



KPMG Hungária Kft. Tel.: +36 (1) 887 71 00
Váci út 31. Fax: +36 (1) 887 71 01
H-1134 Budapest E-mail: info@kpmg.hu
Hungary Internet: kpmg.hu
Independent Auditors' Report

To the shareholders of Rába Járműipari Holding Nyrt.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the 2022 consolidated financial statements of Rába Járműipari Holding Nyrt. and its subsidiaries (collectively, "the Group") included in the digital file 529900YBK6AH4WL22R69-2022-12-31-HU.zip¹, which comprise the consolidated statement of financial position as at 31 December 2022, with total assets of THUF 63,087,227, the consolidated statement of profit or loss and other comprehensive income, with profit for the year of THUF 1,632,170, and the consolidated statements of changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRSs) and they are prepared, in all material respects, in accordance with the provisions applicable to entities preparing consolidated annual financial statements in accordance with EU IFRSs of Act C of 2000 on Accounting in force in Hungary (Act on Accounting).

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group for the purposes of our audit of the consolidated financial statements, as provided in applicable laws in force in Hungary, the policy on rules of conduct (ethics) of the audit profession and on disciplinary procedures of the Chamber of Hungarian Auditors, as well as with respect to issues not covered by these, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) translated into Hungarian and published on the website of the Chamber of Hungarian Auditors 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

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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.

Recognition of revenue in the Axle business segment

Revenue for the year ended 31 December 2022 is THUF 64,346,577. For more detailed information, refer to Note 3. o) "Revenues" and Note 19. "Revenues" to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>More than half of the Group's revenue of THUF 64,346,577 for the year ended 31 December 2022 is generated within the Axle business segment.</p> <p>Application of revenue recognition principles of EU IFRSs is complex and requires making significant assumptions and judgments. One of the key judgments in the area stems from the requirement to determine when a given performance obligation is satisfied. Under IFRS 15, an entity may only recognise revenue when it satisfies an identified performance obligation by transferring a promised good or service to a customer.</p> <p>The Group performs an assessment for each performance obligation as to whether it is satisfied over time or at a point in time. The determination requires a thorough consideration of contractual provisions to understand when control of the promised goods or services is transferred to customers. In the process, the shipping terms of the arrangement are a relevant consideration. In that regard, revenues of the Axle business are associated with particular complexity as the segment applies a number of different shipping terms, often within arrangements with one customer, including ex works, FCA and DDU.</p> <p>Given often significant values of the Axle segment's individual sales transactions, contractual terms need to be carefully analysed for a large number of arrangements on a shipment-by-shipment basis. The risk exists in particular in case of sales recognized at the end of the current or beginning of the subsequent reporting period.</p>	<p>Our audit procedures in the area, performed with the assistance from our own information technology (IT) specialists, included, among others, the following:</p> <ul style="list-style-type: none">• We updated our assessment of the Group's revenue recognition policy for compliance with relevant provisions of the financial reporting standards and also updated our understanding of and evaluated the Group's revenue recognition process.• We tested selected manual and IT-based controls within the revenue process, including those over the appropriateness of the delivery and shipping information (including shipping terms), matching invoices with deliveries as well as general IT controls supporting revenue-related application controls;• For a sample of customers, we inspected key terms of the underlying sales contracts to obtain understanding of the pattern of transfer of control of the goods and services sold.• For a sample of sales transactions close to the end of the current and beginning of the subsequent reporting period, we tested whether related revenues were recognized in the appropriate period, based on our inspection of the underlying invoices and delivery notes, including the proof of the customer's date of acceptance, as well as the results of the preceding procedure;• We obtained confirmations for a sample of sales invoices selected from trade receivables outstanding as at 31 December 2022 and from

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<p>Due to the matters described above, we considered revenue recognition in the Axle segment to be associated with a significant risk of material misstatement in the consolidated financial statements. Therefore, the area required our increased attention in the audit and as such was determined to be a key audit matter.</p>	<p>the sales turnover for the year then ended. For non-responses, we performed alternative procedures by examining the related delivery notes, including the proof of the date of the customer's acceptance and/or payment receipt(s);</p> <ul style="list-style-type: none">• We investigated any significant credit notes issued after the end of the reporting period for any indication that they would be indicative of the sales being recognized in the inappropriate amount or accounting period.• We examined whether the Group's revenue recognition-related disclosures in the consolidated financial statements appropriately address the relevant quantitative and qualitative requirements of the applicable financial reporting framework.
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Other Information

The other information comprises the 2022 'Consolidated business report and management report' included in the digital file 529900YBK6AH4WL22R69-2022-12-31-HU.zip² of the Group. Management is responsible for the preparation of the 'Consolidated business report and management report' in accordance with the Act on Accounting and other applicable legal requirements, if any.

Our opinion on the consolidated financial statements expressed in the Opinion section of our report does not cover the 'Consolidated business report and management report'.

In connection with our audit of the consolidated financial statements, our responsibility is to read the 'Consolidated business report and management report' and, in doing so, consider whether the 'Consolidated business report and management report' is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the Act on Accounting, we are also responsible for assessing whether the consolidated business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements, including the assessment of whether the consolidated business report has been prepared in accordance with Section 95/B (2) e) and f) of the Act on Accounting and expressing an opinion on this and whether the consolidated business report is consistent with the consolidated financial statements.

With respect to the consolidated business report, based on the Act on Accounting, we are also responsible for checking that the information referred to in Section 95/B (2) a)-d), g) and h), Section 95/C and Section

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134 (5) of the Act on Accounting has been provided in the 'Consolidated business report and management report'.

In fulfilling our responsibility with respect to the 'Consolidated business report and management report', the requirements set out in the Regulation (EU) No 815/2019 of 17 December 2018 (ESEF Regulation) were considered as other legal requirements applicable for the 'Consolidated business report and management report'.

In our opinion the 2022 'Consolidated business report and management report' of the Group is consistent, in all material respects, with its 2022 consolidated financial statements and the applicable provisions of the Act on Accounting and the requirements of the ESEF Regulation.

We confirm that the information referred to in Section 95/B (2) a)-d), g) and h), Section 95/C and Section 134 (5) of the Act on Accounting has been provided in the 'Consolidated business report and management report'.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the 'Consolidated business report and management report', and if so, the nature of such misstatement. 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 and fair presentation of the consolidated financial statements in accordance with EU IFRSs and for the preparation of the financial statements in accordance with provisions applicable to entities preparing consolidated annual financial statements in accordance with EU IFRSs of the Act on Accounting 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 Group's financial reporting process.

Auditors' 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 auditors' 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 Standards on Auditing and applicable laws and regulations in Hungary 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 Standards on Auditing and applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- 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 auditors' 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 auditors' 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 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. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We were appointed by the shareholders' meeting on 30 April 2020 to audit the consolidated financial statements of the Group for the financial year ended 31 December 2022. Our total uninterrupted period of engagement is three years, covering the periods ending 31 December 2020 to 31 December 2022.

We confirm that:

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- our audit opinion is consistent with the additional report presented to the Audit Committee of the Group dated 16 March 2023;

- we have not provided to the Group prohibited non-audit services (NASs) as set out by Article 5(1) of Regulation (EU) No 537/2014 and in terms of the member state derogations by the Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors in force in Hungary. We also remained independent of the audited entity in conducting the audit.

Report on the Compliance of the Presentation of the Consolidated Financial Statements with the Requirements of the Regulation on the European Single Electronic Format

We have undertaken a reasonable assurance engagement on the compliance of the presentation of the consolidated financial statements included in the digital file 529900YBK6AH4WL22R69-2022-12-31-HU.zip prepared by the Group (“consolidated financial statements in ESEF format”) with the requirements set out in 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”).

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements in ESEF Format

Management is responsible for the presentation of 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 the full application of relevant tags and proper creation and linking of 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 presentation of 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

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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 presentation of the consolidated financial statements in ESEF format of the Group for the year ended 31 December 2022 included in the digital file 529900YBK6AH4WL22R69-2022-12-31-HU.zip complies, in all material respects, with the requirements of the ESEF Regulation.

The engagement partners on the audit resulting in this independent auditors' report are the signatories of this report.

Budapest, 29 March 2023

KPMG Hungária Kft.

Registration number: 000202

Marcin Ciesielski
Partner

Attila Juhász
Professional Accountant
Registration number: 006065

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