

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of Rába Járműipari Holding Plc.

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying 2024 consolidated financial statements of Rába Járműipari Holding Plc. ("the Company") and its subsidiaries (altogether "the Group") included in the accompanying 529900YBK6AH4WL22R69-2024-12-31-HU.zip1 digital file, which comprise the consolidated statement of financial position as at 31 December 2024 - showing a total assets of HUF 56,466,821 thousand - and a consolidated statement of comprehensive income - showing a total comprehensive income for the year of HUF 42,978 thousand -, consolidated statement of changes in equity, consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all material respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for consolidated financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for

¹ Digital identification of the above referred 529900YBK6AH4WL22R69-2024-12-31-HU.zip digital file, using SHA 256 HASH algorithm is:
c9f4d93f9f15c5cfd5a957997b352ba7ceb425676fd0c18d012c64ee3083b964

Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the consolidated financial statements section” of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue recognition due to cut off

Revenue for the year ended 31 December 2024 amounted to HUF 57,736,215 thousand. We consider that there is a presumed risk of material misstatement relating to revenue recognition.

Revenue from the sale of goods is recognized when all the five step criteria of IFRS 15, Revenue from contracts with Customers are met.

Revenue from the sale of the products of the Group are recognized upon the transfer of significant risks and rewards of ownership of the goods to the customer. The point where risks and rewards of the goods transferred to the customer is determined by International Commercial Terms (incoterms) agreed in the sales contracts. Due to the multitude and variety of contractual terms across the Group’s markets, we consider proper revenue recognition to be a complex

Our audit procedures included:

We evaluated the appropriateness of the Group’s accounting policies related to revenue recognition.

We obtained an understanding of management’s internal controls over the revenue recognition process.

We analysed the Group’s revenue through entire population of journal entries of sales transactions by use of data analytics approach, including correlations between revenue, accounts receivables, value added tax and cash inflows.

We performed confirmation process on a sample basis for the selected year-end receivable balances.

We performed sales transactions testing procedures based on a representative sampling of the sales transactions to evaluate whether the related revenues and trade receivables are recorded appropriately taking into consideration

area, requiring special audit attention and therefore we consider the revenue recognition as a key audit matter.

the terms and conditions of the transactions, including the shipping terms and whether all five step of criteria of IFRS 15 are met.

We also performed sales transaction testing procedures on transactions that occurred around the balance sheet date, we reviewed supporting documentation to assess that sales and corresponding trade receivables are recorded in the correct period.

We assessed the accuracy of the information presented in the notes to the consolidated financial statements regarding revenue. The Group's disclosures about revenue and revenue recognition policies are included in Note 3, p) Revenue and Note 19 Revenue of the consolidated financial statements.

Valuation of CGUs related to PP&E

The subsidiaries of the Group carry out large-scale industrial production activities, which require a significant amount of fixed assets within the group. Fixed assets amount to HUF 31,069,604 thousand, which is 55% of total consolidated assets.

The Group considers the individual legal entities as separate cash generating unit (CGU) when reviewing for impairment of PP&E.

The Group operates primarily in the automotive industry which is currently facing significant downturn and faces several challenges. According to IAS 36.12 in case of a significant adverse changes, that have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated it can be determined that impairment trigger exists (external factor) which requires impairment test at yearend for CGUs.

Our procedures in relation to management's impairment assessment of PP&E included:

We gained understanding of the impairment process and tested the design of the internal controls over the Group's assessment of these assets.

Evaluating management's competence, capabilities and objectivity.

Involving our valuation expert to assist us in evaluating the assumptions and the methodology used by the Group to assess the recoverable amount of the fixed assets allocated to the CGUs to determine its compliance with IAS 36 and consistency of application.

We assessed the assumptions used by the Group in determination of whether impairment indicators exist. The assessment took into consideration current industry trends and the Group expectations for the key prospective information used in the impairment models. We reconciled the future cash flows to strategic plans.

We examined whether the Group has evaluated the impairment assessment

The Group prepared impairment tests based on a discounted cash flow model for the individual CGUs which requires complex calculations and management assumptions which are mainly based on management judgement.

Due to the significance of the PP&E, the economic downturn that is present in the industry and the related estimation uncertainty we consider impairment valuation of CGUs as a key audit matter.

of CGU related to PP&E, and if necessary, recorded impairment.

We assessed the accuracy of the information presented in the notes to the consolidated financial statements regarding valuation of CGU related PP&E in line with IAS36. The Group's disclosures about accounting policy relating to valuation of CGU's related PP&E are included in Note 3 m) ii) Impairment of non-financial assets, and Note 7 Property, plant and equipment.

Other matters

The consolidated financial statements as at 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 27 March 2024.

Other information

Other information consists of the 2024 consolidated business report- and management report of the Group. Management is responsible for the other information, including preparation of the consolidated business report and management report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether 1) the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the consolidated business report and management report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any, not including the requirements of Section VI/C of the Hungarian Accounting Law relevant to the consolidated sustainability statement.

Our opinion on the consolidated business report and management report should include the information required according to Subsections (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsections (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available and whether the consolidated business report includes the consolidated sustainability statement according to Section VI/C of the Hungarian Accounting Law.

When fulfilling this responsibility we have considered the following law: Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 on Supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation"), as such prescribing specific requirements for the consolidated business report and management report, in relation with forming our opinion on the consolidated business report and management report.

In our opinion, the consolidated business report and management of the Group, including the information required according to Subsections (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2024 is consistent, in all material respects, with the 2024 consolidated financial statements of the Group and the relevant requirements of the Hungarian Accounting Law, not including the requirements of Section VI/C of the Hungarian Accounting Law relevant to the consolidated sustainability statement.

We also confirm that the Group have made available the information required according to Subsections (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law.

We also confirm that the consolidated business report and management report includes the consolidated sustainability statement according to Section VI/C of the Hungarian Accounting Law.

Based on limited assurance engagement other auditor issues report whether the consolidated sustainability statement is prepared in accordance with the requirements of Section VI/C of the Hungarian Accounting Law relevant to the consolidated sustainability statement.

Further to the above, based on the knowledge we have obtained about the Company and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for consolidated financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on other legal and regulatory requirements

REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF THE REGULATION ON THE EUROPEAN SINGLE ELECTRONIC FORMAT

We have undertaken a reasonable assurance engagement on the compliance of the consolidated financial statements included in the digital file - identified in our report - prepared by the Group ("consolidated financial statements in ESEF format") with the requirements set out in the ESEF Regulation.

Responsibilities of the management and those charged with governance for the consolidated financial statements in ESEF format

The Company's management is responsible for preparing the consolidated financial statements in ESEF format that comply with the ESEF Regulation. This responsibility includes:

- the preparation of the consolidated financial statements in the applicable XHTML format;
- the selection and application of appropriate iXBRL tags as required by ESEF Regulation using judgement where necessary; including completeness of use of the relevant tags, appropriateness of creation and anchoring of the extension elements; and

- the design, implementation and maintenance of internal control relevant to the application of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Group's financial reporting process including compliance with the ESEF Regulation.

Our responsibility and summary of the work performed

Our responsibility is to express an opinion on whether the consolidated financial statements in ESEF format complies, in all material respects, with the requirements of the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Hungarian National Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF Regulation. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation whether due to fraud or error. Our reasonable assurance engagement included obtaining an understanding of the tagging, obtaining an understanding of the Group's internal controls relevant to the application of the requirements of the ESEF Regulation, verifying whether the XHTML format was applied properly, evaluating the completeness of the Group's tagging of the consolidated financial statements using the XBRL markup language, evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified and evaluating the use of anchoring in relation to the extension elements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements in ESEF format of the Group for the year ended 31 December 2024 included in the digital file -identified in our report - complies, in all material respects, with the requirements of the ESEF Regulation.

REPORTING REQUIREMENTS ON CONTENT OF AUDITOR'S REPORT IN COMPLIANCE WITH REGULATION (EU) NO. 537/2014:

Appointment and Approval of Auditor

We were appointed as the statutory auditor of the Company by the Board of Directors on behalf of the General Assembly of Shareholders of the Company on 9 November 2023. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for 1 year.

Consistency with Additional Report to Audit Committee

Our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on the same date as the date of this report.

Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 were provided by us to the Company and its controlled undertakings and we remained independent from the Group in conducting the audit.

In addition to statutory audit services and services disclosed in the consolidated business report and management report and in the consolidated financial statements, no other services were provided by us to the Company and its controlled undertakings.

The engagement partner on the audit resulting in this independent auditor's report is Varga János.

Budapest, 19 March 2025.

Varga János
engagement partner
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Registration No. 001165

Varga János
Registered auditor
Chamber membership No.: