SCOPE | Ratings

Kometa 99 Zrt.

Hungary, Consumer Products

Issuer

B+

Outlook

Stable

Senior unsecured debt

B+

Rating composition

Business risk profile		
Industry risk profile	A	BB-
Competitive position	B+	
Financial risk profile		
Credit metrics	B+	B+
Liquidity	+/-0 notches	
Standalone credit assessment		**B+**
Supplementary rating drivers		
Financial policy	+/-0 notches	**+/-0 notches**
Governance & structure	+/-0 notches	
Parent/government support	+/-0 notches	
Peer context	+/-0 notches	
Issuer rating		**B+**

Key metrics

			Scope estimates	
Scope credit ratios*	**2023**	**2024**	**2025E**	**2026E**
Scope-adjusted EBITDA interest cover	Net cash interest received	8.5x	7.9x	6.8x
Scope-adjusted debt/EBITDA	4.0x	4.5x	4.0x	3.7x
Scope-adjusted funds from operations/debt	29%	19%	21%	23%
Scope-adjusted free operating cash flow/debt	9%	-23%	-25%	-15%
Liquidity	>200%	185%	93%	>200%

Rating sensitivities

The upside scenarios for the rating and Outlook (collectively):

- Significant increase in size, paired with a substantially lower concentration risk;
- Debt/EBITDA improving to or below 3.5x on a sustained basis;
- Recurring positive free operating cash flow/debt.

The downside scenarios for the rating and Outlook (individually):

- Debt/EBITDA deteriorating to above 5.0x on a sustained basis;
- EBITDA interest cover weakening to below 4.0x.

*All credit metrics refer to Scope-adjusted figures.

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Related methodologies

General Corporate Rating Methodology, Feb 2025

Consumer Products Rating Methodology, Oct 2025

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1. Key rating drivers

Positive rating drivers	Negative rating drivers
• Third largest pork meat processor in Hungary, with a strong domestic position in selected categories, such as modified atmosphere packaging (MAP) meat and cold cuts • Resilience of the consumer food sector, as demonstrated during the COVID-19 pandemic • Comfortable liquidity cushion, supported by the prudent decision to postpone expansionary capex in 2022 and 2023 while parking significant portion of the bond proceeds into fixed-term deposits (despite large amount of credit lines maturing in 2025) • Higher operational efficiency compared to local peers as slaughtering and processing activities are performed in a single location • Extensive diversification across pork products • Increased vertical integration after the acquisition of affiliate pig breeder Triagro • Minority shareholding from government-related entities (Municipality of Kaposvar and MFB)	• High leverage and weak FOCF in the medium term amid expansionary capex • Tail risk with asset concentration in one plant • Small absolute size • Limited inherent profitability of core business (fresh meat), with only around 20% of quantities coming from the higher value-added processed product (PP) segment • Historically volatile and price-dependent margins, highly dependent on raw material prices (primarily pork prices) • Competitive industry despite good position in some meat categories; still limited bargaining power with large international food retailers, especially abroad • Limited diversification outside pork products • Concentration on Hungary for around 55% of revenues; reliance on few export countries (Italy, Croatia, Slovenia) • Moderate dependency on top customer Lidl for around 20% of sales • Relatively weak brand value, as the core business is mostly based on private label agreements (conversely, around 70% of processed products have Kometa brand)

2. Rating Outlook

The Stable Outlook reflects our expectation that Kometa's leverage (debt/EBITDA) will remain well below 5x during its capital-intensive investment period, which is estimated to last until 2027, resulting in significantly negative cash flow cover over the next two years. Our base case scenario assumes a HUF 10bn equity injection in Q4 2025 and does not include any large-scale M&A activity that could put pressure on Kometa's leverage.

3. Corporate profile

One of the three leading pork processors in Hungary.

Kometa 99 Zrt. was established in 2000 and is owned by the Pedranzini and Ruffini families. It is one of Hungary's largest meat processing companies, ranking among the top three in pork processing. The group operates in Kaposvár, in one of the most modern and efficient processing plants in Central Europe. All production processes (pig breeding, slaughtering, butchering, meat processing and packaging) occur under one roof, recently reinforced by a new by-product processing plant.

Processing activities are divided into two segments: meat and processed products. The meat segment (roughly 80% of volumes sold) sells unprocessed meat including fresh, frozen, MAP meat and food service industry products. The processed product segment sells a variety of pork and poultry products, including cold cuts, ham, salami and sausages. Clients operate in food retail, hospitality and meat processing. Kometa exports to over 40 countries, with exports accounting for around 45% of sales. The company's main export markets in order of size are Italy, Croatia, Slovenia and Germany.

4. Rating history

Date	Rating action/monitoring review	Issuer rating & Outlook
12 Nov 2025	Affirmation	B+/Stable
12 Nov 2024	Affirmation	B+/Stable
13 Nov 2023	Affirmation	B+/Stable

5. Financial overview (financial data in HUF m)

			Scope estimates		
Scope credit ratios	**2023**	**2024**	**2025E**	**2026E**	**2027E**
EBITDA interest cover	Net cash interest received	8.5x	7.9x	6.8x	6.1x
Debt/EBITDA	4.0x	4.5x	4.0x	3.7x	3.6x
Funds from operations/debt	29%	19%	21%	23%	23%
Free operating cash flow/debt	9%	-23%	-25%	-15%	-17%
Liquidity	>200%	185%	93%	>200%	137%
EBITDA					
Reported EBITDA	3,417	5,294	5,770	6,544	7,056
add: operating lease payments	242	249	249	249	249
Other items (incl. one-offs)	296	56	-	-	-
EBITDA	**3,955**	**5,598**	**6,018**	**6,793**	**7,304**
Funds from operations (FFO)					
EBITDA	3,955	5,598	6,018	6,793	7,304
less: interest	671	(660)	(765)	(996)	(1,206)
less: cash tax paid	(0)	(97)	(157)	(148)	(133)
Other non-operating charges before FFO	-	-	-	-	-
Funds from operations	**4,626**	**4,841**	**5,096**	**5,648**	**5,965**
Free operating cash flow (FOCF)					
Funds from operations	4,626	4,841	5,096	5,648	5,965
Change in working capital	(1,753)	(2,619)	(431)	(394)	(675)
Non-operating cash flow	442	(232)	-	-	-
less: capital expenditures (net)	(1,726)	(7,619)	(10,500)	(8,750)	(9,450)
less: lease amortisation	(199)	(204)	(204)	(204)	(204)
Free operating cash flow	**1,390**	**(5,833)**	**(6,039)**	**(3,700)**	**(4,364)**
Interest					
Net cash interest per cash flow statement	(714)	616	721	952	1,162
add: interest component, operating leases	43	44	44	44	44
Interest	**(671)**	**660**	**765**	**996**	**1,206**
Debt					
Reported financial (senior) debt	22,503	28,135	28,083	28,083	28,083
less: cash and cash equivalents	(7,454)	(3,986)	(4,938)	(3,926)	(2,748)
add: non-accessible cash	-	-	-	-	-
add: operating lease obligations	858	881	881	881	881
add: other debt-like items	-	-	-	-	-
Debt	**15,907**	**25,031**	**24,026**	**25,039**	**26,217**

6. Environmental, social and governance (ESG) profile[1]

Environment	Social	Governance
Resource management (e.g. raw materials consumption, carbon emissions, fuel efficiency)	Labour management	Management and supervision (supervisory boards and key person risk)
Efficiencies (e.g. in production)	Health and safety (e.g. staff and customers)	Clarity and transparency (clarity, quality and timeliness of financial disclosures, ability to communicate)
Product innovation (e.g. transition costs, substitution of products and services, green buildings, clean technology, renewables)	Clients and supply chain (geographical/product diversification)	Corporate structure (complexity)
Physical risks (e.g. business/asset vulnerability, diversification)	Regulatory and reputational risks	Stakeholder management (shareholder payouts and respect for creditor interests)

ESG factors: credit-positive credit-negative credit-neutral

Limited ESG risks

Although Kometa is exposed to several relevant ESG factors, these are credit-neutral for the time being. In general, the key environmental risks for a meat processor come from intensive energy and water consumption in the production process as well as carbon emissions, especially from livestock breeding. On the social side, the major risks are decreasing meat consumption and litigation and/or reputational risks related to product safety and animal welfare (supply chain control).

Investment in sustainability

Kometa's environmental investments in a water treatment plant and a by-products plant support a better use of raw materials and the circular economy, while also benefiting operating efficiency to a certain extent. On the social side, Kometa has initiated the Honest Food/Honest Pig programme, which consists of animal welfare certifications and the reduced use of antibiotics. The issuance of a green bond indicates a sustainable path, which will involve further green investments, including the construction of more energy-efficient technologies and the installation of solar panels.

[1] These evaluations are not mutually exclusive or exhaustive as ESG factors may overlap and evolve over time. We only consider ESG factors that are credit-relevant, i.e. those that have a discernible, material impact on the rated entity's cash flow and, by extension, its credit quality.

7. Business risk profile: BB-

The business risk profile remains indicative of Kometa's moderate market position for its fresh meat products, resilient demand in its industry, concentration on domestic sales and pork products, and a low-margin business that is highly dependent on livestock prices. However, profitability is partly supported by the operational efficiency afforded by having all production processes in one facility. In addition, Kometa's EBITDA margin is stabilising due to the acquisition of pig breeder Triagro at the end of 2023, which enhances vertical integration.

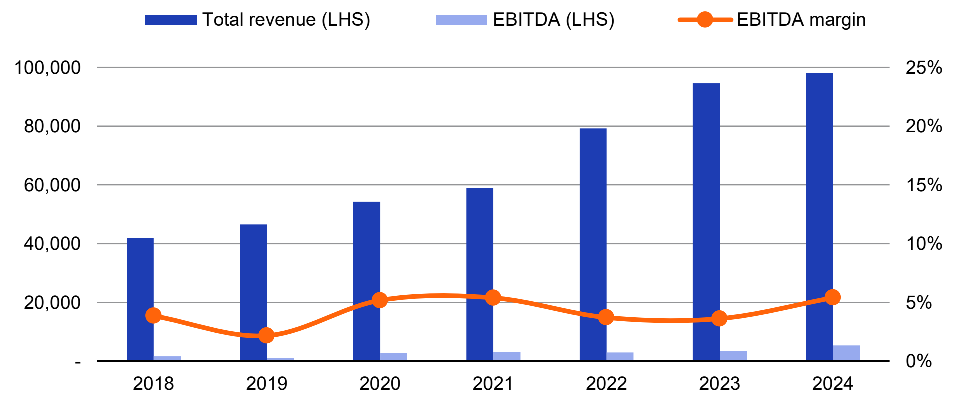
Industry risk profile: A

Kometa acquires livestock and meat mostly from third party suppliers and partly from its subsidiary, Triagro. The group then slaughters, processes and packages the final product. In view of Kometa's business model, we apply the industry profile of non-discretionary consumer products. The industry risk profile for non-discretionary consumer products is A, based on low cyclicality, medium market entry barriers and low substitution risk.

Increasing capacity

Kometa has a yearly production capacity of one million pigs for slaughtering and processing. Its meat segment has a capacity of 80,000 tonnes/year (planned to increase by 50% in the long term), and its processed products segment has a capacity of 17,000 tonnes/year (planned to increase by 200% in the long term). With around 1,000 employees and HUF 98bn of revenue in 2024 (around EUR 250m), Kometa is one of the largest employers in the Hungarian counties of Kaposvár and Somogy (reflected by the minority municipal shareholders). However, it is still small in an international context.

Figure 1: Revenue and EBITDA development (HUF m)



Sources: Kometa, Scope

Top third pork processor in Hungary

Kometa has been growing faster than its peers in recent years and now ranks third in Hungary in terms of volume of pork sold. Of the other top three companies, Pick focuses on the processed products segment, where it dominates the traditional Hungarian winter salami product category, while Hungary Meat operates in the fresh meat segment.

Size and pressure from large international discounters still constrain market position

Our market share assessment factors in Kometa's small absolute size and the competitive nature of its business, including margin pressure from large food retailer customers. The group will be able to improve its market position once it expands production and establishes itself as a reliable large-scale meat supplier in Hungary and abroad.

Leader in domestic MAP meat, weaker in processed products

Kometa's market shares are best assessed by considering specific product categories. Within the fresh meat segment, Kometa dominates domestically in MAP meat, commanding around 70% of the Hungarian market. This category is still relatively underpenetrated, as it makes up only around 20% of total fresh meat sales. It is worth noting that MAP (along with the food service industry) is one of the two highest-margin product categories in meat, together with gastro (convenience products). Within processed products, Kometa is active in several categories, but its overall position is weaker than in its core meat business. Kometa's highest domestic market share is in cold cuts (above 20%). Other product categories rank substantially lower.

Partial vertical integration affords production flexibility

Partial vertical integration between meat and processed products, along with the group's concentration of production in one location, provides advantages over competitors in terms of flexibility, since it allows Kometa to switch production between different products (e.g. meat versus processed products) to follow market demand. Owning the spice-mixing technology also allows Kometa to switch between different types of production and reduces dependence on procurement, since it can source the raw spices directly.

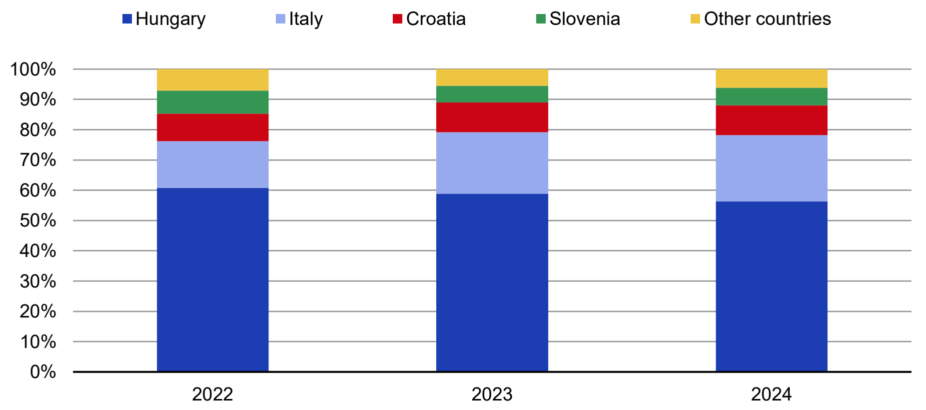
Limited bargaining power

Kometa has limited bargaining power, especially with its main customers, which are large international discounters and hypermarkets. Size matters to large customers as they need reliable suppliers to provide large quantities. Kometa is becoming an increasingly strategic partner for Lidl in the region and has gained permanent positions for Kometa-branded products with the discounter as well as with other discounters. The superior growth of discounters in Hungary compared to other retailers has helped increase Kometa's market share in the past couple of years.

Around 55% reliance on domestic sales

Exports made up around 45% of sales in 2024, exhibiting gradual increase in the past years. Although Kometa exports to over 40 countries, sales are concentrated in just a few, with Italy the largest (around 20% of total sales) followed by Croatia and Slovenia. Abroad, the issuer's overall market position is more limited, with some exceptions for specific products (for example, roasted turkey breast ham in Italy). Kometa plans to increase sales in Italy, expand in Germany (thanks to increasing production from strategic partner Zito) and Spain (which saw good progress in H1 2025), and increase MAP sales in Croatia and Slovenia.

Figure 2: Geographical split of sales



Sources: Kometa, Scope

Key role of large international food retailers

Kometa's customer base is moderately diversified and includes several hundred partners, but large international food retailers hold a key position. Other clients include small, domestic retail chains, meat processors and wholesalers serving the hospitality industry. The top five customers accounted for less than 40% of sales in H1 2025, the largest being Lidl at around 20%. In Hungary, customer concentration is noticeable in meat: Lidl (37%), Penny (13%) and Aldi (11%) together account for more than half of sales. Local processed product sales have a slightly more granular customer base, with the top three (Lidl, Coop and Tesco) accounting for around 45% of sales. In exports, customer structure is more diversified: Kometa Italia (Kometa's largest export market) acts as a distributor to the Italian market, covering over 200 clients, including small wholesalers and clients within the hotel, restaurant and catering industries.

Moderate supplier concentration, partially integrated via Triagro

Kometa's key raw materials are livestock and meat, and pork prices are based on weekly market data from Germany (ZMP). The company has over 150 suppliers, with the top five accounting for around 50% of its total livestock supplies in H1 2025. With the acquisition of Triagro, Kometa is now vertically integrated across its value chain, providing around 11% of its livestock needs in H1 2025. Auxiliary materials – including packaging – represent a much smaller portion (less than 10%) of livestock costs and have a more diversified distribution.

Kometa has a strategic partnership with Zito, based on which the export sales from its meat processors are channelled through Kometa (excluding ex-Yugoslavian territories). Additionally, the partnership gives Kometa a secure source of livestock for its own production, providing around 15% of its needs. Nevertheless, an unexpected termination of this strategic partnership could have moderate negative short-term effects on production levels.

Strategic alliance with largest livestock supplier Zito

Although most of its sales are pork, Kometa's major strengths compared to peers include its ability to produce a large variety of products from pork and use every part of the animal except its blood. Nails and fur, along with other meat waste, are processed in the by-products facility to produce meat powder and industrial lard, mostly for pet food. Less popular parts, such as the head and legs, are sold to the Asian market. In addition to pork, Kometa sells processed poultry products, which are not slaughtered in house. The poultry category has been gradually increasing and Kometa expects it to reach nearly 10% of sales in the long term.

Highly diversified and flexible pork production, complemented by poultry

The group offers a dozen fresh meat product groups and even more within processed products. Within the meat segment, the volume of value-added products produced in 2024 included 21% for MAP products and 7% for gastro products, while the remainder was lower-margin fresh or frozen meat. Within the processed products segment, Kometa's product portfolio is diversified and includes cold cuts, hams (including poultry meat), salami, sausages, Parisian ham and bacon.

Fresh meat segment represents around 70% of sales

Kometa's distribution channels are quite concentrated, with around two-thirds distributed to retailers. There is a wide variety among retailers, which primarily include large international discounters (especially for meat), hypermarkets and cash and carry (especially for processed products), but also local retail chains. The remainder comprises meat processors and distributors for the hospitality sector. Online sales are not available.

Distribution mostly via food retailers

We highlight the group's high asset concentration given that it only operates one production facility. This results in significant tail risk, meaning that a catastrophic event at the Kaposvár plant could cause major disruption to the business or even halt production entirely. This restricts the diversification assessment and is considered a rating limitation.

Assets concentrated in one location

Kometa's profitability remains volatile and susceptible to changes in raw material prices. The raw material costs accounted for 69% of revenue in 2024 (aggregate cost of goods sold: 83% of revenue in 2024). Prices are contracted weekly in meat but are negotiated quarterly for processed products, which is also due to the shorter expiration period of meat products (days to weeks) compared to processed products (months). This means that margins in the processed product segments are more volatile in case of steep and persisting changes in livestock prices. Product segmentation, along with strategic relations with suppliers Zito and Triagro, helps reduce price volatility.

Profitability sensitive to livestock price volatility

The acquisition of Triagro has contributed to stabilising margins, given the complementary nature of pig breeding and slaughtering activities (pig price movements generally impact the profitability margins of these businesses in opposite ways) and is expected to be further supported as efficiency measured implemented increase the portion of intragroup pig bred for Kometa.

Acquisition of Triagro partly mitigates dependency on livestock prices

The meat segment generally has lower margins than processed products but has been less volatile in recent years as it can adjust more quickly to livestock prices. However, it displays some seasonality, with the period between October and April being the strongest. In line with the general food industry, demand for Kometa's products is resilient, with processed products facing more competition as they are more exposed to export markets. Within meat, the segments with higher marginality are MAP and gastro products. Both of these segments have increased their contribution to the group's product mix in the past five years, with consequent improvements in the meat segment's profitability.

Meat segment has lower margins but is less volatile

Kometa is mostly a price taker, with exposure to foreign exchange movements being mostly limited to euros. Foreign exchange gains or losses have had a limited impact in the last few years; imports in euros (mainly from Croatia) are generally higher than euro export sales (mainly to Italy).

Limited forex risk

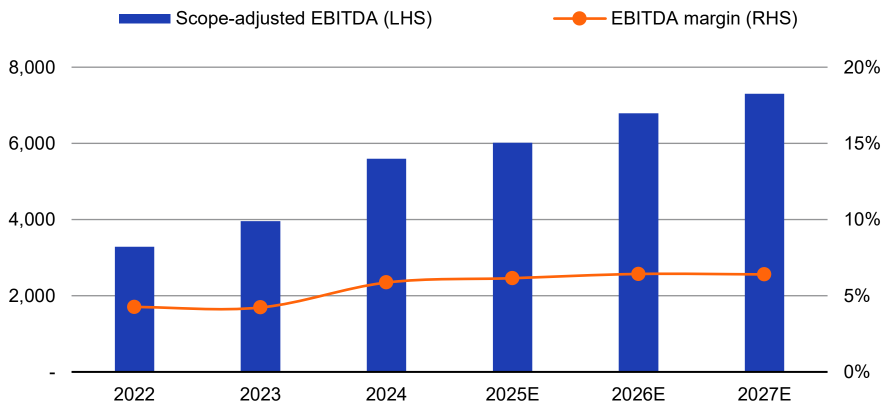
EBITDA increased to HUF 5.6bn in 2024, up from HUF 4.0bn in 2023. At the same time, the group's EBITDA margin improved to 5.9% from 4.2%. This improvement is due to the consolidation of Triagro and the efficiency measures implemented to increase the volume of pigs bred within the group. The countercyclical nature of the agribusiness and the slaughtering activities leads to lower volatility in the group's profitability. Mainly due to the anticipated increase in the volume of pigs bred for internal capacity, a gradual increase in Kometa's EBITDA margin is forecasted, which is expected to stabilise at around 6.5% by 2027. This stabilisation is also supported by Kometa's investment in energy-efficient technologies to reduce energy costs.

EBITDA margin increased to around 6% in 2024 from 4% in 2023

Overall, profitability is adequate based on the product mix, considering that slaughtering constitutes a drag on profitability. Kometa outperforms local peers within the meat segment, also thanks to its positioning in high-margin MAP meat. However, Kometa still has room to improve within processed products. It lags behind leader Pick (even including its unconsolidated slaughterhouse), which benefits from a stronger brand and a higher-value-added product (longer maturation for main salami product). It is also behind local peers that do not have slaughterhouses and focus on a single product.

Profitability margins are adequate based on product mix

Figure 3: EBITDA margin development (HUF m)



Sources: Kometa, Scope estimates

Although Kometa's single-facility operation is considered a rating limitation due to the associated high tail risk, we note that it provides operating cost savings in terms of operating profitability. The group's personnel and logistics costs are lower than its peers (although it is difficult to compare margins due to differing business models) and can be leveraged if production capacity increases as planned. However, the advantage in operating efficiency is partly offset by the group's broad product range, which constrains overall capacity utilisation more than if it focused on one standard process. Margins could reach near to 10% if the group expanded capacity significantly and increased its product mix towards processed products and added-value meat products while strengthening its brand.

Having everything under one roof saves operating costs

Kometa's brand is still emerging. Fresh meat is a business primarily based on private labels and brand recognition is limited for end-consumers. The processed products segment is in the low to medium price range and tries to attract a younger customer group than more traditional brands such as Pick, while focusing on sustainability (efficient use of natural resources, support to local communities and animal welfare). The brand is known in Hungary but less so in its export markets. Within processed products, Kometa-branded products make up around 70% of sales, with an adequate investment in advertising over the past few years (averaging 4% based on processed product sales).

Emerging brand within the processed products segment

8. Financial risk profile: B+

Kometa's weak financial risk profile reflects the high leverage and very weak cash flow cover caused by its capital-intensive investment project, which are only partly offset by a good interest cover and adequate liquidity.

Our key adjustments to credit metrics include:

- EBITDA adjusted for operating lease payments of HUF 250m per annum;
- Capex considered net of received subsidies (assumed at 30% of project capex);
- Netting of cash: 45% of cash is netted from debt until 2023, 25% from 2024 to reflect the intensification of the capex programme;
- Debt includes operating lease adjustments of around HUF 0.9bn per annum;
- Interests include HUF 44m of operating lease interests per annum.

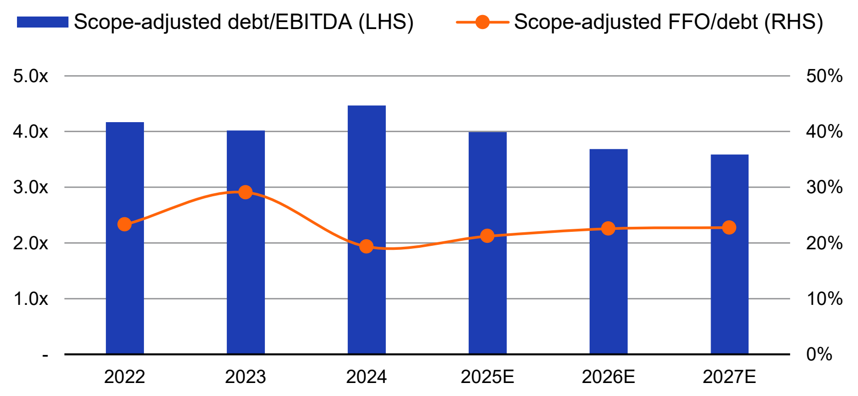
Temporary deterioration of credit metrics in 2024

In 2024 credit metrics deteriorated as gross debt increased to HUF 28.1bn from HUF 22.5bn and cash was deployed to execute on the group's investment programme, primarily putting pressure on leverage and cash flow cover. This triggered a change in how cash netting is treated, with only 25% of cash netted going forward, as opposed to 45% netted in previous years. This is because large part of the available cash will be used up to finance the investment while also leaving a meaningful amount for liquidity purposes. The combined effect of these factors led to debt/EBITDA deteriorating to 4.5x in 2024, up from 4.0x in 2023, and FFO/debt decreasing to 19% in 2024, down from 29% in 2023.

Improving EBITDA to drive deleveraging trend in the medium term paired with sustained very weak cash flow cover during the investment programme

With the intensification of the investment programme, Kometa's cash flow cover turned significantly negative, and we forecast that it will remain at very weak levels until the end of the CAPEX phase (estimated to last until 2027). However, as the majority of the investments are pre-financed, we expect gross debt to remain relatively stable. The improvement in Kometa's profitability is expected to drive deleveraging and that debt/EBITDA will improve towards 3.5x and FFO/debt will increase towards 25% in the next two years.

Figure 4: Development of leverage metrics

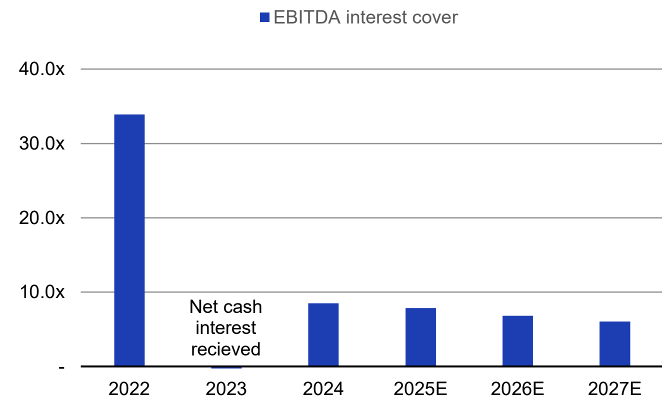


Sources: Kometa, Scope estimates

Good interest cover supported by high interest income on ample cash reserves

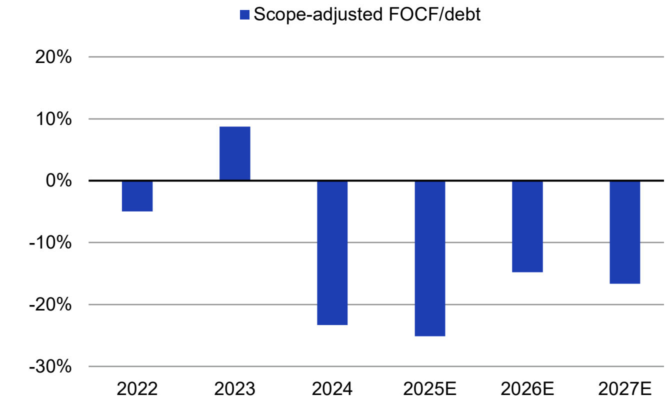
Kometa's interest cover has historically been strong and it remains the group's strongest credit metric, supported by the substantial interest income generated by the group's ample cash and equivalents reserves. However as Kometa initiated its multi-year expansionary capex plan in 2024, targeting a substantial increase in the production capacity at its Kaposvar facility, primarily financed through existing cash reserves, we expect interest income to decline as cash reserves are utilised and interest rates may decrease. Nonetheless, interest cover it still expected to remain strong in the medium term despite the declining trend we forecast: the metric is expected to decrease towards 6.0x by 2027, down from 8.5x in 2024.

Figure 5: Development of interest cover



Sources: Kometa, Scope estimates

Figure 6: Development of cash flow cover



Sources: Kometa, Scope estimates

Adequate liquidity

Liquidity is considered as adequate despite forecasted internal and external liquidity ratios of below 100% for 2025 due to the large amount of maturing credit lines (HUF 11.6bn) and the group's capital-intensive investment programme. This is because (1) the majority of credit lines have been renewed by October 2025 thanks to the group's strong banking relationships and (2) the investments are expected to be fully pre-financed. Liquidity sources are HUF 16bn of available cash and equivalents as at YE 2024 and HUF 0.4bn of undrawn credit lines as at June 2025. The liquidity profile turns solid after 2025 as projected liquidity ratios are forecast above 110% for 2026 and 2027.

We highlight that Kometa's senior unsecured bond issued under the Hungarian National Bank's Bond Funding for Growth Scheme has a covenant requiring the accelerated repayment of the outstanding nominal debt amount (HUF 12bn) if the debt rating of the bonds stays below B+ for more than two years (grace period) or drops below B- (accelerated repayment within 15 days). Such a development could adversely affect the company's liquidity profile. There is limited rating headroom as the senior unsecured bond is rated B+, the same level as the issuer rating. Given the limited rating headroom, the group must at least maintain its current credit profile to avoid triggering the rating-related covenant.

Table 1. Liquidity sources and uses (in HUF m)

	2024	2025E	2026E
Unrestricted cash (t-1)	16,565	15,943	19,753
Open committed credit lines (t-1)	425	425	425
FOCF (t)	(5,833)	(6,039)	(3,700)
Short-term debt (t-1)	3,358	11,552	1,250
Liquidity	**185%**	**93%**	**>200%**

Sources: Kometa, Scope estimates

9. Debt rating

HUF 12bn bond issued in 2022

In February 2022, Kometa issued a HUF 12bn senior unsecured bond (ISIN: HU0000361464) through the Hungarian Central Bank's Bond Funding for Growth Scheme. The bond proceeds were used to refinance around HUF 2bn long-term investment loans and are earmarked for investment capex to expand production capacity. The bond has a tenor of 10 years and a fixed coupon of 5%. The bond repayment schedule is in six instalments with 10% of the face value payable yearly starting in the fifth year and a balloon payment of 50% at maturity. In addition to the rating deterioration covenant, the bond covenants include non-payment, insolvency proceedings, cross-default, change of control, dividend-restriction, pari-passu, negative pledge and debt covenants.

Senior unsecured debt rating: B+

Kometa's senior unsecured debt rating was affirmed at B+. Our recovery expectations are based on the liquidation value of a hypothetical default scenario in 2027 and reflect a 'superior' recovery. However, the debt rating is capped at the issuer rating level due to execution risks related to the group's investment project, the risk of additional secured debt entering the financing structure and the presence of real estate pledges for the state-linked subsidy providers.

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