

### RATING ANNOUNCEMENT

GCR assigns a long-term issue rating of BBB+(NG) to Champion Breweries Plc's NGN30 billion Series 1 Senior Unsecured Bond, Rating Watch Evolving.

#### Rating action

Lagos, 02 February 2026 - GCR Ratings (GCR) has assigned a national scale long-term issue rating of BBB+(NG) to Champion Breweries Plc's NGN30 billion Series 1 Senior Unsecured Bond, with the Outlook accorded as Rating Watch Evolving.

Rated issue	Rating class	Rating scale	Rating	Outlook
Champion Breweries Plc's NGN30 billion Series 1 Senior Unsecured Bond	Long-term issue	National	BBB+(NG)	Rating Watch Evolving

#### Rating Rationale

The issuer, Champion Breweries Plc (Champion Breweries or the company), is engaged in the brewing and marketing of alcoholic and non-alcoholic beverages. In September 2025, GCR placed Champion Breweries Plc's national scale long-term and short-term issuer ratings of BBB+(NG) and A2(NG) respectively on Rating Watch Evolving. The Rating Watch Evolving reflects potential ratings migration resulting from a proposed acquisition and expanded funding plans. Within the outlook period, stronger earnings and cashflows from the proposed brand acquisition could support a positive rating movement. Conversely, higher funding risk from the rising debt could weaken the ratings. For the latest rating action on Champion Breweries, please see: [GCR places Champion Breweries Plc's ratings of BBB+\(NG\) on Rating Watch Evolving – GCR Ratings](#).

In December 2025, Champion Breweries registered a NGN45Bn Bond Issuance Programme (the Programme) with the Securities and Exchange Commission. NGN30Bn in Series 1 (the bond) was successfully issued. The bond has a tenor of 5 years with legal maturity date of December 2030 and a fixed coupon rate of 19.5%. Coupon on the bond shall be payable semi-annually in arrears from the issue date up to and including the maturity date. Principal repayment on the bond shall be on an amortising basis, after the expiration of a 12-month moratorium on the principal amount.

According to the Series 1 Trust Deed and the Pricing Supplement, the bond proceeds will be utilised to fund capital expansion upgrades and refinance existing short-term debt. The bond constitutes direct, unconditional, senior, unsecured and unsubordinated indebtedness of the issuer, hence ranks *pari passu* with all other unsecured obligations assumed by the issuer. The transaction documents include a call option which effects early redemption of the bond in accordance with the terms outlined in the pricing supplement.

Being senior unsecured obligations of Champion Breweries, the Series 1 bond bears the same default risk as the issuer and would reflect similar recovery prospects to senior unsecured creditors in the event of default. Therefore, the long-term rating and outlook on the bond reflects that of the issuer.

## Outlook statement

The Rating Watch Evolving on the Series 1 Bond reflects the potential for positive or negative rating migration in the near term to Champion Breweries' ratings, depending on the impact of the proposed acquisition and capital raising exercises on the company. A successful acquisition would improve the company's competitive position and diversification, as well as drive stronger earnings and cash flows. However, the new and proposed debt combined with any potential misalignment between the timing of acquisition and bond issue, could elevate refinancing and liquidity risks.

## Rating triggers

Given that the bond rating is linked to the issuer's long-term national scale rating, any change in the rating assigned to the issuer or non-compliance with the transaction terms, will directly affect the bond rating.

## Analytical contacts

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## Related criteria and research

Criteria for the GCR Ratings Framework, May 2024  
Criteria for Rating Corporate Entities, May 2024  
GCR Rating Scales, Symbols & Definitions, May 2023  
GCR Country Risk Scores, November 2025  
GCR Nigeria Corporate Sector Risk Scores, September 2025

## Ratings history

### Champion Breweries Plc's NGN30 billion Series 1 Senior Unsecured Bond

Rating class	Review	Rating scale	Rating	Outlook	Date
Long-term issue	Initial/Last	National	N/A	N/A	N/A

## Glossary

Bond	A long term debt instrument issued by either a company, institution or the government to raise funds.
Call Option	A security that gives the holder or buyer the right but not the obligation to buy an underlying instrument at an agreed price (the strike price) within a specified time. The seller or writer has the obligation to sell the underlying instrument if the holder exercises the option.
Cash Flow	The inflow and outflow of cash and cash equivalents. Such flows arise from operating, investing and financing activities.
Coupon	The interest paid on a bond expressed as a percentage of the face value. If a bond carries a fixed coupon, the interest is usually paid on an annual or semi-annual basis. The term also refers to the detachable certificate entitling the bearer to the interest payment.
Credit	A contractual agreement in which a borrower receives something of value now, and agrees to repay the lender at some date in the future, generally with interest. The term also refers to the borrowing capacity of an individual or company
Creditor	A credit provider that is owed debt obligations by a debtor.
Debt	An obligation to repay a sum of money. More specifically, it is funds passed from a creditor to a debtor in exchange for interest and a commitment to repay the principal in full on a specified date or over a specified period.
Default Risk	The probability or likelihood that a borrower or issuer will not meet its debt obligations. Credit Risk can further be separated between current credit risk (immediate) and potential credit risk (deferred).
Equity	Equity is the holding or stake that shareholders have in a company. Equity capital is raised by the issue of new shares or by retaining profit.
Interest	Scheduled payments made to a creditor in return for the use of borrowed money. The size of the payments will be determined by the interest rate, the amount borrowed or principal and the duration of the loan.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
National Scale Rating	National scale ratings measure creditworthiness relative to issuers and issues within one country.
Obligation	The title given to the legal relationship that exists between parties to an agreement when they acquire personal rights against each other for entitlement to perform.
Operating Cash Flow	A company's net cash position over a given period, i.e. money received from customers minus payments to suppliers and staff, administration expenses, interest payments and taxes.
Pari Passu	Side by side; at the same rate or on an equal footing. Securities issued with a pari passu clause have rights and privileges that are equivalent to those of existing securities of the same class.
Principal	The total amount borrowed or lent, e.g. the face value of a bond, excluding interest.
Proceeds	Funds from issuance of debt securities or sale of assets.
Rating Watch	See GCR Rating Scales, Symbols and Definitions.
Refinancing	The issue of new debt to replace maturing debt. New debt may be provided by existing or new lenders, with a new set of terms in place.
Repayment	Payment made to honour obligations in regards to a credit agreement in the following credited order: 3.) Satisfy the due or unpaid interest charges; 4.) Satisfy the due or unpaid fees or charges; and 5.) To reduce the amount of the principal debt.
Unconditional	Not subject to any conditions.

### Salient points of accorded ratings

GCR affirms that a.) no part of the ratings process was influenced by any other business activities of the credit rating agency; b.) the ratings were based solely on the merits of the rated entity, security or financial instrument being rated; and c.) such ratings were an independent evaluation of the risks and merits of the rated entity, security or financial instrument.

The credit ratings have been disclosed to Champion Breweries Plc. The ratings above were solicited by, or on behalf of, the rated entity.

The rated entity participated in the rating process via in person interaction and/or via online virtual interaction and/or via electronic and/or verbal communication and correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from the rated entity and other reliable third parties to accord the credit ratings included draft copies of the:

- Executed Shelf Prospectus
- Executed Programme Trust Deed
- Executed Series 1 Trust Deed
- Executed Series 1 Pricing Supplement
- Executed Legal Opinion

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