

# Report on the Results of Rába Plc. in Q1 of 2019

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

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Period:	Q1 of 2019.
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## MANAGEMENT REPORT

### MAIN RESULTS OF THE COMPANY

- The high demand activity, characteristic throughout 2018, was only manifest in Q1 of 2019 on the European and the American heavy truck market, all other relevant markets were characterised by declining demand in Q1 of 2019. In terms of manufacturing costs, steel raw material prices stabilised at a high level, while energy prices increased further considerably. All this put considerable pressure on the manufacturing activity and through that also on the financial performance. In Q1 of 2019, all business units of the Rába Group managed to achieve an increase in sales revenue, as a result of which the increase in group-level sales reached 19.0 per cent. The sales structure of the Axle business unit, generating the highest sales revenue, duly reflects the market processes at work: sales turnover reached an increase by 1.1 per cent. The Components business unit succeeded in expanding its sales revenue by more than the increase in market demand, compared to the same period of last year, the extent of growth reached 21.2 per cent. The Vehicle business unit generated outstanding sales increase in its domestic sales, owing to the cyclical nature of the sales to the defence segment. Additionally, the business unit achieved stable growth in the civilian segment as well, resulting in a total of 65.1 per cent in turnover growth during the period in question. As a result of the turnover growth of the business units, group-level sales exceeded that of the previous year's level by HUF 2.3 billion and thus amounted to HUF 14.7 billion. In terms of the exchange rate environment, a 2.3 per cent increase in exchange rates was observed in Q1 of 2019 for the EUR which represents a higher proportion in the company's foreign exchange turnover. In the case of the USD, which has a less significant share in foreign exchange turnover, the exchange rate exceeded the base period values by 10.6 per cent.
- Gross profitability declined by 2.3 percentage points to 20.2 per cent in Q1 of 2019. The primary reason for the decline in gross profitability is that the market pressure exerted on production costs has not declined substantially.
- In spite of the decline in gross profitability, the total gross margin increased by 6.4 per cent, which is an additional profit of HUF 179 million, compared to the same period of 2018. Thus the total gross margin amounted to HUF 2,967 million.
- The balance of other revenues and expenditures amounted to HUF 72 million in profits during the review period, against the loss of HUF 41 million during the same period of the previous year.
- With direct production cost items under control, as a result of the considerable reduction of sales, administration and management costs, all business units produced profits at operating level during the first three months of the 2019 business year. Of the business units, the Vehicle business unit stands out with its substantially increased sale volume, with operating profits exceeding the level of the previous year by 142.2 per cent, i.e. HUF 312 million. The Axle business unit also increased its profits, by 42.9 per cent, i.e. HUF 66 million. The operating profit of the Components business unit was slightly, HUF 19 million lower than the 2018 level.

In total, the Group level operating profit amounted to HUF 930 million with an increase by HUF 380 million.

- The control over sales, administration and management costs and the development of the sales portfolio have offset the negative impact of the price pressure on the external markets. Thus, the EBITDA shows a robust improvement in terms of both its efficiency and its volume. Group-level EBITDA increased considerably, by 38.4 per cent, which is HUF 401 million, thus amounting to HUF 1,446 million. In terms of profitability at the level of EBITDA on sales, we reached a level above the industry average, through an increase by 1.4 percentage points to 9.8 per cent. The Component Business contributed to group-level EBITDA with stagnating results, whereas the contribution of the Axle and Vehicle business units was an increase in profits. EBITDA growth of the Axle business unit line was 15.1 per cent, representing a surplus of HUF 66 million, while the EBITDA surplus of the Vehicle business units increased by 113.9 per cent, a surplus of HUF 319 million.
- The financial loss in Q1 of 2019 amounted to HUF 7 million, compared to the loss of HUF 24 million generated during the same period of the previous year. The financial performance was fundamentally influenced by the realised exchange rate loss and the interest expenses.
- The total aggregate income and profit for the current year increased by 87.7 per cent in Q1 of 2019, achieving a profit of HUF 744 million.
- The net loan portfolio shows an increase by HUF 4.4 billion compared to the same period of last year, which corresponds to the path forecast by the Company. As a result of the profitable operation, the increasing working capital reflecting the expanding sales and the financing of investments of strategic significance, the net loan portfolio amounted to HUF 8.9 billion. The revaluation, due to exchange rate fluctuation, of loans, worth HUF 8 million not involving cash movements, also contributed to the change in net borrowing.
- As a result of the profitable and efficient operation, the shareholder's equity increased by 6.1 per cent compared to the same period of the previous year. The shareholder's equity per share reached HUF 1,604/share.

thousand HUF	Q1 2018	Q1 2019	Change
Sales revenue	12 369 951	14 724 695	19.0%
Gross profit	2 787 897	2 967 117	6.4%
<i>Gross margin</i>	22.5%	20.2%	-2.3%p
EBITDA	1 044 730	1 446 085	38.4%
<i>EBITDA</i>	8.5%	9.8%	1.4%p
Operating profit	550 012	930 037	69.1%
Net financial profit/loss	-23 533	-6 941	70.5%
Profit after tax for the current year	396 432	744 027	87.7%
Total comprehensive income	396 432	744 027	87.7%

## GOAL AND STRATEGY OF THE BUSINESS

"2019 marks a milestone at the company for more than one reason: the technology upgrade and capacity expansion investments, started in 2016, that establish the sustainable competitiveness of our key competence are to be completed later this year. Also this year, precisely yesterday, we signed an acquisition agreement with Re kard Group, for the first time since Rába went public in 1997. Buying a company supports our organic business development through making our product portfolio more extensive, and enriching our resources." – said István Pintér, Chairman-CEO of Rába Automotive Holding Plc.

## EXTERNAL ENVIRONMENT

- In Q1 of 2019, the truck market within Europe showed a steady increase, with the number of new truck registrations exceeding the figure of the previous year by 5.5 per cent. Demand for

shipping remained strong during the review period, which provides a solid basis for the growth of the market demand for heavy trucks. In North America, due to the continued strong economic environment, the demand for trucks was 21.8 per cent higher than in the previous year. Regarding the agricultural market, the demand for Rába products remained below the level of the previous year. A decline in the demand was observed on the Russian bus and truck market compared to the base in 2018. The decline was more marked in the bus segment, amounting to 10.7 per cent, whereas in the heavy truck market the decline was more moderate, of 2.1 per cent. The European market of passenger cars was characterised by a decline in demand in the first 3 months of 2019, there were 3.3 per cent less new vehicle registrations than during the year before.

- The considerable price pressure of steel prices fundamentally influencing the year 2018 was stabilised at a high level, in Q1 of 2019 steel prices declined marginally, by 1,1 per cent compared to the level of the year before.
- The level of energy prices was drastically higher during Q1 of 2019 than during the same period of 2018: energy prices were 18.2 per cent higher, which put a significant cost pressure on the profitability of the company's operation.
- In regard to the exchange rate environment an increase occurred in case of both the USD, representing a lesser proportion in the FX turnover of the company and in the case of the EUR, representing more substantial weight in the FX turnover in Q1 of 2019. In the case of the USD the exchange rate increased by 10.6 per cent, while the EUR exchange rate increased by 2.3 per cent compared to the base period.<sup>1</sup>

	Q1 2018	Q1 2019	Change
HUF/EUR - average	311.0	318.1	2.3%
HUF/EUR - end of period	312.6	320.8	2.6%
HUF/USD - average	253.1	280.0	10.6%
HUF/USD - end of period	253.9	286.1	12.7%
Changes in raw material prices*	126%	125%	-1.1%
Changes in energy prices**	175%	207%	18.2%

## SUMMARY OF RESULTS DURING THE CURRENT PERIOD

### Rába Axle Ltd.

The sales revenue of Rába Axle Ltd. in Q1 of 2019 amounted to HUF 6.5 billion compared to HUF 6.4 billion achieved during the base period of 2018. This corresponds to an increase of 1.1 per cent.

On the **American market**, the sales revenue in the reporting period was USD 3.5 million, compared to the USD 2.5 million of Q1 of 2018. This corresponds to an increase of 140.0 per cent.

On the **EU market**, Rába Axle Ltd.'s sales figures in HUF terms decreased by 3.6 per cent, amounting to HUF 4.8 billion, compared to HUF 5.0 billion during the base period.

**European exports** remained below the level of the same period a year earlier by 8.7 per cent in Q1 of 2019 amounting to EUR 11.6 million, compared to HUF 12.7 million in Q1 of 2018.

**Domestic sales** before consolidation amounted to HUF 1,084 million, which represents an increase of 7.9 per cent compared to the HUF 1,005 billion of the base period.

On the **CIS and East-European** markets, the export sales revenues achieved by Rába Axle Ltd. in Q1 of 2019 were 50.0 per cent lower than the base period in 2018, decreasing from EUR 1.4 million to EUR 0.7 million.

In the **other** markets, the sales revenue during the reporting period amounted to EUR 1.7 million, which exceeded the EUR 1.3 million turnover of the 2018 base period by 30.8 per cent.

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

The operating result of the Company in Q1 of 2019 was a profit of HUF 220 million, compared to HUF 154 million during the same period of the previous year.

At EBITDA level the operating profit of the Axle business unit was HUF 502 million compared to HUF 436 million registered a year earlier.

Million HUF	Q1 2018	Q1 2019	Change
America	641	968	51.0%
EU - export	3 955	3 700	-6.4%
EU - domestic	1 005	1 084	7.9%
CIS	420	217	-48.3%
Other	418	541	29.4%
<b>Total sales revenue</b>	<b>6 439</b>	<b>6 510</b>	<b>1.1%</b>
<b>EBITDA</b>	<b>436</b>	<b>502</b>	<b>15.1%</b>
<b>Operating profit</b>	<b>154</b>	<b>220</b>	<b>42.9%</b>

### Rába Automotive Components Ltd.

The sales revenue of Rába Automotive Components Ltd. amounted to HUF 4.7 billion in Q1 of 2019, which is an increase of 21.2 per cent compared to the base period.

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

**European exports** during Q1 of 2019 amounted to EUR 6.3 million, which represents an increase of 18.9 per cent compared to the EUR 5.3 million of the base period of 2018.

**Domestic sales** before consolidation amounted to HUF 2,677 million during the reporting period, which is equivalent to a 22.1 per cent increase compared to the sales revenue of HUF 2,192 million during Q1 of 2018.

The Company generated a profit of HUF 178 million at operating level during the reporting period compared to a profit of HUF 197 million in Q1 of 2018.

On the level of EBITDA, the profit of the Automotive Components business unit decreased marginally, to HUF 297 million during the period, from the HUF 299 million of the previous year.

HUF million	Q1 2018	Q1 2019	Change
EU - export	1 662	1 993	19.9%
EU - domestic	2 192	2 677	22.1%
Other	0	0	0.0%
<b>Total sales revenue</b>	<b>3 854</b>	<b>4 670</b>	<b>21.2%</b>
<b>EBITDA</b>	<b>299</b>	<b>297</b>	<b>-0.7%</b>
<b>Operating profit</b>	<b>197</b>	<b>178</b>	<b>-9.6%</b>

### Rába Vehicle Ltd.

The sales revenue of Rába Vehicle Ltd. in Q1 of 2019 was above the figure of the base period by 65.1 per cent and increased from HUF 2.5 billion to HUF 4.1 billion.

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

**European exports** were 20.1 per cent higher than the level of the base period, thus increasing from EUR 4.5 million to EUR 4.8 million.

**Domestic sales** before consolidation amounted to HUF 2,589 million in Q1 of 2019, compared to HUF 1,078 million during the base period, representing an increase by 140.2 per cent.

The operating profit amounted to HUF 540 million during the reporting period. compared to the profit of HUF 223 million during the base period last year.

On the level of EBITDA, in the reporting period the Vehicle business unit registered a profit of HUF 599 million compared to the profit of HUF 280 million in Q1 of 2018.

HUF million	Q1 2018	Q1 2019	Change
EU - export	1 415	1 526	7.8%
EU - domestic	1 078	2 589	140.2%
Other	0	0	
<b>Total sales revenue</b>	<b>2 493</b>	<b>4 115</b>	<b>65.1%</b>
<b>EBITDA</b>	<b>280</b>	<b>599</b>	<b>113.9%</b>
<b>Operating profit</b>	<b>223</b>	<b>540</b>	<b>142.2%</b>

### Rába Group

The consolidated sales revenue of the Rába Group in Q1 of 2019 amounted to HUF 14.7 billion, which is an increase of 19.0 per cent compared to the figure of HUF 12.4 billion reported for the base period Q1 of 2018.

The operating profit of the group during the current period amounted to HUF 930 million, compared to HUF 550 million during the same period a year earlier.

During the reporting period, the financial result was a loss of HUF 6.9 million, which includes, among others, a net interest payment of HUF 20.5 million, as well as exchange rate gains of HUF 16.6 million.

Based on the above, the Rába Group generated a net profit of HUF 744 million in Q1 of 2019, compared to a profit of HUF 396 million during the same period of the previous year.

On the level of EBITDA, the group registered profits of HUF 1,446 million in Q1 of 2019, against last year's figure of HUF 1,045 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
<b>2018 Q1</b>	<b>6 439</b>	<b>3 854</b>	<b>2 493</b>	<b>12 370</b>
Q2 2018	6 800	3 950	1 824	12 107
Q3 2018	5 299	3 032	2 334	10 212
Q4 2018	6 488	4 225	3 730	13 943
<b>Q1 2019</b>	<b>6 510</b>	<b>4 670</b>	<b>4 115</b>	<b>14 725</b>

#### Breakdown of the sales revenues for Q1 of 2019

HUF million	America	EU			CIS	Other	Total
		Total	export	domestic			
Axle	968	4 784	3 700	1 084	217	541	<b>6 510</b>
Components	0	4 670	1 993	2 677	0	0	<b>4 670</b>
Vehicle	0	4 115	1 526	2 589	0	0	<b>4 115</b>
<b>Consolidated</b>	<b>968</b>	<b>12 998</b>	<b>7 219</b>	<b>5 780</b>	<b>217</b>	<b>541</b>	<b>14 725</b>

#### Operating profit of group companies

	Operating profit					
	2018					2019
	Q1	Q2	Q3	Q4	Year	Q1
Axle	154	315	-32	192	629	220
Components	197	230	10	216	653	178
Vehicle	223	9	135	355	722	540
Other	-24	-60	-62	-107	-253	-8
<b>Total</b>	<b>550</b>	<b>494</b>	<b>51</b>	<b>656</b>	<b>1 751</b>	<b>930</b>

**PK2. Companies involved in the consolidation**

Company	Share/Issue capital in HUF thousand	Ownership ratio (%)	Voting ratio <sup>1</sup>	Classification <sup>2</sup>
Rába Axle Ltd.	9.762.800	100.00	100.00	L
Rába Automotive Components Ltd.	300.000	100.00	100.00	L
Rába Vehicle Ltd.	835.100	100.00	100.00	L

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

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

**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 2018	Q1 2019	Change
Domestic sales revenues	3 848 362	5 779 643	150.2%
Export sales revenues	8 521 589	8 945 052	105.0%
<b>Revenues</b>	<b>12 369 951</b>	<b>14 724 695</b>	<b>119.0%</b>
Direct cost of sales	9 582 054	11 757 578	122.7%
<b>Gross profit</b>	<b>2 787 897</b>	<b>2 967 117</b>	<b>106.4%</b>
Cost of sales and marketing	157 937	220 370	139.5%
General and administration expenses	2 038 587	1 888 873	92.7%
Other revenues	69 189	201 836	291.7%
Other expenditures	110 550	129 673	117.3%
<b>Total other operating expenses</b>	<b>-2 237 885</b>	<b>-2 037 080</b>	<b>91.0%</b>
<b>Revenue from operations</b>	<b>550 012</b>	<b>930 037</b>	<b>169.1%</b>
Financial revenues	38 367	22 971	59.9%
Financial expenditures	61 900	29 912	48.3%
<b>Net financial profit/loss</b>	<b>-23 533</b>	<b>-6 941</b>	<b>-29.5%</b>
<b>PROFIT BEFORE TAXATION</b>	<b>526 479</b>	<b>923 096</b>	<b>175.3%</b>
<b>Profit tax</b>	<b>130 047</b>	<b>179 069</b>	<b>137.7%</b>
<b>After-tax profit in the current year</b>	<b>396 432</b>	<b>744 027</b>	<b>187.7%</b>
Basic value of profit per share (HUF)	29	55	
Diluted value of profit per share (HUF)	29	55	

**1. EARNED REVENUES**

During Q1 of 2019, Rába achieved HUF 14.725 million in sales revenue, compared to HUF 12.370 million during the same period of 2017, which is a change of 19.0 per cent. 60.7 per cent of the revenues in the reporting period came from exports, while the rest came from domestic sales.

**2. COSTS AND OTHER REVENUES. EXPENDITURES****2.1. Direct costs**

During Q1 of 2019, the direct cost level of Rába was 79.9 per cent, compared to 77.5 % of the base period. The amount of direct costs was HUF 11,758 million, 22.7 per cent more than during the base period (Q1 of 2018: HUF 9,582 million).

**Gross profit**

The gross profit changed from HUF 2,788 million in the base period to HUF 2,967 million (HUF 179 million), which is due to the increase in sales revenue by HUF 2,355 million and by 2,176 million in direct expenses.

**2.2. Cost of sales**

The cost of sales increased by 39.5 per cent and amounted to HUF 220 million during Q1 of 2019, compared to HUF 158 million in Q1 of 2018.

**2.3. General overhead and administrative expenses**

Rába accounts its costs incurred in relation to the administration of the company (Q1 of 2019: HUF 846 million) and other general costs (Q1 of 2019: HUF 1,043 million) under general overhead and administrative expenses (Q1 of 2019: HUF 1,889 million. Q1 of 2018: 2,039 million).

**2.4. Other revenues and expenditures**

Other revenues amounted to a profit of HUF 72 million in Q1 of 2019, compared to HUF 41 million in losses during the same period of last year.

**3. OPERATING PROFIT**

The operating profit of the Company during Q1 of 2019 was HUF 930 million (Q1 of 2018: HUF 550 million). The increase in gross profit (HUF 179 million) was improved by the combined change in sales and general overhead costs (HUF 87 million) and the change in the balance of other revenues and expenditures (HUF 114 million). Profitability changed from 4.4% during the base period to 6.3%. The profitability of operating profit + depreciation changed from 8.4 per cent during the base period to 9.8 per cent.

**4. FINANCIAL REVENUES AND EXPENDITURES**

During Q1 of 2019, the net financial result was a loss of HUF 7 million, compared to the loss of HUF 24 million during the base period.

The net result of interest incomes and expenses was HUF -19 million during Q1 of 2019 (against HUF -14 million during the base period).

The net exchange rate difference of FX items during Q1 of 2019 was HUF 17 million (HUF -9 million in the base period).

Financial revenues and expenditures consisted of the following principal items:

in HUF thousand

	Q1 of 2018	Q1 of 2019
Interest income	185	8
Exchange rate gains	38 182	22 842
Other financial revenues	0	121
<b>Financial revenues</b>	<b>38 367</b>	<b>22 971</b>
Interest payable	14 072	20 496
Exchange rate loss	47 226	6 280
Other financial expenditures	602	3 136
<b>Financial expenditures</b>	<b>61 900</b>	<b>29 912</b>

**5. PROFIT IN THE CURRENT YEAR**

The earnings before taxation during Q1 of 2019 amounted to HUF 923 million, which, because of the factors outlined in sections 1-4 is HUF 397 million more than the figure for Q1 of 2018. The profitability ratio represents a 6.3 per cent return on sales on the basis of profit before taxation, against the level of 4.3 per cent during the base period.

The Group has HUF 179 million in tax liability during the review period. Within that, the corporate income tax liability was HUF 63 million, the local business tax liability was HUF 102 million and the deferred tax liability in the reporting period was HUF 14 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	

\*Indicate with X.

Description of item	31.12.2018	31.03.2019	Index
Real estate. machines. equipment	19 144 674	19 436 189	101.5%
Intangible assets	182 827	162 266	88.8%
Other long-term assets	332 617	314 136	94.4%
Property for investment purposes	338 217	338 217	100.0%
Other investments	205	205	100.0%
Deferred tax receivables	22 065	18 222	82.6%
<b>Total invested assets</b>	<b>20 020 605</b>	<b>20 269 235</b>	<b>101.2%</b>
Inventories	9 071 591	9 861 593	108.7%
Trade receivables and other receivables	12 265 856	14 073 736	114.7%
Profit tax receivable	37 672	50 825	134.9%
Liquid assets. bank account	683 530	890 983	130.4%
<b>Total current assets</b>	<b>22 058 649</b>	<b>24 877 137</b>	<b>112.8%</b>
<b>Total assets</b>	<b>42 079 254</b>	<b>45 146 372</b>	<b>107.3%</b>
Registered capital	13 473 446	13 473 446	100.0%
Treasury shares	-108 952	-108 952	100.0%
Retained earnings	7 500 457	8 244 484	109.9%
<b>Total equity and reserves</b>	<b>20 864 951</b>	<b>21 608 978</b>	<b>103.6%</b>
Long-term credits and loans	5 915 784	5 818 615	98.4%
Provisions	245 477	245 477	100.0%
Deferred tax liability	103 531	113 786	109.9%
<b>Total long-term liabilities</b>	<b>6 264 792</b>	<b>6 177 878</b>	<b>98.6%</b>
Provisions	244 468	236 883	96.9%
Short-term portion of loans and credits	2 186 268	3 973 311	181.7%
Trade liabilities and other payables	12 518 775	13 149 322	105.0%
<b>Total short-term liabilities</b>	<b>14 949 511</b>	<b>17 359 516</b>	<b>116.1%</b>
<b>Total equity and liabilities</b>	<b>42 079 254</b>	<b>45 146 372</b>	<b>107.3%</b>

#### Analysis of principal balance sheet items and their changes

##### 1. INVESTED ASSETS

##### 1.1. Properties. machines and equipment

The consolidated net value of properties, machines and equipment changed from the closing value of HUF 19,145 million on 31 December, 2018 to HUF 19,328 million. This represents an increase by 1.0 per cent. The depreciation of tangible assets was HUF 480 million in Q1 of 2019.

In line with the provisions of the IFRS 16 Standard effective from 1 January, 2019, the Company identified assets, forklifts and passenger vehicles in the amount of HUF 122 million, where the lessor let use of the assets to Rába. During the reporting period, the depreciation of these assets amounted to HUF 14 million. According to the decision adopted within the accounting policy, the Company applied the modified retrospective method as from 1 January, 2019, for the contracts still in effect on 1 January, 2019 and deemed operating leasing as per the provisions of the earlier IAS 17 regulations: based on the rules of IFRS 16, the contract was recalculated as if IFRS 16 had always been used, i.e. in the case of leases earlier deemed operating leasing as per the IAS 17, the value of the usage right is set identical with the leasing liability.

For leases expiring within less than 12 months of the transition, earlier deemed operating leasing

as per IAS 17, the Company used the possibility of exemption and continues to account for fees paid as per the contract under expenses until the end of the lease term.

### **1.2. Intangible assets**

The net value of intangible assets changed from HUF 183 million to HUF 162 million. This represents a decline by 11.2 per cent. The amount of depreciation accounted during the period was HUF 36 million.

### **1.3. Other long-term assets**

This balance sheet line shows other long-term loans given HUF 2 million (31 December, 2018: HUF 3 million), receivables from the sale of assets amounting to HUF 130 million (31 December 2018: HUF 130 million), as well as long-term advance payments in the amount of HUF 182 million (31 December 2018: HUF 200 million) are also shown here, as this is the consequence of the partial payment of a long-term liability upon favourable conditions, to be recorded annually in the indirect cost line. In consequence of the discharge of liabilities during the year, the amount of long term receivables declined by HUF 18 million during the period.

### **1.4. Property for investment purposes**

The book value of real estate for investment purposes did not change during the period. It amounted to HUF 338 million on 31 March, 2019.

### **1.5. Other investments**

The amount of other investments remained unchanged during the reporting period at HUF 205 thousand.

### **1.6. Deferred tax receivables**

The amount of receivable was HUF 18 million on 31 March, 2019, which is HUF 4 million less than the amount on 31 December 2018.

## **2. CURRENT ASSETS**

### **2.1. Inventories**

On 31 March, 2019, the closing value of stocks was HUF 9,862 million (31 December, 2018: HUF 9,072 million). The change is an increase by HUF 790 million. Components of the change are: an increase in materials and goods by HUF 1,077 million and a decline in unfinished, semi-finished and finished goods by HUF 287 million.

### **2.2. Trade receivables and other receivables**

The closing figure of receivables as at 31 March, 2019 was HUF 14,074 million, an increase by HUF 1,808 million compared to the 31 December, 2018 figure (closing figure for 31 December, 2018: HUF 12,266 million). Accounts receivable increased by HUF 1,456 million, advances made for investment and inventories increased by HUF 178 million and other receivables increased by HUF 174 million.

### **2.3. Profit tax receivables**

On 31 March, 2019, profit tax receivables amounted to HUF 51 million, of which the corporate tax liability is HUF 4 million and local trade tax receivable is HUF 55 million.

On 31 December, 2018, the Group had a HUF 38 million profit tax receivable, within which the corporate tax receivable amounts to HUF 30 million and the local trade tax receivable is HUF 8 million.

### **2.4. Liquid assets**

The closing figure of liquid assets on 31 March, 2019 was HUF 891 million, HUF 207 million more than on 31 December, 2018 (HUF 684 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, 2018	13 473 446	-108 952	0	6 613 450	0	19 977 944
Profit for current year				396 432		396 432
Balance as at 31 March 2018	13 473 446	-108 952	0	7 009 882	0	20 374 376
Profit of current year				800 494		800 494
Dividend payment				-309 919		-309 919
Balance as at 01 January 2019	13 473 446	-108 952	0	7 500 457	0	20 864 951
Profit of the current year				744 027		744 027
Balance as at 31 March 2019	13 473 446	-108 952	0	8 244 484	0	21 608 978

**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, 2019, the share capital of the Company was HUF 13.473 million.

**3.2. Treasury shares**

On 31 March, 2019, the value of treasury shares was HUF 108.952 thousand (120.681 shares), with no changes since 31 December, 2018. All rights related to the shares of the Company owned by the Group ("treasury shares") are suspended until the renewed issue of the shares in question.

**3.3. Retained earnings**

The retained earnings (HUF 8,244 million) changed by HUF 744 million. i.e. the profit for the reporting year compared to the closing value for the previous year (HUF 7,500 million).

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

The closing value of long-term credits and loans as at 31 March, 2019 amounted to HUF 5,819 million, which was 3.5 per cent lower than the opening balance of the period (on 31 December, 2018, the closing figure was HUF 5,916 million).

**Leasing liabilities**

On 1 January, 2019, the Company had leasing liabilities of HUF 122 million in the context of the leasing contracts identified in line with the provisions of the new IFRS 16 leasing standard, the amount of which declined by HUF 14 million, the lease fee for the current period during Q1.

**4.2. Provisions**

The closing value of provisions as at 31 March, 2019 was HUF 482 million, of which HUF 245 million is long-term, the rest is the amount set aside for the liabilities expected during the reporting period. The amount of long-term provisions has not changed since 31 December 2018.

**4.3. Deferred tax liability**

On 31 March, 2019, the Company had deferred tax liabilities in the amount of HUF 114 million, which is HUF 10 million more than the amount on 31 December, 2018.

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

The total amount of short-term credits and loans of HUF 3,973 million increased by 81.7 per cent compared to the closing value at the end of December 2018 (HUF 2,186 million).

The net borrowing of the Rába group was HUF 8,792 million on 31 March, 2019, an increase by HUF 1,374 million compared to the level as at 31 December, 2018.

## 5.2. Provisions

The short-term portion of provisions amounted to HUF 237 million on 31 March, 2019, which is HUF 8 million lower than the amount on 31 December, 2018.

## 5.3. Profit tax liability

At the end of the quarter, the Group had profit tax receivables, similar to 31 December of the previous year.

## 5.4. Accounts payable and other short-term liabilities

On 31 March, 2019, the amount of accounts payable and other short-term liabilities was HUF 13,149 million, which is 5 per cent more than the closing value as at the end of December 2018 (HUF 12,519 million). Accounts payable declined by HUF 49 million, other liabilities increased by HUF 44 million, whereas passive accruals increased by HUF 635 million.

## PK 5. CONSOLIDATED CASH-FLOW STATEMENT

Data in HUF thousand

	<u>Q1 2018</u>	<u>Q1 2019</u>
<b>Cash-flows from operating activities</b>		
Profit before taxation	526 479	923 096
<i>Adjustment items related to items with no cash movement:</i>		
Interest expenditure	7 458	10 747
Depreciation and amortisation	494 718	516 048
Impairment of intangible assets. properties. machines and equipment		
Write-off of intangible assets and fixed assets	870	5 842
Impairment of bad and doubtful receivables and of long term receivables	4 924	3 992
Impairment of stocks kept at net realisable value	12 000	12 892
Scrapping of stocks	6 129	4 224
Provisions / (release)	20 395	-7 584
Share based payments made in capital instruments	0	0
Result from the sale of real estate. machinery and fixtures and intangible assets	-986	-77 618
Revaluation of loans and credits at end of period	44 826	-8 548
<i>Changes in working capital:</i>		
Changes in trade and other receivables	-1 224 787	-1 811 871
Changes in stocks	-228 247	-807 118
Changes in accounts payable and other liabilities	669 373	772 485
Taxes paid	-174 701	-178 123
Interests paid	-6 986	-9 750
<b>Net cash flows from operating activity</b>	<b>151 466</b>	<b>-651 286</b>
<b>Cash-flows from investment activities</b>		
Purchase of real estate. machinery and fixtures. as well as of intangibles	-1 299 436	-796 435
Revenues from the sale of real estate. machinery and fixtures as well as intangible asses	1 000	78 881
Interests received	185	7
<b>Net cash flows used for investment activities</b>	<b>-1 298 251</b>	<b>-717 547</b>
<b>Cash flows from financing activities</b>		
Loans and credits received	725 202	1 782 589
Loans and credits and leasing repayment	-186 089	-206 303
<b>Net cash flows from financing activities</b>	<b>539 113</b>	<b>1 576 286</b>
<b>Net increase/decrease of cash and cash equivalents</b>	<b>-607 672</b>	<b>207 453</b>

**BASIS FOR THE INTERIM FINANCIAL REPORT**

The summary consolidated interim financial report prepared in accordance with IAS 34 Directive (on Interim Financial Reporting) should be read in conjunction with the financial report for the year ended 31 December, 2018, prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Body ("IASB") and adopted by the European Union. The consolidated interim financial report is unaudited. Rába Plc. published its statutory accounts for the year ended 31 December, 2018 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, 2018 is based on audited figures and the auditor issued an unqualified opinion.

Upon preparing the financial statement, apart from the application of the IAS 17 leasing standard, the Group followed the same accounting policy as in the last financial statement for 2018. The Company has been using the new IFRS standard since 1 January, 2019, which has not modified the Group's consolidated financial report to any large extent.

**PK6. Major off-balance sheet items**

Description	Value (HUF)
According to a separate list*	

\* The bank loans of the Rába Group amount to HUF 9,683 million, of which the loans secured with liens and mortgages on movable assets and real property amount to HUF 9,683 million.

The amount of bank guarantees issued on behalf of the Rába Group is HUF 708 million.

**RS1. Ownership structure. ratio of participation**

Description of ownership	Total equity						Series listed <sup>1</sup>			
	Beginning of current year (01 January)			At end of term (31 December)			At beginning of period		At end of term	
	% <sup>2</sup>	% <sup>3</sup>	pcs	% <sup>2</sup>	% <sup>3</sup>	pcs	%	pcs	%	pcs
Domestic institutional/corporate	7.89	7.96	1 063 082	7.33	7.40	987 637				
Foreign institutional/corporate	2.24	2.26	302 409	2.40	2.42	322 975				
Foreign private individual	0.08	0.08	10 805	0.08	0.08	10 577				
Domestic private individual	14.41	14.54	1 941 856	14.82	14.96	1 996 963				
Employees. leading officials	0.13	0.13	17 074	0.13	0.13	17 074				
Treasury shares	0.90		120 681	0.90		120 681				
Shareholder forming part of general government <sup>4</sup>	74.35	75.02	10 017 539	74.35	75.02	10 017 539				
International Development Institutions <sup>5</sup>	0.00	0.00	0	0.00	0.00	0				
Other <sup>6</sup>	0.00	0.00	0	0.00	0.00	0				
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>13 473 446</b>	<b>100.00</b>	<b>100.00</b>	<b>13 473 446</b>				

<sup>1</sup> If the listed series equals the total share capital and it is indicated, there is no need to fill it in. If more than one series are listed at the Stock Exchange, the ownership structure must be specified for each series.

<sup>2</sup> Ownership ratio

<sup>3</sup> Voting right ensuring participation during the decision-making process at the general meeting of shareholders of the issuer. If the ownership ratio and the voting right are the same, only the column regarding the owner needs to be filled in/published while stating such fact.

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

<sup>5</sup> E.g.: EBRD, EIB, etc.

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

Name	Nationality <sup>1</sup>	Activity <sup>2</sup>	Quantity (pcs)	Share (%) <sup>3</sup>	Voting right (%) <sup>3,4</sup>	Comment <sup>5</sup>
Hungarian State Holding Company Ltd. (MNV Zrt.)	D	G	10 015 829	74.34	75.01	

<sup>1</sup> Domestic (D). Foreign (F)

<sup>2</sup> Custodian (C). General government (G). International Development Institution (IFI). Institutional (I). Business entity (B) Private (P). Employee. leading official (D)

<sup>3</sup> Should be rounded to two decimal figures

<sup>4</sup> Voting right ensuring participation during the decision-making process at the general meeting of shareholders of the issuer

<sup>5</sup> E.g.: strategic investor. financial investor. etc.

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

	1 January	31 March
At corporate level	120 681	120 681
Subsidiaries		
Grand total	120 681	120 681

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

**TSZ1. Headcount of full-time employees (people)**

	End of base period	Beginning of current year	End of current period
At corporate level	17	15	17
At group level	1 450	1 417	1 423

The consolidated closing headcount as at 31 March, 2019 was 1,423. The decline in headcount is 1.9 per cent compared to the end of the base period.

**TSZ2. Managing executives. strategic employees**

Type <sup>1</sup>	Company	Position	Beginning of mandate	End/termination of mandate	Number of shares owned (pcs):
BD	István Pintér	Chairman of the BD	2005		7.082
BD	Ákos Csókay	Board member	2017		0
BD	Dr. János Géza Fördös	Board member	2016		0
BD	Dr. Péter Hartmann	Board member	2016		0
BD	Dr. Miklós Rátky	Board member	2014		0
BD	Andor Nándor Tóth	Board member	2018		0
BD	György Wáberer	Board member	2012		0
SB	Dr. Gábor Czepek	Chairman of the SB	2016	2018	0
SB	Dr. Zoltán Lajos Pafféri	Chairman of the SB	2018		
SB	Dr. Zsolt Harmath	SB member	2016		0
SB	Dr. Tünde Kanta	SB member	2017		0
SP	István Pintér	Chief Executive Officer	2003	indefinite	7.082
SP	Béla Balog	CFO	2004	indefinite	3.332
SP	Ádám Steszli	HR and Controlling Director	2014	indefinite	1.664
SP	István Pintér	Managing Director	2004	indefinite	7.082
SP	László Urbányi	Managing Director	2005	indefinite	3.332
SP	János Torma	Managing Director	2005	indefinite	1.664
Total number of shares owned (pcs):					17.074

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

As from the day of the Annual General Meeting of Shareholders, the AGM of Rába Plc., held on 11 April, 2019, recalled from the Board of Directors of the Company Dr. Miklós Rátky, Dr. Péter Hartmann and Mr. Ákos Csókay, Dr. Géza János Fördös and Mr. Andor Nándor Tóth. At the same time, the General Meeting of Shareholders elected to the Board of Directors, for the period between 12 April, 2019 and 19 May, 2021, Dr. Ibolya Virág Csernák Bánóczy, Mr. János Major, Dr. Ákos Mátyás Pálvölgyi, Dr. Roland Sebők and Dr. Tamás Tóth for a definite period of time. The newly elected Board members do not hold any Rába shares.

***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	31.12.2018	31.03.2019	Index
Property. machinery. equipment	6 065 657	6 052 726	99.79%
Intangible assets	12 809	11 520	89.94%
Other long-term assets	1 503 883	1 503 883	100.00%
Real estate for investment	338 217	338 217	100.00%
Subsidiary investments	11 918 570	11 918 570	100.00%
Other investments	205	205	100.00%
Deferred tax receivable	4 973	6 915	139.05%
<b>Total invested assets</b>	<b>19 844 314</b>	<b>19 832 036</b>	<b>99.94%</b>
Inventories	8 029	8 155	101.57%
Accounts receivable and other receivables	2 311 343	2 408 316	104.20%
Profit tax receivable	17 167	26 449	154.07%
Cash and cash equivalents	449 688	155 084	34.49%
<b>Total current assets</b>	<b>2 786 227</b>	<b>2 598 004</b>	<b>93.24%</b>
<b>TOTAL ASSETS</b>	<b>22 630 541</b>	<b>22 430 040</b>	<b>99.11%</b>
Registered capital	13 473 446	13 473 446	100.00%
Treasury shares	-108 952	-108 952	100.00%
Retained earnings	3 655 891	3 855 747	105.47%
<b>Total equity and reserves</b>	<b>17 020 385</b>	<b>17 220 241</b>	<b>101.17%</b>
Long term credits and loans	95 700	95 700	100.00%
Provisions	0	8 839	
<b>Total long-term liabilities</b>	<b>95 700</b>	<b>104 539</b>	<b>109.24%</b>
Provisions	71 766	93 285	129.98%
Short-term financial liabilities	0	1 791 939	
Accounts payable and other liabilities	5 442 690	3 220 036	59.16%
<b>Total short-term liabilities</b>	<b>5 514 456</b>	<b>5 105 260</b>	<b>92.58%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>22 630 541</b>	<b>22 430 040</b>	<b>99.11%</b>

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

Data in HUF thousand

Description of item	Q1 2018	Q1 2019	Index
Sales revenues	370 072	422 151	114,1%
Direct costs of sales	87 903	93 940	106,9%
<b>Gross profit</b>	<b>282 169</b>	<b>328 211</b>	<b>116,3%</b>
Sales and marketing costs	2 713	2 482	91,5%
General overhead costs	246 219	266 961	108,4%
Other revenues	262 132	212 977	81,2%
Other expenditures	58 053	68 056	117,2%
<b>Other operating expenditures total</b>	<b>-44 853</b>	<b>-124 522</b>	<b>277,6%</b>
<b>Operating profit</b>	<b>237 316</b>	<b>203 689</b>	<b>85,8%</b>
Financial income	1 000	28 522	2852,2%
Financial expenditures	14 278	28 779	201,6%
<b>Net financial income</b>	<b>-13 278</b>	<b>-257</b>	<b>1,9%</b>
<b>PROFIT BEFORE TAXATION</b>	<b>224 038</b>	<b>203 432</b>	<b>90,8%</b>
<b>Profit Tax</b>	<b>2 494</b>	<b>3 574</b>	<b>143,3%</b>
<b>PROFIT OF CURRENT YEAR</b>	<b>221 544</b>	<b>199 858</b>	<b>90,2%</b>
<b>TOTAL AGGREGATE PROFIT/LOSS OF CURRENT YEAR</b>	<b>221 544</b>	<b>199 858</b>	<b>90,2%</b>
<b>EBITDA</b>	<b>292 145</b>	<b>259 157</b>	<b>88,7%</b>

**SEGMENT INFORMATION**

From a business perspective, the Group can be split into three main segments: Axles, Vehicles and Automotive Components. It is on the basis of these business segments that the Group prepares segment information for the management. Management is responsible for assigning resources to the segments, as well as for holding the segments accountable for their performance.

The Axle Segment encompasses the production and sale of axles, axle parts and axle components, the Vehicle Segment is responsible for the manufacturing of truck and bus chassis and the related components, as well as for the assembly and sale of vehicles, while the Automotive Components Segment is responsible for the production of vehicle components, seat frames, pressed structures, as well as truck chassis and for the sewing of seat covers and for the sale of these products.

Segment results, segment assets and segment liabilities include items that can be directly attributed to the segment. Undivided 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 2018					
	Axle IFRS	Vehicle IFRS	Component IFRS	Undivided	Inter-segment	Consolidated
Revenues	6 284 284	2 386 175	3 643 158	56 333	0	12 369 951
Inter-segment revenues	154 817	107 307	210 638	313 738	-786 500	0
<b>Total revenue from sales</b>	<b>6 439 101</b>	<b>2 493 482</b>	<b>3 853 796</b>	<b>370 072</b>	<b>-786 500</b>	<b>12 369 951</b>
<b>Direct cost of sales</b>	<b>-5 094 003</b>	<b>-1 918 450</b>	<b>-3 090 107</b>	<b>-87 903</b>	<b>608 408</b>	<b>-9 582 056</b>
<b>GROSS PROFIT</b>	<b>1 345 097</b>	<b>575 032</b>	<b>763 689</b>	<b>282 169</b>	<b>-178 092</b>	<b>2 787 895</b>
Sales and marketing costs	-117 798	-31 540	-5 991	-2 608	0	-157 937
General overhead costs	-1 095 748	-326 820	-547 822	-246 324	178 128	-2 038 587
Other revenues	45 716	11 997	11 609	262 132	-262 266	69 189
Other expenditures	-22 905	-5 361	-24 230	-58 053	0	-110 550
<b>TOTAL OTHER OPERATING EXPENDITURES</b>	<b>-1 190 735</b>	<b>-351 725</b>	<b>-566 434</b>	<b>-44 853</b>	<b>-84 138</b>	<b>-2 237 885</b>
<b>REVENUE FROM OPERATIONS</b>	<b>154 362</b>	<b>223 307</b>	<b>197 255</b>	<b>237 315</b>	<b>-262 230</b>	<b>550 010</b>
Interest income	183	0	0	2	0	184
Interest expenditure	-6 786	-141	-4 567	-2 578	0	-14 072
Profit tax expenditure	-46 592	-36 568	-44 393	-2 493	0	-130 046
<b>Assets</b>	<b>5 802 399</b>	<b>1 668 321</b>	<b>3 572 075</b>	<b>19 467 285</b>	<b>-12 914 151</b>	<b>17 595 929</b>
Real estate, machinery and equipment	5 466 822	1 609 097	3 475 471	6 059 824	12 292	16 623 506
Intangible assets	118 661	39 642	50 322	13 937	0	222 561
Real estate for investment	0	0	0	338 217	0	338 217
Other long-term assets	214 979	19 405	13 709	1 464 640	-1 333 741	378 991
Inventories	5 204 960	518 800	1 513 085	11 165	-30 273	7 217 738
Receivables	7 847 534	4 974 250	1 915 907	1 137 125	-4 790 531	11 084 286
Cash and cash equivalent	596 128	2 274	314 553	1 117 717	-1	2 030 670
<b>Liabilities</b>	<b>10 675 784</b>	<b>3 529 774</b>	<b>1 874 694</b>	<b>17 158 797</b>	<b>-12 864 675</b>	<b>20 374 374</b>
Provisions	56 826	157 876	0	87 596	3	302 301
Financial liabilities	0	0	0	35 932	-35 932	0
Liabilities	6 418 515	1 556 509	3 597 359	3 949 911	-4 789 264	10 733 031
Capital expenditures	782 303	37 205	433 740	56 453	0	1 309 701
Depreciation	281 782	56 762	101 381	54 829	-36	494 718

	Q1 2019					
	Axle IFRS	Vehicle IFRS	Component IFRS	Undivided	Inter-segment	Consolidated
Revenues	6 245 466	4 002 830	4 415 637	60 762	0	14 724 695
Inter-segment revenues	264 662	111 951	254 101	361 389	-992 103	0
<b>Total revenue from sales</b>	<b>6 510 128</b>	<b>4 114 781</b>	<b>4 669 738</b>	<b>422 151</b>	<b>-992 103</b>	<b>14 724 695</b>
<b>Direct cost of sales</b>	<b>-5 387 387</b>	<b>-3 165 137</b>	<b>-3 884 916</b>	<b>-93 940</b>	<b>773 800</b>	<b>-11 757 579</b>
<b>GROSS PROFIT</b>	<b>1 122 742</b>	<b>949 644</b>	<b>784 822</b>	<b>328 211</b>	<b>-218 303</b>	<b>2 967 115</b>
Sales and marketing costs	-73 304	-139 588	-4 995	-2 482	0	-220 370
General overhead costs	-969 787	-275 736	-594 814	-266 961	218 424	-1 888 873
Other revenues	165 013	18 540	19 102	212 977	-213 796	201 836
Other expenditures	-24 480	-12 470	-26 064	-68 056	1 396	-129 673
<b>TOTAL OTHER OPERATING EXPENDITURES</b>	<b>-902 558</b>	<b>-409 254</b>	<b>-606 771</b>	<b>-124 522</b>	<b>6 024</b>	<b>-2 037 080</b>
<b>REVENUE FROM OPERATIONS</b>	<b>220 184</b>	<b>540 390</b>	<b>178 051</b>	<b>203 689</b>	<b>-212 279</b>	<b>930 035</b>
Interest income	454	3 581	290	1 782	-6 099	8
Interest expenditure	-12 687	-4 757	-4 051	-5 100	6 099	-20 496
Profit tax expenditure	-55 045	-72 251	-48 199	-3 574	0	-179 069
<b>Assets</b>	<b>8 494 248</b>	<b>1 628 816</b>	<b>3 599 427</b>	<b>19 829 798</b>	<b>-13 283 052</b>	<b>20 269 237</b>
Real estate, machinery and equipment	8 249 964	1 570 502	3 553 994	6 052 726	9 002	19 436 189
Intangible assets	83 136	43 765	23 846	11 520	0	162 267
Real estate for investment	0	0	0	338 217	0	338 217
Other long-term assets	159 211	14 371	10 156	1 503 882	-1 373 483	314 137
Inventories	5 965 052	2 011 380	1 910 788	8 155	-33 781	9 861 594
Receivables	9 052 309	5 769 578	2 281 856	2 408 316	-5 438 323	14 073 736
Cash and cash equivalent	730 307	2 264	3 329	155 084	-1	890 983
<b>Liabilities</b>	<b>11 248 554</b>	<b>4 180 790</b>	<b>2 281 128</b>	<b>17 215 940</b>	<b>-13 317 437</b>	<b>21 608 976</b>
Provisions	33 398	218 695	41 280	188 985	3	482 361
Financial liabilities					0	
Liabilities	8 476 448	2 957 783	3 932 780	3 220 036	-5 437 722	13 149 326
Capital expenditures	680 058	72 275	12 792	34 022	-1 800	797 348
Depreciation	282 224	59 080	119 397	55 468	-121	516 049

**PK1. General information pertaining to the financial data**

	Yes	No		
<b>Audited</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
<b>Consolidated</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
<b>Accounting principles</b>	Hungarian	<input type="checkbox"/>	IFRS	<input checked="" type="checkbox"/>
			Other	<input type="checkbox"/>
<b>Other:</b> .....				

**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, 15 May, 2019

István Pintér  
Chairman - CEO

Béla Balog  
Chief Financial Officer