HUF 2,947 million, passive accruals also increased by HUF 2,995 million and other liabilities also increased by HUF 1,191 million.

CONSOLIDATED CASH-FLOW STATEMENT

Data in HUF thousand

	30 September, 2021	30 September, 2022
Cash-flows from operating activities		
Profit before taxation	1 475 499	-499 838
<i>Adjustment items related to items with no cash movement:</i>		
Impact of revaluation of FX items	-11 143	122 814
Interest income	0	0
Interest expenditure	-19 045	-28 697
Depreciation and amortisation	1 797 461	1 911 343
Impairment of intangible assets. properties machines and equipment	1 529	9 137
Impairment of bad and doubtful receivables and of long term receivables	25 095	66 140
Impairment of stocks kept at net realisable value	207 000	170 924
Impairment of property for investment purpose	0	0
Scrapping of stocks	18 598	26 303
Provisions / (release)	-70 304	98 355
Result from the sale of real estate machinery and fixtures and intangible assets	-821 978	-479 394
Profit from the purchase of subsidiary and affiliated company	-4 448	-33 911
Revaluation of loans and credits at end of period	-47 034	1 670 794
<i>Changes in working capital:</i>		
Changes in trade and other receivables	-786 204	-6 614 681
Changes in stocks	-4 777 820	-6 182 056
Changes in accounts payable and other liabilities	133 348	8 036 865
Taxes paid	-274 486	-322 993
Interests paid	-23 112	-59 709
Net cash flows from operating activity	-3 165 901	-2 108 604
Cash-flows from investment activities		
Purchase of real estate, machinery and fixtures. as well as of intangibles	-1 669 124	-3 504 768
Revenues from the sale of real estate, machinery and fixtures as well as intangible asses	1 154 142	1 217 615
Increase in investments	0	-225 300
Interests received	98	3 382
Net cash flows used for investment activities	-514 884	-2 509 071
Cash flows from financing activities		
Loans and credits received	6 712 437	9 100 910
Loans and credits and leasing repayment	-4 963 775	-3 602 387
Dividend paid	0	0
Net cash flows from financing activities	1 748 662	5 498 523
Net increase/decrease of cash and cash equivalents	-1 932 123	880 848

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.

Major off-balance sheet items

The bank loans of the Rába Group amount to HUF 17,620 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 17,620 million.

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

Ownership structure. ratio of participation

Description of ownership	Total equity						Series listed ¹			
	Beginning of current year (01 January)			End of term (30 September)			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	22.97	23.18	3 094 600				
Foreign institutional/corporate	0.95	0.96	127 806	1.15	1.16	155 540				
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	20.42	20.61	2 751 815				
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 gen- eral government ⁴	54.46	54.95	7 337 440	54.46	54.95	7 337 440				
International Development Institu- tions 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				

¹If 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.

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

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

¹ Consolidated companies

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

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

Name	depository (yes/no)	Quantity (pcs)	Share (%)
N7 Holding 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

Headcount of full-time employees (people)

	End of base period	Beginning of current year	End of current period
At corporate level	37	34	38
At group level	1 255	1 311	1 310

The consolidated closing headcount as at 30 September, 2022 was 1,310. The increase in headcount is 4.4 per cent compared to the end of the base period.

TSZ2. Managing executives. strategic employees

Type ¹	Company	Position	Beginning of mandate	End/ termination of mandate
BD	Béla Hetzmann	Chairman of the BD	2020	
BD	Dr. Ibolya Virág Csernák Bánóczy	Board member	2019	2021
BD	Dr. Nóra Csüllög	Board member	2020	
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	
IG	Dr. Károly Szász	Board member	2021	
SB	István Lepsényi	Chairman of the Supervisory Board	2020	
SB	Dr. Zsolt Harmath	SB member	2016	
SB	Dr. Sándor József Szabó	SB 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 Szilágyi	Managing Director	2022	
SP	Roland Fehér	Managing Director	2021	2022
SP	István Pintér	Managing Director	2004	2021
SP	László Urbányi	Managing Director	2005	
SP	János Torma	Managing Director	2005	
SP	Richárd Füredi	Managing Director		

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	30 September, 2022	Index
Property. machinery. equipment	6 559 402	6 515 994	99.34%
Intangible assets	3 452	2 315	67.06%
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	10 949 989	103.62%
Other investments	48 864	205	0.42%
Deferred tax receivable	27 939	28 070	100.47%
Total invested assets	19 249 422	19 532 893	101.47%
Inventories	9 850	84 376	856.61%
Trade and other receivables	1 378 681	3 200 026	232.11%
Profit tax receivables	0	1 322	
Cash and cash equivalents	928 753	1 045 948	112.62%
Total current assets	2 317 284	4 331 672	186.93%
TOTAL ASSETS	21 566 706	23 864 565	110.65%
Registered capital	13 473 446	13 473 446	100.00%
Treasury shares	-108 952	-108 952	100.00%
Retained earnings	1 966 506	2 264 341	115.15%
Total equity and reserves	15 331 000	15 628 835	101.94%
Provisions	0	0	
Long-term credits and loans and leases	2 393	12 882	538.32%
Total long-term liabilities	2 393	12 882	538.32%
Provisions	166 858	166 858	100.00%
Short-term portion of loans and credits	0	0	
Accounts payable and other liabilities	6 066 455	8 055 990	132.80%
Total short-term liabilities	6 233 313	8 222 848	131.92%
TOTAL EQUITY AND LIABILITIES	21 566 706	23 864 565	110.65%

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

Data in HUF thousand

Description	Q1-Q3 2021	Q1-Q3 2022	Index	Q3 2021	Q3 2022	Index
Sales revenues	1 493 567	1 638 331	109.7%	502 182	563 419	112.2%
Direct costs of sales	338 632	387 914	114.6%	102 648	132 271	128.9%
Gross profit	1 154 935	1 250 417	108.3%	399 534	431 148	107.9%
Sales and marketing costs	2 929	3 066	104.7%	2 745	177	6.4%
General overhead costs	1 188 752	1 038 427	87.4%	332 940	385 112	115.7%
Other revenues	818, 541	363 502	44.4%	3 406	9 403	276.1%
Other expenditures	142 628	175 755	123.2%	47 894	54 271	113.3%
Other operating expenditures total	-515 768	-853 746	165.5%	-380 173	-430 157	113.1%
Operating profit	639 167	396 671	62.1%	19 361	991	5.1%
Financial income	84 474	89 736	106.2%	25 772	17 967	69.7%
Financial expenditures	84 246	264 609	314.1%	58 310	102 743	176.2%
Net financial income	228	-174 873	-76698.7%	-32 538	-84 776	260.5%
Revenue from the purchase of affiliated company	4 448	108 611	2441.8%	-25 330	0	0.0%
PROFIT BEFORE TAXATION	643 843	330 409	51.3%	-38 507	-83 785	217.6%
Profit Tax	48 954	32 571	66.5%	7 568	2 801	37.0%
PROFIT OF CURRENT YEAR	594 889	297 838	50.1%	-46 075	-86 586	187.9%
TOTAL AGGREGATE PROFIT/LOSS OF CURRENT YEAR	594 889	297 838	50.1%	-46 075	-86 586	187.9%
EBITDA	851 067	602 733	70.8%	87 874	72 727	82.8%

SEGMENT INFORMATION

From a business perspective, the Group can be split into three main segments: Axle, Vehicle and Automotive Components. Regarding the integration of Rekard Llc., the group of segments is supplemented with Gearbox Segment.

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. The production of gearboxes to agricultural aggregators, angle gear lines, sliding clutches, fitted units and high added value spare parts belongs to the Gearbox Segment.

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-Q3 2021.						Q3 2021.					
	Axle IFRS	Vehicle IFRS	Component IFRS	General overhead	Inter-segment filters	Consolidated	Axle IFRS	Vehicle IFRS	Component IFRS	General overhead	Inter-segment filters	Consolidated
Revenues	21 053 918	775 220	10 785 750	611 933	0	33 226 821	5 976 364	285 822	3 038 759	218 863	0	9 519 808
Inter-segment revenues	276 745	727 576	423 282	881 634	-2 309 236	0	98 178	424	135 977	283 318	-517 898	0
Total revenue from sales	21 330 663	1 502 796	11 209 031	1 493 567	-2 309 236	33 226 821	6 074 542	286 246	3 174 736	502 181	-517 898	9 519 808
Direct cost of sales	-18 149 205	-1 272 936	-9 296 674	-338 632	1 930 880	-27 126 567	-5 470 528	-202 655	-2 847 084	-102 648	397 687	-8 225 228
GROSS PROFIT	3 181 458	229 860	1 912 357	1 154 934	-378 356	6 100 254	604 014	83 591	327 653	399 533	-120 212	1 294 579
Sales and marketing costs	-299 130	-15 091	-128 736	-2 929	100 092	-345 794	-87 926	-2 260	-35 536	-2 745	28 767	-99 701
General overhead costs	-2 858 471	-69 205	-1 346 789	-1 188 752	284 464	-5 178 754	-844 761	-40 586	-414 682	-332 940	97 369	-1 535 600
Other revenues	551 051	20 568	42 320	818 541	-96 774	1 335 705	93 973	-3 946	7 820	3 405	-5 827	95 425
Other expenditures	-224 702	-114 379	-95 101	-142 629	90 989	-485 821	-60 173	7 823	-33 024	-47 895	42	-133 227
TOTAL OTHER OPERATING EXPENDITURES	-2 831 252	-178 107	-1 528 306	-515 769	378 770	-4 674 664	-898 887	-38 969	-475 423	-380 175	120 350	-1 673 102
REVENUE FROM OPERATIONS	350 205	51 753	384 051	639 165	414	1 425 590	-294 873	44 622	-147 770	19 358	138	-378 522
Interest income	1 675	14 618	2 570	13 267	-32 031	98	587	5 666	1 088	5 795	-13 133	2
Interest expenditure	-22 855	-8 632	-8 745	-33 956	32 031	-42 157	-13 328	-317	-4 878	-13 912	13 133	-19 301
Profit tax expenditure	-112 252	-26 856	-126 800	-48 953	0	-314 859	2 198	-18 199	-23 347	-7 567	0	-46 913
Assets												
Real estate, machinery and equipment	16 558 365	125 969	2 281 224	6 563 941	31 911	25 561 411	33 461	210	46 447	9 179	11 390	100 689
Intangible assets	43 391	1 998	12 426	4 520	-11 252	51 084	12 496	-8 854	11 052	-1 068	-11 252	2 375
Real estate for investment	0	0	0	753 283	0	753 283	0	0	0	-669	0	-669
Other long-term assets	46 453	4 193	991	1 456 850	-1 456 850	51 637	10 223	0	-991	0	0	9 232
Inventories	8 105 521	69 463	2 198 399	65 416	-23 356	10 415 444	1 142 020	46 032	368 878	-7 136	0	1 549 794
Receivables	4 917 535	3 851 711	2 970 905	1 588 674	-6 619 490	6 709 337	-319 188	-435 270	-1 248 146	858 638	183 639	-960 325
Cash and cash equivalent	195 146	28 798	204 234	943 119	-1	1 371 296	-724 871	18 652	64 778	-818 807	-1	-1 460 249
Liabilities												
Provisions	47 500	91 274	125 849	52 500	3	317 126	-19 494	1	0	0	0	-19 493
Liabilities	9 953 143	281 054	2 856 551	5 562 942	-6 670 868	11 982 821	-1 317 500	-435 177	-613 215	973 872	183 639	-1 208 381
Capital expenditures	3 028 868	48 291	467 347	178 780	0	3 723 286	2 127 663	11 733	941	67 243	0	2 207 580
Depreciation	1 235 060	30 960	325 738	211 901	-6 200	1 797 460	412 451	9 511	108 492	68 515	-5 923	593 045

	Q1-Q3 2022.							Q3 2022.						
	Axle IFRS	Vehicle IFRS	Component IFRS	Gearbox IFRS	General overhead	Inter-segment fil- ters	Consolidated	Axle IFRS	Vehicle IFRS	Component IFRS	Gearbox IFRS	General overhead	Inter-segment fil- ters	Consolidated
Revenues	30 220 586	1 071 035	13 222 543	981 007	538 396	-186 969	45 846 598	10 457 179	449 448	3 949 070	981 007	189 586	-186 969	15 839 320
Inter-segment revenues	293 746	60	1 734 202	45 195	1 099 935	-3 173 138	0	50 323	0	1 277 327	45 195	373 832	-1 746 677	0
Total revenue from sales	30 514 332	1 071 095	14 956 745	1 026 202	1 638 331	-3 360 107	45 846 598	10 507 502	449 448	5 226 397	1 026 202	563 419	-1 933 646	15 839 320
Direct cost of sales	-26 330 615	-807 885	-12 531 038	-771 184	-387 914	2 814 299	-38 014 337	-9 300 245	-335 688	-4 505 614	-771 184	-132 271	1 725 004	-13 319 999
GROSS PROFIT	4 183 717	263 210	2 425 707	255 018	1 250 417	-545 809	7 832 261	1 207 256	113 760	720 783	255 018	431 148	-208 643	2 519 322
Sales and marketing costs	-295 575	-18 800	-154 030	-18 592	-3 066	136 784	-353 280	-104 605	-7 114	-42 154	-18 592	-177	45 919	-126 723
General overhead costs	-4 192 664	-111 026	-1 695 949	-170 220	-1 038 427	409 347	-6 798 938	-1 272 363	-33 513	-476 624	-170 220	-385 112	162 770	-2 175 062
Other revenues	354 442	14	147 153	12 077	363 502	-23 765	853 424	91 959	0	94 577	12 077	9 404	-23 728	184 288
Other expenditures	-274 700	-3 883	-57 752	39 561	-175 755	23 765	-448 764	-68 116	-540	-7 243	39 561	-54 271	23 728	-66 880
TOTAL OTHER OPERATING EXPENDITURES	-4 408 498	-133 695	-1 760 577	-137 173	-853 746	546 131	-6 747 559	-1 353 126	-41 167	-431 444	-137 173	-430 156	208 689	-2 184 378
REVENUE FROM OPERATIONS	-224 781	129 514	665 130	117 845	396 671	323	1 084 702	-145 870	72 593	289 338	117 845	991	46	334 943
Interest income	587	5 642	1 205	3 109	31 182	0	3 382	363	2 320	399	3 109	18 707	0	3 112
Interest expenditure	-68 434	-1 928	-18 197	-314	-37 875	0	-88 405	-28 624	-1 368	-9 536	-314	-23 118	0	-41 172
Profit tax expenditure	-112 468	-11 101	-148 885	-9 894	-32 571	0	-314 919	-32 402	-8 968	-56 650	-9 894	-2 801	0	-110 715
Assets														
Real estate, machinery and equipment	17 807 262	70 371	1 494 260	388 209	6 515 999	21 120	26 297 222	1 487 948	45 754	-730 505	388 209	-1 574	46	1 189 878
Intangible assets	8 200	1 331	1 343	347	2 315	0	13 536	-8 173	-163	-135	347	-379	0	-8 503
Real estate for investment	0	0	0	0	742 405	0	742 405	0	0	0	0	-1	0	-1
Other long-term assets	0	0	11	0	1 293 914	-1 293 914	11	0	0	0	0	0	0	0
Inventories	13 207 884	97 019	1 408 936	1 128 923	84 376	6	15 927 143	3 921 227	-124 041	-1 181 050	1 128 923	8 817	0	3 753 875
Receivables	10 437 875	4 259 152	6 202 650	797 336	3 200 026	-11 028 164	13 868 876	1 385 488	184 978	1 633 437	797 336	-579 499	-1 409 844	2 011 897
Cash and cash equivalent	523 552	42 057	11 646	504 144	1 045 948	0	2 127 347	452 090	32 088	-33 732	504 144	1 019 693	0	1 974 284
Liabilities														
Provisions	112 256	50 843	129 059	0	166 857	2	488 617	0	0	0	0	0	0	29 600
Liabilities	17 921 752	337 668	3 466 035	1 253 334	8 055 990	-11 149 380	19 885 399	3 448 838	53 062	-667 684	1 253 334	1 950 839	-1 442 027	4 596 363
Capital expenditures	2 905 781	126 247	186 127	82 877	285 600	0	3 586 632	2 098 999	126 198	115 314	82 877	171 369	0	2 594 757
Depreciation	1 324 684	7 105	324 986	48 826	206 062	-323	1 911 342	465 561	2 109	81 775	48 826	71 736	-46	669 962

PK1. General information pertaining to the financial data

	Yes	No
Audited	☐	☒
Consolidated	☒	☐

Accounting principles	Hungarian ☐	IFRS ☒	Other ☐
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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, 16 November, 2022

Hetzmann Béla
Chairman - CEOLang-Péli Éva
Chief Financial Officer