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ILLÉS Holding Plc.

December 2024

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CORPORATE CREDIT RATING		Initial	Review	Review	Review
Date of Rating Committee:		02.12.2022	17.02.2023	05.12.2023	06.12.2024
Date of Publication:		09.12.2022	17.02.2023	08.12.2023	08.12.2024
Issuer Rating	Long-term rating:	**BB-**	**BB-**	**BB-**	**BB**
	Outlook:	Stable	Stable	Stable	Stable
Bond Rating HU0000361456	Long-term rating:	**BB-**	**BB-**	**BB-**	**BB**
	Outlook:	Stable	Stable	Stable	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 AD has not provided ancillary services to the rated entity or a related third party.

***BCRA – CREDIT RATING AGENCY AD (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 December 6, 2024, the **Rating Committee** of BCRA had a session, in which the annual review of the credit ratings of ILLÉS Holding Plc. was discussed. The session was headed by Dr. Kiril Grigorov - Chairman of the Rating Committee. The members of the Committee discussed numerous rating factors following our Corporate Rating Methodology.

Accordingly, the Rating Committee decided to **upgrade** both the **Long-term Issuer Rating** and the **Long-term Bond Rating** of ILLÉS Holding to **BB** from BB-, while **maintaining** the **Stable Outlook** related to them.

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:	Illés Holding Plc.
Head Office:	2040 Budaörs, Rubik E. u. 6., Hungary
Main Activity:	Transportation
Registration №:	13-10-041179
LEI:	529900IUCSZC2P0LJV63
Bond ISIN:	HU0000361456

Illés Group Overview

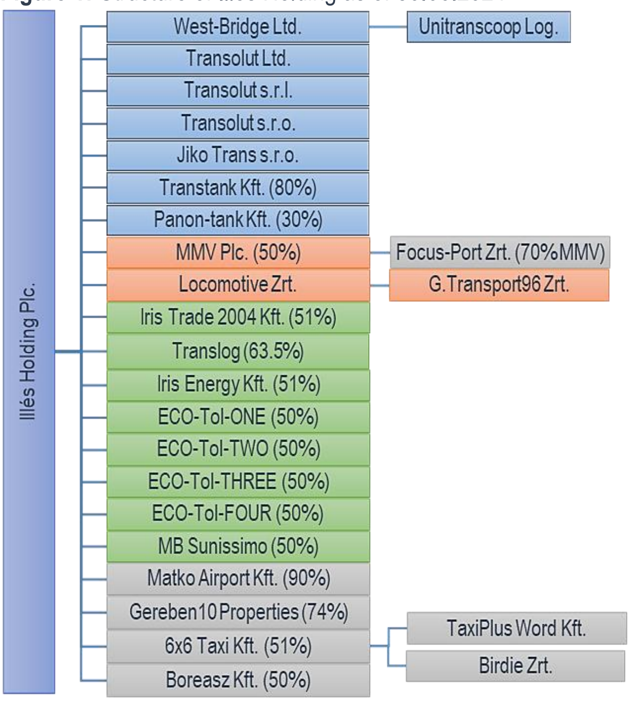
Illés Holding Plc., wholly owned by Mr. Tamás Illés, was founded in 2011 as a holding and property management entity encompassing all companies with ownership ties to Mr. Illés. The Group's roots trace back to 1995 with the establishment of West-Bridge Ltd., and over the years, numerous companies have joined the portfolio.

Illés Group's core expertise lies in the road transportation of specialized goods, where it has established itself as one of Hungary's most reliable and experienced operators. In 2016, the Group diversified into railway transportation through the acquisition of MMV Plc. In turn, Illés Holding is now one of the few companies in Central and Eastern Europe capable of providing fully integrated road and rail intermodal solutions.

Beyond transportation, the Group's activities span a rich array of services, including urban taxi operations, logistics, warehousing, and airport fuelling. In line with sustainability goals, Illés Holding also invested in green energy through a greenfield development project, establishing a 20 MW solar park in 2020-21, with further solar photovoltaic expansions underway.

As of 30.06.2024, Illés Group consisted of 27 companies, presented in the following figure.

Figure 1: Structure of Illés Holding as of 30.06.2024



West-Bridge Ltd., Unitranscoop Log., Transolut Ltd., Transolut s.r.l., Transolut s.r.o., Jiko Trans s.r.o. and **Transtank Ltd.** are companies that transport special goods (such as bitumen, fuel, cement, gas, earth, woods, sugar and other hazardous substances) on roads.

Being founded in 1995, **West-Bridge Ltd.** is the flagship of the later established Illés Group. After the foundation of the holding structure, the company maintained its main activity - onshore transportation of special goods, and has since built a strong reputation as one of Hungary's most reliable and experienced operators in this field.

The international subsidies of Illés Holding Plc. are **Jiko Trans s.r.o.** (Czech Republic), **Transolut s.r.o.** (Slovakia), and **Transolut s.r.l.** (Romania). They also operate in road transportation, namely fuel and bitumen transportation.

In June 2023, Ilés Holding acquired an 80% stake in **Transtank Ltd.**, a company founded in 1990. As part of this acquisition, Transtank also purchased the entire road freight division of Éder Zoltán e.v., one of Hungary's largest independent suppliers of bitumen, crude oil, acid, and maleic anhydride.

In 2016, the Group acquired **MMV Zrt.**, a company established in 2004, thereby entering the railway transportation sector. MMV primarily handles freight services, transporting essential goods such as oil products, fuel, and grains. Additionally, the company facilitates the international shipment of wood, agricultural products, and metallurgical goods. Since May 2024, MMV has been jointly owned by Illés Holding and Railtrans International (RTI), each holding a 50% stake.

Iris Trade 2004 Ltd. operates two gas stations. One of them is a public fuel petrol station under OMV franchise cooperation, the other is selling special fuel products for aviation, mainly kerosine at the Tököl airport.

Illés Group holds a 63.5% stake in **Translog**, which constructed a 20 MW solar power plant in 2021.

Illés Group holds a 51% stake in **Iris Energy Kft**, which supports all of its energy-related ventures. In 2023, the company completed a 4 MW solar power plant in Mosonmagyaróvár.

ECO-TOL-ONE Ltd., ECO-TOL-TWO Ltd., ECO-TOL-THREE Ltd., ECO TOL FOUR Ltd. - Illés Group has 50% shares in these subsidiaries Each of them has developed a 1 MW solar power plant in Őcsény, operating since September 2023.

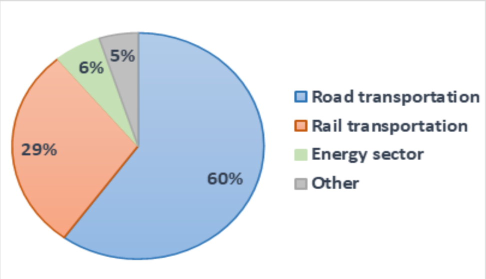
The Group offers passenger transportation services in Budapest, with **6x6 Taxi** serving as its flagship brand in urban taxi operations.

In a 107-hectare territory, **Matko Airport Ltd**. operates an airfield and specialises in hosting aerobatic championships and private events.

The operations of the holding company and its affiliated entities are structured based on a two-tiered principle, ensuring a clear separation od responsibilities. and effective management. The sole owner, Mr. Tamás Illés, also serves as the CEO of the Group, providing strategic leadership and oversight across all levels of the organization.

Market Positioning

Figure 2: Breakdown of Illés Group's sales revenues in 2023



Road freight transportation remains the most important business line within the Illés Group although its share in total sales revenue declined from 68% in 2021 to 60% in 2023. Rail freight transportation holds the second-largest share, contributing 29% of total revenues. Solar energy operations and fuel sales together generated 6% of revenue, while all other activities, accounted for the remaining 5%.

Road freight transportation

The road freight transportation market, a core business area for Illés Group, is fragmented and competitive, with low barriers to entry limiting profitability. The COVID-19 pandemic caused significant disruptions, but the industry saw a strong recovery, now overshadowed by emerging challenges. Geopolitical tensions, including the Middle East conflict, Russia's war in Ukraine, and Donald Trump's U.S. presidential election victory, have heightened global instability and strained trade. These factors, coupled with Europe's already fragile economic state, have intensified pressure on the region's economic outlook.

Fuel price volatility continues to heavily influence operating costs in the road freight sector, disproportionately affecting smaller operators. Larger operators benefit from greater pricing power but remain a minority in the European market. Despite easing inflation, economic stagnation in Germany and muted business sentiment across Europe, particularly in logistics, signal ongoing challenges. In addition, regulatory pressures, including toll hikes and the EU's Mobility Package, are reshaping the competitive landscape and increasing operational costs, adding further strain to the market.

Hungarian road freight industry is highly fragmented, with numerous market players, the majority being SMEs. While these SMEs account for only a minor share of direct orders, they play a vital role as subcontractors, supporting larger operators in meeting capacity and service demands.

In this competitive market, Illés Group has carved out a strong position within the niche of specialty freight transportation, focusing on goods such as fuel, crude oil, bitumen, sugar, and sulphur. This specialization necessitates the maintenance of a substantial fleet of specialized vehicles and skilled management to maximize fleet utilization. The business niche also requires significant investments in licenses and specialized warehouse volumes, creating high entry barriers and limiting direct competition.

Illés Holding's road freight segment operates a fleet of over 1,000 vehicles, including trucks and trailers. Together with its subcontractors, the Group transports an estimated 4.3 million tons of goods annually, completing 173,000 transports over approximately 35.7 million kilometers (FY 2024 estimated).

In its specialty business segment, Illés Holding commands the largest market share in Hungary, with only a handful of domestic competitors. Its robust fleet size and operational reach solidify its leadership in the sector, allowing it to consistently meet the demanding requirements of its niche market while capitalizing on its competitive advantages.

With the acquisition of Transtank Ltd. and the road transportation business of Éder sole proprietorship in mid-2023, Illés Holding eliminated a key domestic competitor. By integrating Transtank/Éder's high-profile customer portfolio - including industry leaders such as BorsodChem, MOL, OMV, and BASF – the rated company enhanced its road transportation capabilities and solidified its position as a Hungarian market leader in specialty freight logistics.

In addition, Illés Holding has been increasingly focusing on expanding its international presence. In

2020, external sales accounted for 28% of the total income. This figure has grown significantly over the past three years, rising to 33% in 2021, 37% in 2022, and stabilizing at 36% in 2023, reflecting ongoing efforts to strengthen its external activities and global reach. The Group's subsidiaries are present in neighbouring CEE countries as well as other countries where the firms have key partners, such as Germany and Italy.

The customer and supplier base is relatively concentrated but supported by strong, long-term partnerships with major fuel chains, ensuring stable revenue streams. However, risks remain due to the cyclicality of industries like agriculture and construction materials, which can affect demand during economic downturns.

Geographically, Illés Holding and its subsidiaries are not directly exposed to geopolitical risks stemming from the ongoing conflict in Russia and Ukraine, as neither raw materials nor sales are tied to these regions. This insulation allows the Group to focus on expanding its operations without the added burden of geopolitical uncertainties.

Going forward, Illés Holding aims to become Central Europe's leading road haulage provider by expanding into multimodal transportation. This strategic move seeks to diversify its offerings, enhance efficiency, meet broader customer needs, and strengthen its market position.

Rail freight transportation

Hungary's strategic location as a transportation hub connects it to key European countries, making it vital for pan-European freight movements. Despite this, rail freight's share in Hungary has declined from 30% in 2000 to 21% in 2023 (based on tkm data), driven by competition from road transport, underinvestment in infrastructure, outdated technologies, and fragmented logistics networks. In this regard, the Hungarian government is advancing rail infrastructure modernization to support a shift from road to rail. Key measures include fostering partnerships between carriers to improve cost efficiency and mitigate truck driver shortages, as well as incentivizing industrial parks, warehouses, and logistics centers to integrate rail links. In particular, a flagship project is the modernization of the Budapest–Belgrade railway line, aiming to position Hungary as a central logistics hub in Central and Eastern Europe.

Hungary's rail freight sector is composed of a mix of state-owned and private entities. The Hungarian State Railways (MÁV) remains the dominant player, providing passenger and freight services while managing an extensive infrastructure network. However, government-led liberalization over the past decade has introduced over 50 licensed private operators, fostering competition and enhancing efficiency.

MMV Plc., the rail transportation company of Illés Group, is an important player in the Hungarian rail freight market, holding approximately 5% market share by revenue and 10% by transported goods volume as of 2023. The company operates a fleet of 179 railway wagons and 15 high-performance electric and diesel locomotives, which provide a distinct competitive edge in terms of efficiency and reliability. MMV's ability to adapt its wagon fleet to meet the specific needs of customers and business partners underscores its commitment to flexibility and client satisfaction. Additionally, the company ensures full operational coverage of Hungary's rail network with its team of highly qualified drivers.

MMV transports approximately 4.5 million tons of goods annually, covering 1.3 million locomotive kilometers, with a strong focus on the railway transport of oil products (such as gasoline and fuel) and grains.

Beyond Hungary, MMV plays a pivotal role in fulfilling contractual obligations across other European countries, demonstrating its capability as a trusted regional transport provider. The company coordinates and markets rail freight services throughout Europe without relying on international subsidiaries. Looking ahead, Illés Group is strategically exploring growth opportunities to strengthen its presence in the region by establishing or acquiring rail freight companies in neighboring countries such as Romania, Croatia, Slovenia, and Serbia.

MMV has navigated significant financial challenges between 2017 and 2021, emerging stronger and more resilient. The entry of a new shareholder, Rail Trans Int. (50%), has been instrumental in this transformation. Since 2022, MMV has experienced a remarkable surge in sales and a substantial improvement in its financial performance. This pivotal shift reflects a well-executed strategic realignment, positioning the company for sustained growth and long-term profitability.

Energy sector

Illés Group's strategic decision to diversify into the renewable energy sector through the development of solar parks and solar energy production marks a pivotal step toward enhancing its long-term financial stability and sustainability. Before the geopolitical and economic upheavals caused by the war in Ukraine, investments in solar energy were characterized by extended payback periods and moderate profitability. However, the substantial rise in energy prices has significantly improved the financial attractiveness of solar energy projects, as evidenced by the Group's 2021 completion of the 20 MW Motim 1 solar power plant. This project has a notably positive impact on the Group's overall business performance, with expectations of high profitability and stable cash inflows confirmed by the financial results of its subsidiary, Translog.

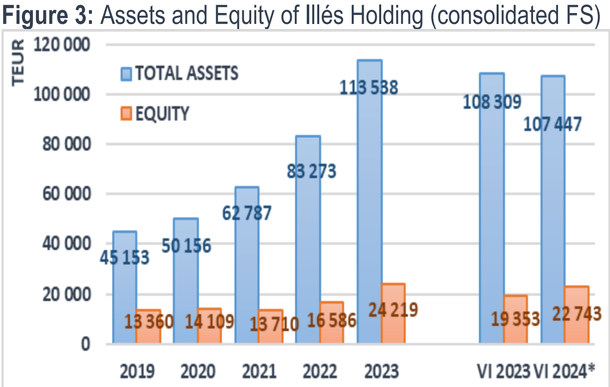
The Group has been actively expanding its renewable energy portfolio with projects such as the Őcsény solar park and Motim 2.0, each with a 4 MW capacity. In 2023, Illés Group invested EUR 4.4 million, entirely funded by equity, to establish four subsidiary companies, each constructing a 1 MW solar power plant in Őcsény. These plants became operational in September 2023, with a projected annual power generation of 1,781 MWh per plant (P50 probability level). Maintenance and operational tasks are entrusted to a contractor with extensive expertise in the design, implementation, and management of small-scale solar facilities, ensuring efficiency and reliability.

The Motim 2.0 project represents a key development involving constructing a 4.085 MW (AC) solar power plant on a repurposed slurry reservoir spanning 9,385 square meters in Mosonmagyaróvár. A 20-year rental agreement with Motim Zrt. supports the investment. The plant is expected to generate 5.2 million kWh annually, with a long-term electricity sale contract providing predictable and stable revenues.

While other business lines within the Illés Group are valuable, they do not exert a significat influence on the Group's overall financial performance.

Financial Analysis

Figure 3: Assets and Equity of Illés Holding (consolidated FS)



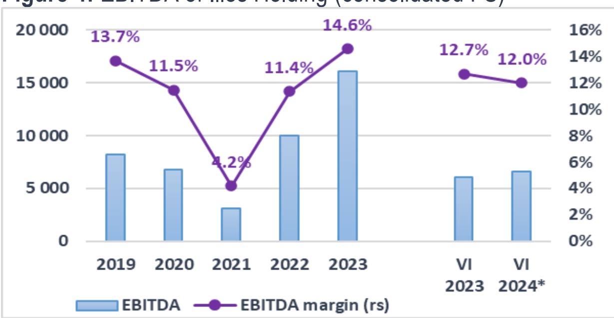
Consolidated assets of Illés Holding have shown a consistent upward trend over the past five years, reflecting strategic growth initiatives. Following the acquisitions of Transtank and Éder, total assets reached a record high of TEUR 113 538 by the end of 2023, representing a significant annual increase of 30.4%. Driven by accumulated profit, equity also experienced robust growth, increasing to TEUR 24 219 in 2023, up from TEUR 16 568 in 2022.

Net financial results of the rated company have been traditionally positive and of substantial size, except for the one-off loss (TEUR -1 537) incurred in 2021. In 2023, the after-tax profit surged at TEUR 7 577 which represents a 63.3% increase in annual terms.

Net sales revenues of Illés Holding have been on an upward trajectory since the post-pandemic period. After an impressive 52.4% growth in 2022, the momentum continued in 2023, with a solid 18.8% increase in net sales. While the exceptional growth in 2022 was largely driven by soaring energy costs that translated into higher service prices, the strong performance in 2023 was primarily the result of the successful expansion of business activities, particularly within the road freight segment.

Approximately 50% of the Group's total sales revenues have consistently been generated by its two leading subsidiaries, MMV and West Bridge. In 2023, most subsidiaries achieved growth in sales revenue, while Transolut HU was the sole exception, posting a decline in revenue for the second consecutive year. In total, the Group's net sales revenues reached TEUR 105 335 in 2023. This performance highlights Illés Holding's strong market position and its capability to sustain consistent revenue growth across diverse operational segments.

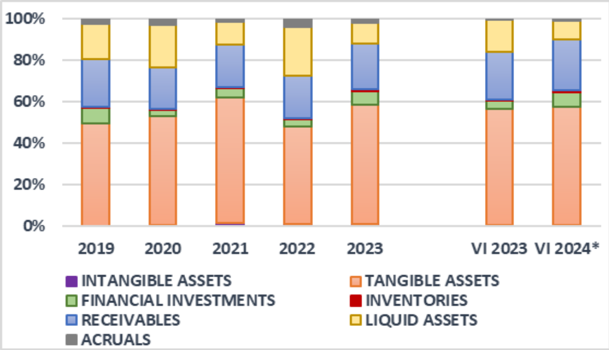
Figure 4: EBITDA of Illés Holding (consolidated FS)



Given main business activities, fluctuations in fuel and energy prices significantly influence the profitability of the Group. Nevertheless, it has demonstrated resilience by effectively passing on the majority of cost increases to its customers. This proactive pricing strategy has safeguarded operational profitability, even in a challenging macroeconomic environment. In turn, operating revenues have consistently supported a steady increase in EBITDA. In 2023, the EBITDA surged by 54.4% YoY, reaching a record-high of TEUR 16 129 and achieving a high profitability margin of 14.6% (up from 11.4% in 2023).

Preliminary financial statements for the first half of 2024 show further advancements both in terms of sales revenues (+12.4%) and EBITDA (+10%) compared to the corresponding period of 2023.

Figure 5: Structure of Assets of Illés Holding (consolidated FS)



The structure of consolidated assets has traditionally been heavily dominated by tangible assets. After a temporary drop to 46.8% in 2022 (on account of a marked increase in liquid assets), their relative share rebounded to 58%. With last year's strategic acquisitions and the construction of new solar parks, tangible assets rapidly expanded by TEUR 26 318 (+60.2% YoY) to a total of TEUR 65 296.

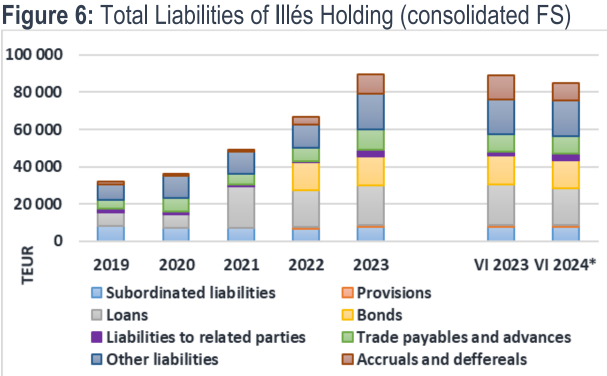
Receivables are the second-largest category, representing 22% of total assets at the end of 2023 and increasing to 25% by mid-2024. The steady absolute growth in receivables since 2021, reaching TEUR 25 180 by the end of 2023 (and further rising to TEUR 26 594 as of June 2024), is primarily attributable to the accumulation of trade accounts receivables. The latter is a natural consequence of higher sales volumes, reflecting the Group's growing business activity and its expanding customer base.

The road transportation division exhibits some concentration of receivables from customers, particularly from fuel suppliers. This concentration aligns with the nature of the business, as Illés Holding provides services to prominent gas station chains such as OMV Hungaria and MOL. However, given the strong creditworthiness and reliability of major clients, this concentration is not considered a negative factor for rating purposes.

Following the bond issuance, the relative share of liquid assets temporarily peaked at 23.7% of total assets by the end of 2022. However, as these funds were gradually utilized for investments, the relative share of liquid assets naturally decreased to 10% at the end of 2023.

As of June 30, 2024, approximately EUR 2 mln of unspent bond proceeds remained, held as bank deposits. These funds contribute to the Group's strong liquidity position and also generate additional income through interest while awaiting allocation for future investments.

Figure 6: Total Liabilities of Illés Holding (consolidated FS)



Aligned with the expanding business activities, consolidated liabilities of Illés Holding continued their upward trend, reaching TEUR 88 955 at the end of 2023, up from TEUR 65 552 in 2022. While the increase in 2022 was driven by the bond issuance and an investment loan for the construction of production facilities at Translog (solar park), the growth in 2023 was largely attributed to the accumulation of deferrals, trade payables, and lease liabilities related to newly acquired assets.

In 2023, debt liabilities (loans, leases and bond liabilities) of Illés Holding increased to TEUR 46 613, from TEUR 40 583 in 2022, Loans are contracted predominantly in local currency, while leases have been used mainly in the Road transportation division financing. The second largest credit facility after the bond issue is related to Translog Ltd., having a remaining amount of TEUR 9 390 as of 30.06.2024.

The servicing of the principal payments is distributed in a balanced manner.

Short-term liabilities peaked at TEUR 27 898, representing a 30.1% annual increase and mainly driven by an accumulation of trade accounts payable. This rise in obligations, coupled with a relatively stable level of current assets, resulted in a moderation of the Group's liquidity ratio, which declined from 1.82 in 2022 to 1.34 in 2023. Despite the decline, the liquidity position remains adequate, underscoring the Group's ability to effectively manage its short-term financial commitments while navigating a period of increased operational activity.

In summary, Illés Holding has maintained a stable financial performance, characterized by consistent growth in managed assets and generated income. Equity has risen as well, showcasing solid financial management and profit retention. Meanwhile, debt liabilities expanded, reflecting the Group's reliance on long-term funding for growth initiatives. Despite the rise in liabilities, leverage metrics continued to improve due to surpassing increases in assets and equity. In particular, total liabilities-to-total assets ratio declined from 0.74 in 2022 to 0.69 in 2023, while the Financial Debt-to-Equity ratio decreased from 2.45 to 1.92. Furthermore, medium-term debt servicing is secured by sufficient operating cash flow with steadily increasing EBITDA and profitability.

Financial Forecast

A financial forecast for the period 2024–2027 has been prepared based on the business plan provided by Illés Holding's management. The latter has been evaluated as relevant, relatively conservative, and broadly achievable, given company's proven track record of successful business development.

Based on estimates, Illés Group is projected to maintain robust financial stability, underpinned by strong operational performance and favourable credit metrics. The company's core operations are expected to consistently generate EBITDA of approximately EUR 14 million per annum with a margin of about 12%. This demonstrates a strong profitability profile, ensuring that the company remains well-positioned to support its growth and financial commitments.

The Group's forecasted leverage is assessed as moderate, with the Net Financial Debt-to-EBITDA ratio expected to steadily decline from 2.25 in 2024 to a low of 1.5 by the end of 2027. Furthermore, the EBITDA-to-interest coverage ratio is anticipated to remain well above 5x throughout the forecasted period, underscoring the company's ability to comfortably meet its debt service obligations.

In summary, Illés Holding is expected to maintain a strong financial position over the forecasted period, supported by consistent profitability, effective leverage management, and robust cash generation. These factors provide a solid foundation for the company to meet its financial obligations, invest in growth opportunities, and sustain its competitive advantage in the market.

Bond rating

Table 2: Bond parameters

Issuer	ILLÉS Holding Zrt.
ISIN:	HU0000361456
Currency	HUF
NV in HUF	HUF 6.0 bln
NV in EUR	EUR ~14.8 mln
Guarantors	West-Bridge Kft Transolut Magyarorszag Kft.
Maturity	10 years (Feb. 2022 – Feb. 2032)
Coupon	Fixed, 5.0% p.a.
Amortization	10% p.a., from Feb. 2027
Ballon	50% at maturity (Feb. 2032)

In February 2022, ILLÉS Holding Zrt. issued a HUF 6 billion bond (approximately EUR 14.8 mln) with a 10-year maturity under the Bond Funding for Growth Scheme of the Hungarian National Bank. The bond features a fixed coupon rate of 5.0% per annum, with a repayment structure that includes a 10% annual amortization starting in 2027 and a 50% bullet payment at maturity.

Two subsidiary companies of the issuer, West Bridge Kft. and Transolut Magyarország Kft. (both wholly owned by ILLÉS Holding Zrt.), act as guarantors for the fulfillment of the bond obligations. Accordingly, their key financial indicators are presented in the Appendix.

West Bridge is the oldest company in the group and remains a major contributor to its total income. Over the last five years, the company has consistently recorded increases in assets and equity, accompanied by positive after-tax results and EBITDA. Building on an impressive 50% surge in net sales revenues in 2022, the company achieved further growth in 2023, with revenues rising by 21.4%. This sustained growth momentum propelled EBITDA to a record high of TEUR 2 605, marking a robust profitability margin of 11.1%. Meanwhile, the leverage ratio increased moderately from 0.57 to 0.68, driven by the partial financing of fixed asset expansion through leases. Despite this rise, the leverage remains at a relatively healthy level, underpinned by the company's strong capacity to meet its debt obligations. With a net debt-to-EBITDA ratio of 1.2 and solid EBITDA interest coverage above 20x, West Bridge demonstrates resilience and financial stability while continuing to strengthen its operational foundation.

Among the subsidiaries of Illés Group, **Transolut Kft.** stands out as a key player in handling international operations, particularly in the transportation of cement and construction-related freight. In turn, the company's profitability ratios have experienced a decline over the past five years, namely due this significant exposure to the construction industry. Despite the downward trend in revenues since 2021, Transolut Kft. has consistently maintained positive net profits and EBITDA, showcasing its operational resilience. At the same time, the company has demonstrated a steady reduction in financial indebtedness, coupled with sound debt affordability metrics.

The analysis of the two guarantor companies confirms their strong financial standing and capacity to fulfill their obligations without difficulty. Both entities are expected to sustain solid financial performance and generate positive cash flows, ensuring their ability to support the bond servicing if required.

GENERAL CONCLUSIONS:

The **upgrade** of the **issuer credit rating** of Illés Holding reflects the successful expansion of business activities, underpinned by a sustained increase in revenues enhanced profitability, and preservation of sound credit metrics.

The long-term **bond rating** is based on the rating assigned to the issuer, with a neutral adjustment based on the creditworthiness of the guarantors.

The **stable outlook** indicates a balanced risk profile, BCRA anticipates that Illés Holding will navigate market conditions effectively and generate a sufficient cash flow to meet its debt obligations on time while smoothly maintaining its operations.

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

- Sustained improvements in operating results, demonstrating stronger profitability and efficiency over time.
- Broader business lines, expanded geographical coverage, and a more diverse customer base, reducing dependence on any single market or sector.
- Significant and sustained reductions in financial debt.

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

- Unreached revenue targets due to unsuccessful business development or market turmoil, leading to accumulation of negative operating results;
- Material increase in leverage.

APPENDIX:

Table 3: Key financial indicators of Illés Holding (consolidated FS): 2019 – VI 2024

TEUR	VI 2024	VI 2023	2023	2022	2021	2020	2019
Balance Sum	107 447	108 309	113 538	83 273	62 787	50 156	45 153
Fixed Assets	69 243	65 691	73 839	42 828	41 686	28 073	25 852
Equity	22 743	19 353	24 219	16 586	13 710	14 109	13 360
Total Liabilities	84 703	88 955	89 320	66 687	49 077	36 046	31 794
Debt liabilities	45 661	47 678	46 613	40 583	27 984	15 160	11 224
Net Sales Revenues	53 294	47 401	105 335	84 797	60 367	56 526	58 223
Total Revenues	55 861	50 504	115 879	91 134	74 068	59 974	60 276
Net financial Result	1 607	2 819	7 577	4 438	-1 537	2 721	3 811
EBITDA	6 566	6 090	16 129	10 004	3 072	6 780	8 171
ratios							
EBITDA Margin	0.12	0.13	0.15	0.11	0.04	0.11	0.14
EBITDA interest coverage	3.86	3.64	3.91	4.01	6.27	17.19	18.32
Leverage (TL/TA)	0.69	0.69	0.69	0.74	0.76	0.69	0.68
Financial Debt-to-Equity	2.01	2.46	1.92	2.45	2.04	1.07	0.84
Net debt-to-EBITDA			2.18	2.08	6.86	0.74	0.45
Current Liquidity	1.59	1.83	1.34	1.82	1.07	1.36	1.48
Instant liquidity	0.41	0.74	0.41	0.96	0.37	0.67	0.62

Table 4: Key financial indicators of West-Bridge Kft. (bond guarantor): 2019 – VI 2024

TEUR	VI 2024	VI 2023	2023	2022	2021	2020	2019
Balance Sum	17 074	14 602	18 969	11 674	9 813	8 193	9 669
Fixed Assets	6 858	5 097	7 567	2 808	2 595	2 838	3 787
Equity	5 200	6 154	6 075	4 739	4 471	4 225	3 877
Total Liabilities	11 874	8 448	12 895	6 935	5 341	3 967	5 792
Debt liabilities	3 797	2 157	3 256	973	1 259	1 500	1 546
Net Sales Revenues	12 457	9 074	22 930	18 057	13 055	11 216	12 745
Total Revenues	12 740	11 107	24 103	18 528	13 247	12 264	13 260
Net financial Result	827	1 880	1 772	1 566	1 103	990	389
EBITDA	1 441	2 046	2 605	2 181	2 070	1 729	1 388
ratios							
EBITDA Margin	0.11	0.19	0.11	0.12	0.16	0.14	0.11
EBITDA interest coverage			22.5	57.9	50.2	43.8	32.4
Leverage (TL/TA)	0.68	0.56	0.68	0.57	0.54	0.48	0.58
Financial Debt-to-Equity	0.73	0.35	0.54	0.21	0.28	0.35	0.40
Net debt-to-EBITDA			1.21	0.13	Net cash	Net cash	Net cash
Current Liquidity	1.27	1.52	1.17	1.50	1.79	1.90	1.27
Instant liquidity	0.02	0.01	0.01	0.12	0.58	1.26	0.80

Table 5: Key financial indicators of Transolut Magyarorszag Kft. (bond guarantor): 2019 – VI 2024

TEUR	VI 2024	VI 2023	2023	2022	2021	2020	2019
Balance Sum	4 189	3 861	3 877	4 020	5 020	5 866	5 752
Fixed Assets	1 507	1 961	1 711	2 128	2 872	2 868	3 525
Equity	1 776	1 323	1 488	1 529	1 723	1 918	1 975
Total Liabilities	2 414	2 539	2 389	2 491	3 296	3 948	3 778
Debt liabilities	339	956	130	642	1 373	1 385	1 285
Net Sales Revenues	4 436	2 950	6 301	7 705	8 017	7 873	8 831
Total Revenues	4 503	3 055	6 528	7 889	8 117	8 007	8 894
Net financial Result	604	123	280	440	638	953	1 019
EBITDA	835	387	722	1 004	1 286	1 586	1 731
ratios							
EBITDA Margin	0.19	0.13	0.11	0.13	0.16	0.20	0.19
EBITDA interest coverage			28.4	24.8	30.9	42.1	n.a.
Leverage (TL/TA)	0.57	0.65	0.61	0.61	0.65	0.65	0.66
Financial Debt-to-Equity	0.19	0.72	0.09	0.42	0.80	0.72	0.65
Net debt-to-EBITDA			Net cash	0.60	0.85	Net cash	0.39
Current Liquidity	1.28	1.10	0.95	0.98	1.15	1.22	0.89
Instant liquidity	0.03	0.04	0.08	0.02	0.15	0.65	0.25

Note: The growth rates cited in the Rationale are 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.