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Crown Holding Kft.

February 2025

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Crown Holding Kft.		Initial Rating	Review	Monitoring	Review
Date of Rating Committee:		20.01.2022	25.01.2024	25.09.2024	10.02.2025
Date of Publication:		04.02.2022	26.01.2024	25.09.2024	12.02.2025
Issuer Rating	**Long-term rating:**	**BB-**	**BB-**	**BB-**	**BB**
	Outlook:	Stable	Positive	Positive	Stable
Bond Rating HU0000361472	**Long-term rating:**	**BB-**	**BB-**	**BB-**	**BB**
	Outlook:	Stable	Positive	Positive	Stable

1) The credit rating and the rating outlook were disclosed to the rated entity or related third party. Following that disclosure amendments in the credit rating and rating outlook have not been executed;

2) During the last 2 years, BCRA Credit Rating Agency EAD has not provided ancillary services to the rated entity or a related third party.

BCRA – CREDIT RATING AGENCY (BCRA) *is the third fully recognized rating agency in the EU, registered pursuant to Regulation No. 1060/2009 of the European Parliament and of the Council. The credit ratings, assigned by the BCRA are valid throughout the EU and are fully equal to those, of the other agencies, recognized by the European Securities and Markets Authority, without any territorial or other limitations.*

On February 10, 2025, the **Rating Committee** of BCRA had a session, in which the Report on the annual credit rating review of Crown Holding was discussed. The session was headed by Ivaylo Cholakov – deputy chairmen of the Rating Committee. The members of the Rating Committee reviewed numerous qualitative and quantitative risk factors included in the Rating Report. Accordingly, the Rating Committee took the following decision:

*BCRA **upgrades** both the Long-term **Issuer rating** and the **Bond rating** of Crown Holding from BB- to **BB** and changes the **outlook** related to them from Positive to **Stable**.*

The official Methodology of BCRA for assigning a Corporate Credit Rating (effective as of February 2023) has been applied:
https://bcra.eu/files/corporate_methodology_2023_en.pdf

The users of the rating can find information on the meaning of each rating category, including the definition of default in the published Global rating scale on the BCRA's website:
https://bcra.eu/files/global_scale_en.pdf

Information from the rated entity, the BCRA database, and other sources of public information has been used.

Table 1: General information about the rated entity

Issuer:	Crown Holding Kft.
Head Office:	1052 Budapest, Deák Ferenc tér 3., Hungary
Main Activities:	Renting and operating of own or leased real estate
Registration number:	01-09-207175
LEI:	2330007B46WU4T654359
Bond ISIN:	HU0000361472

Company Overview

Founded in 2015 and headquartered in Budapest, Hungary, Crown Holding is a limited liability company specializing in commercial real estate across Hungary and Romania. The company's core focus is asset management, complemented by a strong presence in real estate development, investment, and property management through its subsidiaries. It has a diversified portfolio spanning shopping malls, hotels, and office buildings in prime locations in Hungary and Romania.

In November 2023, the company underwent a technical ownership restructuring, as its former sole owner, Mr. Sandor Mudura, transferred his entire stake in Crown Holding Kft. to Crown Trust Kft., a company under his sole ownership.

Mr. Mudura is also the CEO of Crown Holding. Other members of the management team have a long experience and a wide range of expertise in Asset Management and Real Estate Development

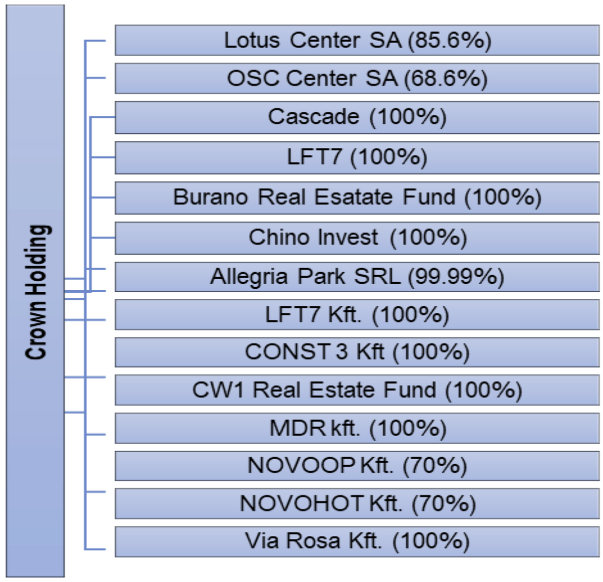
Committed to sustainability and environmental responsibility, Crown Holding aligns its operations with the European Union's green transition goals. Demonstrating this commitment, in February 2022, the company issued a HUF 11.2 billion green corporate bond with a 10-year maturity. As a green bond issuer, Crown Holding is committed to utilizing the proceeds in accordance with its Green Bond Framework, ensuring full alignment with international sustainability standards. In 2024, the company released its second Green Bond Report, highlighting the progress and impact of its environmental initiatives since the previous year.

The companies within Crown Holding's portfolio primarily consist of real estate assets originally owned and developed by Sándor Mudura, which were gradually incorporated into the company through strategic contributions and acquisitions.

The current corporate structure evolved following the company's foundation, transitioning from an initial portfolio of development-focused real estate and office buildings to a more diversified holding. Many of the assets were previously held directly by the proprietor and integrated into the portfolio post-development, reflecting a structured approach to asset consolidation and growth.

As Crown Holding currently owns shares in more than 30 companies, *Figure 1* presents the current holding structure, focusing only on key companies that own income-generating assets and those that are financed externally.

Figure 1: Key companies in Crown Holding's structure



Lotus Center SA was incorporated in 2009 while Crown Holding acquired it in 2019. The entity owns a shopping center which represents a prime shopping destination in Oradea, Romania.

OSC Center SA owns a shopping center in Oradea, Romania. Crown Holding acquired the controlling interest in 2019

Allegria Park SRL is a retail park in Oradea, Romania, built on a single level and completed in 2018.

Burano Real Estate Investment owns a prime office building in Budapest. Crown Holding acquired 100% of fund shares in March 2022.

Cascade Building is a Romanian entity owning a prime office building in Bucharest, Romania. Crown Holding acquired the property in August 2022.

LFT7 Kft. was incorporated in 2011 and acquired by Crown Holding in 2016. The company owns a retail and residential property in Budapest, Hungary.

CONST 3 Kft. is the subsidiary that develops the Raddison Collection Hotel in Budapest.

CW1 Investment Fund owns an office building in Debrecen, Hungary.

MDR Kft. owns a property in the heart of the Central Business District of Budapest. The entity was acquired by Crown Holding in 2017.

NOVOHOT Kft. acquired the building of Novotel Szeged in 2018. The hotel is operated by another subsidiary of Crown Holding - **NOVOOP Kft.** which has signed a long-term lease agreement with NOVOHOT. In November 2024, Novohot and Novoop Kfts completed the **acquisition of two Ibis hotels**: the 139-room Ibis CitySouth in Budapest and the 96-room Ibis in Győr.

VIA ROSA Kft. was founded as a subsidiary of Crown Holding in 2020. The company owns an empty site, ready for development of circa 29 000 sqm gross floor, situated close to the center of Ujpest, Budapest.

Chino Invest is a Hungarian entity that owns an industrial plot/building in Budapest.

The structure of the corporate group, its size, and its complexity necessitate unified asset management. The holding company provides management and control services, making decisions regarding the utilization of assets owned by subsidiaries, their business strategy, and the movement and utilization of assets, while also overseeing their management and profitability. One of the fundamental goals of creating the holding was to make the financial management of the companies more efficient.

In recent years, Crown Holding's real estate portfolio has experienced significant expansion. As a result, the current strategic focus is on stabilizing core assets, seamlessly integrating newly acquired properties, achieving full occupancy of vacant spaces, and finalizing the development of the Radisson Collection hotel in Budapest.

Operating environment

Business activities of Crown Holding are carried out in the real estate sector, particularly in *Renting and operating owned commercial real estate.* Given its strong connection to construction activities and significant reliance on macroeconomic conditions, the real estate industry is inherently cyclical. Fluctuations in economic growth, interest rates, and investment trends directly impact market demand, property valuations, and rental yields, making adaptability and strategic foresight essential for long-term stability and growth.

Hungarian Office market

The Hungarian commercial real estate market continues to attract sustained investor interest, driven by the resilience of occupational markets and the increasing standardization of leasing agreements in line with international best practices. Lease contracts are predominantly denominated in euros, ensuring stability in rental income, while annual inflation indexation mechanisms safeguard against purchasing power erosion.

According to the *October 2024 Commercial Real Estate Market Report*[1] by MNB, the Hungarian commercial real estate investment market saw a transaction volume of EUR 180 million in H1 2024, reflecting a 21% decline YoY. Retail properties dominated activity, accounting for 49% of transactions, followed by industrial logistics (21%), hotels (16%), and office buildings (14%). The office sector was the only segment to see a 25 basis point increase in prime yields, while yields in industrial logistics and retail remained stable.

The Budapest office market maintained steady demand and structural evolution in 2024, with total modern office stock reaching 4.46 million sqm, making it the second-largest office market in CEE after Warsaw.

Leasing activity expanded by 8% YoY, with total demand reaching 502,150 sqm, though net take-up declined by 20% to 190,730 sqm, reflecting a shift toward lease renewals over relocations. Renewals dominated the market, accounting for 76% of all transactions, while new leases comprised 18%, and expansion agreements and pre-leases made up just 4% and 2%, respectively, indicating cautious tenant behavior amid rising costs.

Table 2: Budapest office market statistics as of Q4 2024

	Stock (m)	Vacancy rate	Prime rent
CBD	365 790	10.6%	€ 25.00
Central Pest	700 150	19.4%	€ 18.00
Central Buda	450 970	8.0%	€ 23.00
Non-Central Pest	632 400	18.5%	€ 16.50
North Buda	349 680	8.7%	€ 18.50
South Buda	686 225	14.2%	€ 19.00
Vaci Corridor	1 155 460	12.3%	€ 18.50
Periphery	114 940	28.6%	€ 11.50
Budapest Total	**4 455 615**	**14.1%**	**€ 25.00**

Source of data: Cushman & Wakefield

The office vacancy rate increased annually by 0.8 percentage points, reaching 14.1%, reflecting a more selective leasing environment where businesses prioritize quality, location, and flexibility. The lowest vacancy rate was registered in Central

[1] https://www.mnb.hu/en/publications/reports/commercial-real-estate-market-report/commercial-real-estate-market-report-october-2024

Buda at 8%, signaling high demand for well-established office districts, while the Periphery submarket continued to struggle, recording the highest vacancy at 28.6%. Despite a negative net absorption of -2,880 sqm in Q4, the annual net absorption remained positive at 47,665 sqm. The Váci Corridor remained the most active submarket, attracting 37% of total demand, followed by South Buda with 22%, highlighting continued preference for well-connected business hubs.

Reflecting demand trends, rental rates vary significantly between office schemes within each market based on their specific location and quality attributes. Central Business District is the highest-priced one with a prime leasing value of EUR 25 per sqm per month, followed by Central Buda with a rental fee of EUR 23.

Despite rising vacancy rates and lower net take-up, the Budapest office market remains resilient, with stable demand, high lease renewal activity, and strong investor interest in key submarkets. Occupiers continue to prioritize high-quality, well-connected office spaces, while secondary locations face absorption challenges.

Hungarian Hotel Market

The Hungarian hotel market has shown strong resilience and continued recovery, driven by international tourism, business travel, and increasing domestic demand. In H1 2024, hotel occupancy rates improved, with figures ranging between 60% and 71% across CEE markets, though Budapest recorded 64% - 10.2 percentage points below pre-pandemic levels. Budapest also maintained its status as the most expensive hotel market in the region, with gross room rates reaching EUR 115, 11% above the CEE average.

Between January and December 2024, the number of guest nights in hotel accommodations in Hungary increased by 8.1% in annual terms, indicating sustained demand for both domestic and international travel. The segment benefited from a 9.9% rise in foreign overnight stays, demonstrating the continued recovery of international tourism, while domestic guest nights also recorded a notable 6.2% growth, reversing the previous year’s decline.

Building on these positive trends, Hungary's hotel market experienced a substantial financial uplift in 2024, with gross revenues soaring by 17.7% The ability of hoteliers to capitalize on rising demand, coupled with improved pricing power, has contributed to enhanced profitability across the sector.

Budapest continues to dominate the hotel market, benefiting from a diverse visitor base and the presence of renowned international hotel brands such as Four Seasons, Marriott, Hilton, and Accor. The city’s upper-upscale and luxury hotel segments have attracted significant investment, while the midscale and boutique hotel categories have expanded to accommodate urban tourists, digital nomads, and budget-conscious travelers.

Beyond Budapest, secondary cities are seeing increasing hotel demand as well due to their strong university presence, growing industrial sectors, and rising interest in wellness tourism. Debrecen and Győr, in particular, have experienced significant investment due to their role as industrial and logistics hubs, attracting both corporate travelers and foreign investors. Meanwhile, the development of new transportation links and cultural initiatives has enhanced the appeal of cities like Szeged and Pécs as regional tourism destinations.

The investment landscape remains active, with hotel operators focusing on modernization, new openings, and sustainability initiatives. Rising room and strong revenue performance indicate that the sector is adapting well to changing market conditions, though challenges such as economic volatility, inflationary pressures, and labor shortages continue to pose risks. Competition from short-term rentals also remains a factor, particularly in Budapest, where demand for alternative accommodation options is high.

Romanian retail market

Romania’s retail real estate market continues to evolve, fueled by mixed-use developments, competitive retail yields, and strong investor confidence. While 30% of retail stock is concentrated in Bucharest, the remaining 70% is spread across regional cities, with Timișoara, Constanța, and Oradea emerging as key investment destinations. Intense competition in Bucharest’s shopping centers has encouraged developers to expand into regional markets, where demand remains high.

The Romanian portfolio of Crown Holding is concentrated in Bihor County, northwest Romania, in the city of Oradea - the 10th most populated. Oradea stands out as a major retail hub, boasting one of the highest retail stock densities in Romania. The city hosts four retail parks, two shopping centers, and one commercial gallery. With a strategic location near major European capitals, a GDP per capita 150% above the national average, and a business-friendly environment, Oradea continues to attract both EU development funds and private sector investment.

Market development activity is focused on refurbishments, retail park expansions, and smaller convenience schemes, reflecting changing consumer preferences and urbanization trends. As of Q4 2024, Romania's modern retail stock totaled 4.62 million sqm, with a low density of 243 sqm per 1,000 inhabitants, indicating room for further growth. Developers are responding with over 700,000 sqm of new retail space set for completion by 2028–2029.

Retail rents in Bucharest have reached EUR 90 per sqm per month for high-street locations and EUR 60 per sqm per month in dominant shopping centers. In secondary cities like Cluj-Napoca, Timișoara, Iași, and Constanța, rents have remained stable between EUR 65 and EUR 50 per sqm per month. This rental disparity between primary and secondary markets is driving increased investor interest in regional hubs, where lower costs and attractive yields create compelling opportunities for retail expansion.

Assets Portfolio

Crown Holding's portfolio of core income-generating assets is structured into three key segments: Retail Portfolio, Office Portfolio, and Hotel Portfolio. In addition to these flagship assets, the company holds several smaller properties and development plots, collectively valued at EUR 31 million.

Crown Holding's **retail portfolio** features three prominent shopping malls, all strategically situated in Oradea, Romania. Spanning a total gross area of 84,576 square meters and boasting a market value of EUR 115.4 million, these assets represent the city's premier retail destinations. With a strong presence in the local market, the portfolio offers a diverse mix of tenants, attracting a steady flow of shoppers.

The **office portfolio** includes four strategically located properties across major CEE cities. With two properties in Budapest, one in Debrecen, and one in Bucharest, the portfolio boasts a total gross area of 27,426 square meters and a market valuation of EUR 61.4 million. These assets reinforce Crown Holding's presence in key business hubs, offering high-quality office spaces that cater to a diverse tenant base while enhancing the company's regional footprint and investment strength.

Crown Holding's **hospitality portfolio** comprises four hotels, positioned across Hungary's prime business and tourism hubs. These assets reinforce the company's expansion in the hospitality sector, leveraging long-term lease agreements and strategic partnerships with Accor and Radisson to ensure operational efficiency and brand recognition.

The Novotel Szeged, a 4-star hotel on the Tisza River, is 70% owned by Crown Holding through Novohot. Following a full-scale refurbishment in 2023, the hotel has consistently achieved over 70% occupancy, reinforcing its market demand and premium positioning.

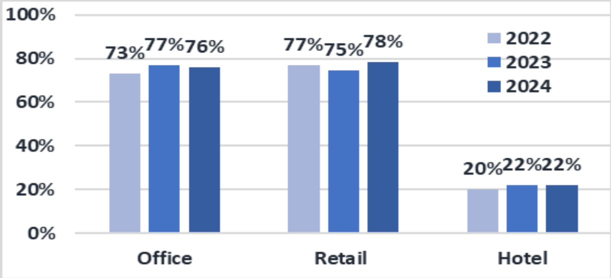
The Radisson Collection Budapest, located near St. Stephen's Basilica, is set to open in April 2025 after minor construction delays. Currently, in its pre-opening phase, key leadership roles are being filled, ensuring a well-coordinated launch in Budapest's luxury hospitality segment.

In November 2024, Crown Holding expanded further with the acquisition of two Ibis hotels—Ibis CitySouth in Budapest (139 rooms) and Ibis Győr (96 rooms) for EUR 11.15 million, financed in part by a bank loan of EUR 8.35 million. Operated under a 20-year franchise agreement with Accor Services, these properties strengthen the company's presence in the budget and midscale segments, benefiting from Ibis' strong brand recognition and operational expertise.

Crown Holding's income-generating asset portfolio is geographically concentrated within two CEE countries - Hungary and Romania which inherently exposes the company to localized economic fluctuations and sector-specific risks within these markets. While both countries benefit from emerging market dynamics, EU integration, and steady investor interest, their economic cycles remain highly sensitive to macroeconomic volatility, regulatory changes, and shifts in tenant demand. This geographic concentration risk limits Crown Holding's ability to diversify revenue streams across multiple economies, making it more vulnerable to downturns affecting the broader commercial real estate environment in these two nations.

Beyond its geographic exposure, Crown Holding's asset allocation across three distinct commercial real estate submarkets further shapes its market positioning. While this sectoral diversification provides some level of risk mitigation by reducing dependency on a single asset class, the company's presence is spread across six cities - Oradea, Bucharest, Budapest, Szeged, Debrecen, and Győr, resulting in fragmented market penetration. With no dominant position in most operating markets, except for the retail sector in Oradea, Crown Holding faces limited economies of scale, weaker brand recognition, and reduced bargaining power in lease negotiations compared to larger, more established players in the region.

Figure 2: Estimated EBITDA margins of assets portfolio segments: 2022-2024



Currently, the Romanian retail portfolio serves as the main source of income for Crown Holding, with Lotus Center as its flagship asset, accounting for approximately 40% of the group's total income. The triple net lease structures in place for both the office and retail portfolios contribute to exceptionally high EBITDA margins of above 70%, underscoring the operational efficiency and cost pass-through mechanisms that benefit the company's bottom line. In contrast, the Novotel Szeged hotel operates with significantly lower profitability, achieving an EBITDA margin of around 20%, reflecting the inherently different cost structures and revenue dynamics of the hospitality sector compared to commercial real estate.

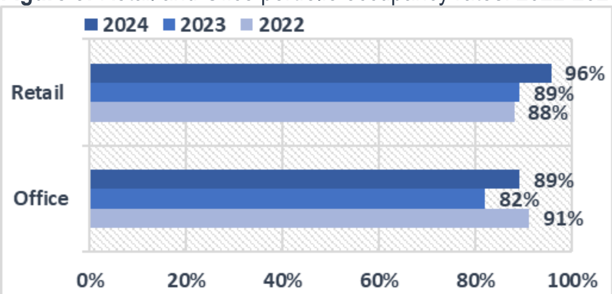
A key structural challenge for Crown Holding's assets portfolio remains its elevated tenant concentration risk, which introduces a degree of volatility to its revenue stability. The potential termination of a limited number of lease agreements could have a disproportionate impact on rental income and overall profitability, given the reliance on a small pool of major tenants. In the Romanian retail segment, the top five tenants contribute roughly one-third of total rental income, while the Hungarian office portfolio faces a much higher level of concentration, with over 90% of its rental income generated from two buildings predominantly leased to a single tenant. This imbalance raises concerns regarding lease rollover risks, potential renegotiation leverage held by major tenants, and the financial impact of any tenant departures or downsizing.

Despite the significant exposure to retail companies, the credit strength of Crown Holding's key tenants, combined with the sector diversification (ranging from public institutions to banks and IT companies) offered by its office portfolio, provides a degree of cash flow stability. The presence of well-capitalized, long-term tenants mitigates some of the risks associated with lease concentration, offering a buffer against market fluctuations and sector-specific downturns.

As of December 2024, the WAULT of office and retail portfolio stands at 3.8 years, positioning it within a moderate range in terms of lease maturity risk. While this timeframe ensures short-to-medium-term income visibility, it also implies an elevated re-letting risk beyond 2027, as a substantial portion of leases approach expiration. However, historical lease renewal trends of the rated company suggest that a significant proportion of tenants opt to extend their contracts, mitigating some of the uncertainties associated with lease rollovers.

For expiring leases, the standard lease renewal period within the commercial portfolio has been set at five years, reflecting market best practices and tenant demand for stable occupancy agreements. This leasing strategy supports long-term income sustainability, enhances portfolio resilience, and reduces volatility in rental cash flows. By proactively managing lease renewals and maintaining strong tenant relationships, Crown Holding is positioned to navigate lease expirations efficiently while securing stable occupancy levels within its core asset base.

Figure 3: Retail and Office portfolio occupancy rates: 2022-2024

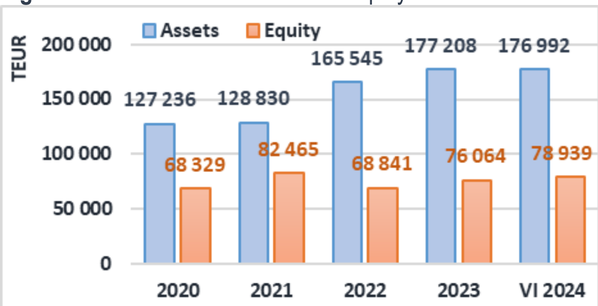


The occupancy of the retail portfolio has demonstrated an upward trajectory, achieving 96% occupancy in 2024, up from 89% in 2023 and 88% in 2022. Last year's notable improvement was driven by the sustained full or near-full occupancy of Allegria and Lotus, alongside a 10-percentage-point increase in OSC's occupancy, reinforcing the portfolio's overall stability and strong tenant demand.

Simultaneously, the office portfolio occupancy bounced back from its temporary decline in 2023. After falling from 91% in 2022 to 82% in 2023, occupancy rebounded to 89% in 2024. The previous decline was primarily driven by lower occupancy levels in the Debrecen office building, while the successful integration of newly acquired assets—Cascade and Buda Business Centre—has been instrumental in driving the recovery, contributing to the portfolio's overall stability and enhanced market positioning.

Financial Analysis

Figure 4: Consolidated Assets and Equity: 2020–VI 2024

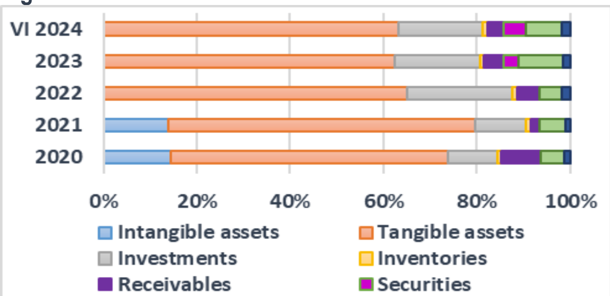


The total consolidated assets of Crown Holding have followed a steady upward trend throughout the analyzed period. In 2022, assets saw a significant 39.4%[2] increase, driven by acquisitions financed through bond proceeds. This rapid expansion was followed by a more moderate growth of 2.4% in 2023, suggesting a phase of consolidation and optimization. According to interim financial statements for the first half of 2024, total assets reached TEUR 176 992, indicating continued stability.

In parallel, the equity rapidly rebounded from TEUR 68 841 in 2022 to TEUR 78 939 by mid-2024, indicating increasing profitability and retained earnings.

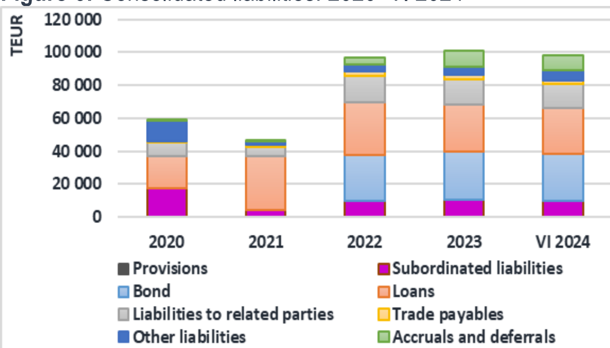
As of June 2024, Crown Holding's asset structure remains predominantly composed of tangible assets, which constitute 63.1% of total assets, underscoring the company's capital-intensive nature and long-term investment focus. The second largest asset category comprises investments in real estate funds and other long-term participations, accounting for 18.2% of the consolidated balance sheet, reflecting a strategic allocation towards diversified investment vehicles that enhance portfolio value and income streams.

Figure 5: Structure of Consolidated Assets: 2020–VI 2024



Inventories remain insignificant at just 0.9% of total assets, a characteristic typical of real estate companies due to their low turnover of physical stock and emphasis on income-generating properties. The most notable shift within the asset structure has been in the share of liquid assets, which experienced a significant surge from 4.8% in 2022 to 9.5% in 2023, with their absolute value peaking at TEUR 16 886 (+102% YoY) before adjusting to TEUR 13 451 by mid-2024. This temporary spike suggests a period of heightened cash reserves, building a foundation for future capital allocation.

Figure 6: Consolidated liabilities: 2020–VI 2024



Following the bond issuance in 2022, the expansion of consolidated liabilities stabilized in 2023, reflecting a period of debt consolidation and financial recalibration. In the first half of 2024, a moderate increase of 3.5% was observed, bringing total liabilities to TEUR 98 053. This measured growth suggests a controlled approach to leverage management, driven by targeted financing for strategic investments while maintaining a balanced capital structure to support long-term financial stability.

In addition to bond liabilities (amounting to TEUR 28 387), the group's interest-bearing financial obligations as of mid-2024 included TEUR 23 357 investment and development loans drawn by

[2] Cited growth rates have been calculated based on original values denominated in HUF, while the presented data has been converted into EUR using the corresponding end-of-period HUF/EUR exchange rate.

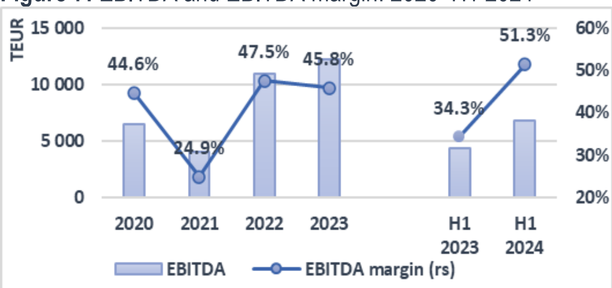
subsidiaries (Novohot, Novoop, Const3 Lotus Center, Allegria Park, and OSC), accounting for 27.9% of consolidated liabilities, and TEUR 619 other long-term liabilities.

It should be noted that beyond the scope of the presented preliminary H1 2024 financial statements, Crown Holding secured an additional bank loan of TEUR 8 350 to finance the acquisition of two Ibis hotels, a transaction successfully finalized in November 2024.

Trade payables have remained relatively stable, consistently accounting for approximately 2% of total liabilities, reflecting efficient working capital management and controlled short-term obligations. Meanwhile, liabilities to related parties amounted to TEUR 14 967 (15.3% of total liabilities) consisting of owner-granted loans without a fixed maturity. This structure provides greater financial flexibility by reducing immediate repayment pressures and ensuring smoother liquidity management.

Property management and maintenance costs, paid to external parties, represent the largest share of the company's operating expenses. However, these costs are largely transferred to tenants through service charges, allowing the company to maintain a cost-efficient operational structure.

Figure 7: EBITDA and EBITDA margin: 2020–H1 2024



Crown Holding's revenue model, built around real estate leasing, continues to demonstrate resilience and strong performance, driven by both organic portfolio growth and inflation-protected rental agreements. The company's strategic acquisitions in 2022 have significantly contributed to overall revenue expansion, reinforcing its position in the market.

Following an exceptional 45.9% surge in 2022, net sales revenue maintained robust momentum, increasing by 23.8% in 2023 and by 19.8% YoY in the first half of 2024. The achieved growth rates outpaced inflation levels in Hungary, highlighting the effectiveness of the company's inflation-hedged lease structures in preserving real income and ensuring predictable cash flows. This pricing mechanism, coupled with high occupancy levels and strategic asset positioning, has enabled Crown Holding to maintain financial stability while enhancing profitability.

As a result, EBITDA maintained its upward trajectory, rising from TEUR 10 883 in 2022 to TEUR 12 171 in 2023. The robust EBITDA margin of 45.8% underscores the resilience of Crown Holding's income-generating assets, supported by stable lease agreements and high-margin retail and office portfolios. However, despite the EBITDA growth, the net financial result declined from TEUR 5 133 to TEUR 3 733, determined by higher interest and other financial expenses.

Table 3: Key financial indicators: 2020-VI 2024

TEUR	VI 2024	2023	2022	2021	2020
Total Assets	176 992	177 208	165 545	128 830	127 236
Fixed Assets	143 973	143 109	145 055	116 557	107 266
Equity	78 939	76 064	68 841	82 465	68 329
Net Financial Result	4 526	3 733	5 133	3 259	4 369
EBITDA	6 747	12 171	10 883	3 996	6 442
Financial Debt	56 364	58 693	59 783	32 796	20 607
Net Debt	42 913	41 807	51 787	25 457	14 065
ratios					
EBITDA margin	51.3%	45.8%	47.5%	24.9%	44.6%
EBITDA-to-Interest	-	3.33	3.67	6.04	8.77
Leverage	0.55	0.57	0.58	0.36	0.46
Net Debt-to-Equity	0.54	0.55	0.75	0.31	0.21
Net Debt-to-EBITDA	-	3.43	4.76	6.37	2.18
Net Debt-to-Total Assets	0.24	0.24	0.31	0.20	0.11
Current Liquidity	1.31	1.24	0.66	0.85	0.85
Cash Liquidity	0.59	0.66	0.30	0.57	0.30

The accumulation of positive financial results has continued to support Crown Holding's strong credit metrics, reinforcing its financial stability despite fluctuations in leverage. Following significant portfolio expansion in 2022, which was largely financed through external debt, leverage ratios initially deteriorated, with the Net Debt-to-Equity ratio peaking at 75.2% by the end of 2022. However, in subsequent periods, the company effectively managed its debt levels, leading to a gradual improvement in leverage metrics.

By the end of 2023, the Net Debt-to-Equity ratio declined to 55.0%, further decreasing to 54.4% in H1 2024. This signals a more balanced capital structure as the company strengthens its equity base while keeping net debt levels under control. Similarly, Net Debt-to-Total Assets remained stable at 23.6% in 2023 and 24.2% in H1 2024, demonstrating that debt remains well-contained relative to the company's growing asset base.

Despite the past increase in leverage, Crown Holding's debt servicing capacity has remained strong, with EBITDA-to-Interest coverage at 333% in 2023. This reflects solid operational cash flow generation, ensuring that interest expenses are well-covered by EBITDA.

Financial Forecast

A financial forecast for the period 2024-2028 was prepared based on expected cash flow projections provided by Crown Holding's management. The assumptions and projections are deemed realistic and achievable, considering the company's proven track record of successful business expansion and financial performance. The forested cash flows and key financial indicators are presented in the *Appendix.*

According to cash flow projections, rental income from Crown Holding's diverse asset portfolio is expected to provide a stable and resilient source of internal financing, supported by a consistently low proportion of non-recoverable costs. While Lotus Center will remain the flagship asset within the portfolio, its relative contribution to total income (operating revenues + financial income) is projected to decline from 46% in 2024 to 26% by 2028. This shift reflects the company's strategic diversification efforts and the growing impact of new acquisitions.

A key milestone in this transformation is the launch of the Radisson Collection Hotel in Budapest, which is set to become a cornerstone revenue driver. By the end of the forecasted period, the hotel is expected to contribute approximately 30% of total revenues, reinforcing Crown Holding's expanding presence in the high-end hospitality sector and enhancing the overall resilience and balance of its income streams.

If revenue targets are successfully achieved, Crown Holding is projected to sustain a steady upward trajectory in EBITDA, growing from EUR 14.9 million in 2024 to EUR 20.4 million by 2028. This expansion reflects the impact of new acquisitions in the hospitality sector and the continued optimization of the company's income-generating asset portfolio.

While profitability margins are expected to moderate slightly, this is primarily due to the expansion of hospitality operations, which traditionally yield lower margins compared to the company's highly profitable triple-net leased retail and office assets. Despite this shift, Crown Holding's EBITDA margin is forecasted to remain robust, stabilizing at approximately 51% from 2026 onward, underscoring the resilience and efficiency of its business model.

In conclusion, Crown Holding is expected to generate sufficient cash flows, ensuring ample liquidity to support operations and meet debt obligations on time. The company's EBITDA-to-interest coverage ratio is projected to remain exceptionally strong, ranging between 430% and 750%, providing a solid buffer against financial risks. Furthermore, the Net Debt-to-EBITDA ratio is expected to decline below 1x by 2027, signaling a strengthened balance sheet, reduced leverage, and enhanced financial stability in the medium term.

Bond Rating

Table 4: Main Bond parameters

Issuer	Crown Holding Kft.
Date of issue	23-Feb-22
ISIN	HU0000361472
Face value	HUF 11.2 bln
Currency	Forint (HUF)
Tenor	10 year
Coupon	fixed, 5.5% p.a.
Amortization	12.5% p.a. from the sixth year
Baloon	50% on maturity

In February 2022, Crown Holding successfully issued a 10-year unsecured bond with a face value of HUF 11.2 billion, conducted through an auction under the Bond Funding for Growth Scheme initiated by the National Bank of Hungary. The issuance was priced above par, allowing Crown Holding to secure total proceeds of HUF 11.41 billion, which were allocated toward strategic real estate acquisitions.

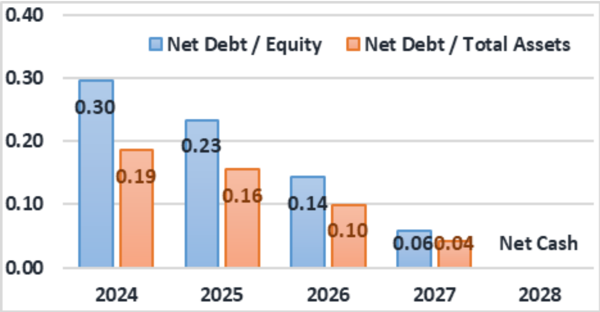
The principal repayment schedule follows a structured amortization plan, with 12.5% annual repayments beginning in the sixth year after issuance and a 50% balloon payment at final maturity. The bond carries a fixed annual coupon rate of 5.5%, providing investors with predictable returns while ensuring long-term financial stability for Crown Holding.

The issuance is governed by strict financial covenants to maintain strong credit discipline throughout the bond's tenure:

- The consolidated Net Debt-to-Total Equity ratio must remain below 1.2x, while the Net Debt-to-Total Assets ratio is capped at 0.5x.
- The EBITDA-to-Interest Coverage Ratio at the consolidated level must not fall below 150%,

ensuring sufficient earnings to cover interest obligations.

Figure 8: Forecasted Net Debt-to-Total Equity and NetDebt-to-Total Assets ratios: 2024-2028



Accordingly, the financial forecast indicates no expected breach of the established financial covenants, affirming the company's ability to maintain compliance throughout the bond's tenure. Given that the debt issuance is unsecured, with no collateral backing, the bond rating is directly aligned with the issuer's credit rating, reflecting Crown Holding's overall financial strength and risk profile.

General Conclusions:

Crown Holding's **rating upgrade** reflects its strengthened financial position, improved operational efficiency, and successful portfolio expansion. Occupancy rates in both office and retail portfolios have improved, supporting stable rental income and mitigating vacancy risks. Meanwhile, the recent acquisition of Ibis Hotels and the development of the Radisson Collection Budapest reinforce its growing hospitality segment, further diversifying income streams.

The **rating of the bond** (HU0000361472) issued by Crown Holding corresponds to the rating assigned to the issuer.

The **stable outlook** indicates that risks are broadly balanced. Crown Holding's strategic diversification across office, retail, and hospitality sectors, along with its inflation-hedged lease structures, enhances resilience against market fluctuations. The company's measured investment approach, adequate liquidity, and disciplined financial management have positioned it favourably in the real estate sector, ensuring long-term growth potential while maintaining a balanced risk profile

The following factors could lead to a positive change in outlook and/or **rating upgrade**:

1) Continued expansion of assets portfolio, reducing concentration risk and increasing cash flow visibility.
2) Sustained profitability and increasing financial results
3) Further reduction in leverage, improving debt ratios and financial flexibility.

The following factors could lead to a **negative change in outlook** and/or **rating downgrade**:

1) Material increase in leverage due to excessive debt-financed expansion.
2) Failure to achieve projected revenue targets, resulting in negative operating results.

APPENDIX

Table 5: Crown Holding - Financial Forecast for the period 2024-2028

TEUR	2024	2025	2026	2027	2028
Cash at the beginning of the period	**16 159**	**21 008**	**20 554**	**29 974**	**41 070**
Operating Revenues	21 639	32 802	36 421	39 101	40 808
OPEX	-9 551	-18 749	-21 887	-23 528	-24 532
EBIT	**12 088**	**14 052**	**14 534**	**15 572**	**16 277**
Depreciation	2 815	3 918	4 209	4 241	4 110
EBITDA	**14 903**	**17 971**	**18 743**	**19 813**	**20 387**
Taxes	-1 602	-1 807	-1 872	-1 991	-2 077
Changes in NWC	656	-117	0	0	0
Cash Flow from Operations (CFO)	**13 957**	**16 046**	**16 871**	**17 822**	**18 310**
Acquisitions	-14260	-6348	0	0	0
Asset disposal	0	0	0	0	0
Other CAPEX	-295	-614	-827	-542	-1 096
Cash Flow from Investing activities (CFI)	**-14 555**	**-6 962**	**-827**	**-542**	**-1 096**
Loans borrowing/repayment	8 277	-7 866	-5 386	-4 773	-4 547
Bonds borrowing/repayment	0	0	0	0	-3500
Interest & coupon payments	-3 227	-3 272	-2 939	-2 677	-2 465
Financial income	1 305	1 600	1 700	1 267	1 133
Capital increse	-908	0	0	0	0
Cash Flow from Financial activities (CFF)	**5 446**	**-9 538**	**-6 625**	**-6 184**	**-9 379**
Change in Cash	**4 848**	**-453**	**9 419**	**11 097**	**7 836**
Cash at the end of the period	**21 008**	**20 554**	**29 974**	**41 070**	**48 906**
Gross Financial Debt *	71 749	63 883	58 497	53 724	45 677
Net Financial Debt	50 742	43 329	28 524	12 654	Net Cash
Net Debt-to-Equity	0.30	0.23	0.14	0.06	Net Cash
Net Debt-to-Assets	0.19	0.16	0.10	0.04	Net Cash
EBITDA Margin	69%	55%	51%	51%	50%
EBITDA interest coverage	4.62	5.49	6.38	7.40	8.27
Net Debt-to-EBITDA	3.40	2.41	1.52	0.64	Net Cash

**Total amount of outstanding interest-bearing financial liabilities (bonds, loans, leases), excluding loans provided by the shareholders.*

Note: Values in HUF and RON are converted into EUR using the following fixed projected rates: HUF/EUR=400 and RON/EUR=4.97.