



DataPro

CORPORATE RATING REPORT

HILLCREST AGRO-ALLIED INDUSTRIES LIMITED

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March, 2026

HILLCREST AGRO-ALLIED INDUSTRIES LTD

Long-Term Rating:

BBB

Short Term Rating: A2

Previous Rating: BBB

Rating Outlook: Negative

Trend: UP

Currency: Naira

Date Issued: 12 Mar., 2026

Valid Till: 11 Mar., 2027

Reference:

Abiodun Adeseyoju, FCA.

Abimbola Adeseyoju

Oladele Adeoye

This report is provided by DataPro subject to the Terms & Conditions stipulated in our Terms of Engagement

EXECUTIVE SUMMARY

	2025* N'000	2024 N'000	2023 N'000	2022 N'000	2021 N'000
Turnover	12,053,776	17,983,416	19,572,881	17,041,965	12,063,052
Pre-Tax Profit	247,820	181,369	312,901	667,928	313,190
Equity	35,632,514	1,315,431	1,292,573	1,685,908	1,131,917
Non-Curr. Assets	20,692,836	21,479,829	13,949,534	7,792,137	6,462,650
Long-term Debt	7,129,216	4,712,176	2,215,607	5,787,170	4,841,744
Total Asset	31,770,353	23,776,288	16,270,646	10,579,097	9,161,949

*Represent figures from the Management Account for the period ending 31st December, 2025

Rating Explanation

The Short-Term Rating of **A2** indicates **Fair Credit Quality** and adequate capacity for timely payment of financial commitments.

The Long-Term Rating of **BBB** indicates **Slight Risk**. It shows Fair Financial Strength, Operating Performance and Business Profile when compared to the standard established by **DataPro**. This Company, in our opinion, has the ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information were obtained from the Company's Audited and Management Accounts.

The risk factors were assessed using the Company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Positive Rating Factors:

- Good Industry Prospects
- Experienced Management Team

Negative Rating Factors:

- High Debt Profile
- Declined Revenue
- Constrained Liquidity

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BACKGROUND

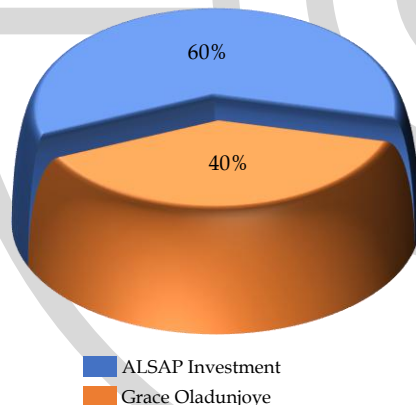
Hillcrest Agro-Allied Industries Limited ("The Company") commenced operations in July 2012 as a division of *Dayntee Farms Limited*. In 2013, it was formally incorporated as an independent entity.

In July 2013, the Company acquired a modern *Alvan Blanch* Grains and Tubers processing plant and began full-scale operations in 2015, with an initial rice milling production capacity of 6 Metric Tonnes (MT) per hour (36,000MT per annum). In April 2019, the Company expanded its production capacity to 10MT per hour following the installation of an additional 4MTper hour production line. In February 2022, the Company expanded its production capacity to 26MT per hour with the addition of a 16MT per hour mill.

Its product and service offerings include Rice Milling, Mechanized farming, Farmer support, Out-grower schemes, Processing and Trade. Its major brand is *Famos Rice*.

Its registered and operational head office, along with its production facility, are situated in Offa, Kwara State. The Company's products are primarily sold and distributed across the South-East region and selected parts of the South-West of Nigeria. This distribution network is supported by seven (7) leased warehouses strategically located within these regions. The Company maintains a workforce of 118.

ANALYSIS OF SHAREHOLDING STRUCTURE



Source: Hillcrest Agro-Allied Ltd

The Company is regulated by the *National Agency for Food and Drug Administration and Control*. It is also an active member of the *Rice Processors Association of Nigeria (RIPAN)* and the *Rice Farmers Association of Nigeria (RIFAN)*.

As at December 31st, 2025, the Shares of the Company were distributed between *Alsap Investment* (60%) and *Grace Oladunjoye* (40%).

DIRECTORS' PROFILE

The current serving members of the Board are: *Mr. Olufemi Alade - Chairman, Mr. Ayodele Alade – Managing Director; Openiyi Alade; Olushola Alade, Innocent Okuku and Kolawole Durojaiye.*

The Directors profile is as follows.

- 1. Name:** Mr. Olufemi Alade
Position: Chairman
Profession: Business Owner
Experience (Years): 24 years
Education:
 - B.Sc.– Ahmadu Bello University, Zaria
 - M.Sc. London Business School of Finance**Job Experience:**
 - Founder, Trident Microfinance Bank, Abuja
 - Transnational Corporation of Nigeria Plc
 - Chapel Hill Advisory Partners
- 2. Name:** Mr. Ayodele Alade
Position: Managing Director/CEO
Profession: Geologist
Education:
 - B. Sc – Monash University, Australia**Job Experience:**
 - Hillcrest Agro-Allied Industries Ltd
 - Dayntee Farms Ltd
- 3. Name:** Dr. Openiyi Alade
Position: Non-Executive Director
Profession: Medical Doctor
Education:
 - Medical University of Warsaw, Warsaw Poland
 - Clark University, Lodz, Poland
 - Bond University, Queensland, Australia
 - RMIT Melbourne, Australia**Job Experience:**
 - Asokoro General Hospital
 - National Assembly Abuja
 - Stonemill Nigeria Limited
- 4. Name:** Mr. Olushola Alade
Position: Non-Executive Director
Profession: Economist
Experience (Years): 11 years in Investment Management and Finance
Education:
 - B.Sc. – University of Ilorin
 - M.Sc.- Robert Gordon University, Aberdeen Scotland**Job Experience:**
 - Partner, Dane Investments Limited
 - MD/CEO, African Farms Limited
 - Nigerian Deposit Insurance Corporation
 - Corporate Dealer, Stanbic IBTC Bank Plc
- 5. Name:** Innocent Okuku
Position: Non-Executive Director
Years of Experience: 25 years
Education:
 - London Business School
 - PhD-

- Job Experience:**
- Intrio Synergy Limited (ISL)
 - Notore Chemical Industries Plc

- 6. Name:** Kolawole Durojaiye
Position: Independent Non-Executive Director
Profession: Accountant & Economist
Years of Experience: 31 years
Education:
 - B.Sc. –
 - Institute of Chartered Accountants of Nigeria (ICAN)**Job Experience:**
 - Central Bank of Nigeria (CBN)

SECTOR REVIEW

Nigeria's economy has undergone notable structural transformation, influenced by global economic shifts, technological progress and evolving consumer behavior. Reflecting these changes, the *National Bureau of Statistics (NBS)* recently rebased the Country's Gross Domestic Product (GDP), updating the base year from 2010 to 2019. Following this adjustment, nominal GDP for 2024 was estimated at ₦372.82 trillion, positioning Nigeria as the fourth-largest economy in Africa. It is ranked as the second-largest in Africa by purchasing power parity.

In real terms, the economy grew in the fourth quarter of 2025 at a rate higher than the 3.76% recorded in the same quarter of 2024. The industry sector grew by 3.88%, compared with 2.49% in the corresponding quarter of the previous year, while the services sector recorded a growth of 4.15%, slightly down from 4.75% in Q4 2024.

Regarding contributions to GDP, the services sector remained the largest contributor, accounting for 55.92% of total GDP in Q4 2025, marginally higher than 55.87% in Q4 2024. On an annual basis, overall economic growth for 2025 stood at 3.87%, up from 3.38% in 2024.

In the fourth quarter of 2025, the Agricultural sector recorded a real year-on-year growth of 4.00%, marking an increase of 1.46 percentage points compared to the same period in 2024, and a 0.22% point rise from the previous quarter, which had grown by 3.79%. On a quarter-on-quarter basis, the sector expanded by 2.98%. For the full year, the sector's growth stood at 2.92% in 2025, up from 1.69% in 2024.

Despite this growth, the sector's contribution to aggregate GDP in real terms fell to 28.66% in Q4 2025, slightly lower than its contribution in Q4 2024 (28.68%) and the third quarter of 2025 (31.21%). Overall, the sector accounted for 27.55% of GDP in 2025, a slight decline from 27.81% in 2024.

Nigeria's efforts to boost Agricultural transformation have gained traction in recent years. In January 2021, the country signed the *African Continental Free Trade Area (AfCFTA)* Agreement, opening up access to larger regional markets and facilitating

investments in Agricultural production and value chains. This commitment to regional integration is complemented by the introduction of the *National Agricultural Technology and Innovation Policy (NATIP 2022–2027)*, a strategic framework introduced by the *Federal Ministry of Agriculture and Food Security* to modernize Nigeria’s agricultural practices in response to evolving global food systems and supply chain dynamics.

Nigeria is Africa's largest rice producer, with production rising to around 5.5–9 million metric tons annually by 2025/2026, yet it faces a significant supply deficit with consumption demand exceeding 10.5 million metric tonnes, leading to continued reliance on imports. The industry is dominated by smallholder farmers, and while government initiatives like the *Anchor Borrowers' Programme* have increased production, challenges such as low mechanization, high production costs, and infrastructural gaps remain.

Rice is a staple food in Nigeria which plays a crucial role in the country's economy and food security. It is widely cultivated nationwide, particularly in Kebbi, Niger, Kogi, Ebonyi, and Kano states. Beyond feeding the nation, rice farming and milling have become lifelines for thousands of Nigerians, providing jobs for traders, millers, and parboilers across the value chain. The story of rice in Nigeria is one of rising demand fueled by a rapidly growing population, expected to surpass 230 million by 2030.

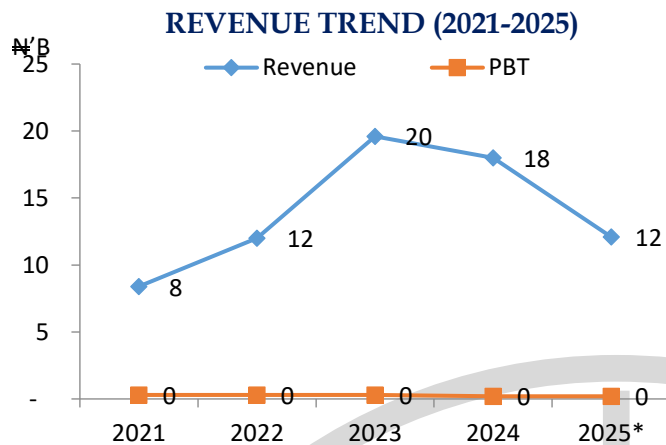
The Agricultural Sector continues to grapple with persistent challenges, including limited access to finance, insecurity, outdated farming methods, poor infrastructure, insufficient productivity and a lack of value addition. Despite these constraints, the Sector holds significant growth potential. Therefore, opportunities abound for operators in the industry on account of the availability of arable lands, improving technology, support initiatives from Government and the growing population of the country.

FINANCIAL PERFORMANCE

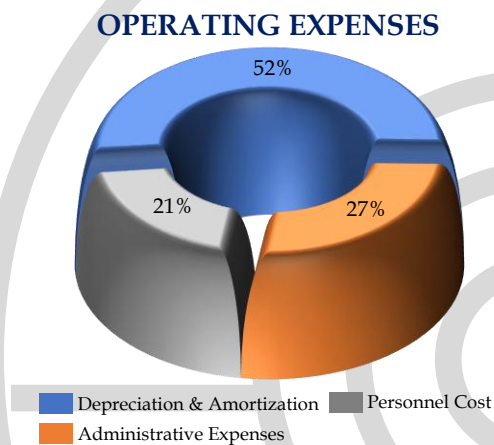
The review focused on the Company’s financial and operational performance for the period between 2020-2024. It also considered the Management Accounts for the period ending 31st December 2025.

• EARNINGS AND PROFITABILITY PROFILE

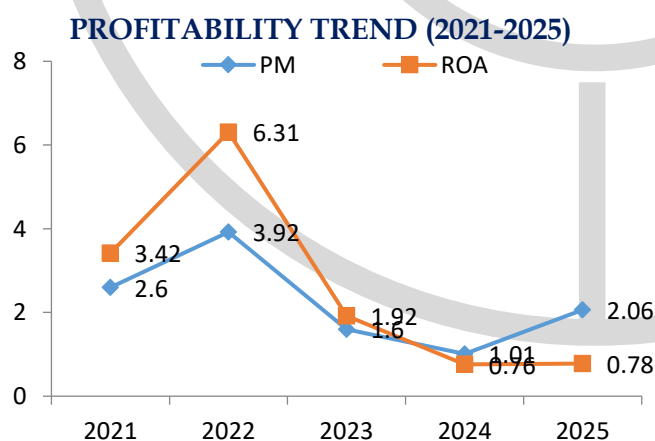
The Company generated Revenue principally from sale of Parboiled Rice. This remained the major contributor to Revenue, amounting to ₦16.3b in the year 2024. Besides this, the Company also earned Revenue from the sale of By Products. In total, Revenue from Sales declined from ₦19.5b (Yr.23) to ₦17.9b (Yr.24) reflecting a decrease of 8%.



*2025 represents figures from the Management Accounts for the 12-month period
Source: Hillcrest Agro-Allied Ltd



Source: Hillcrest Agro-Allied Ltd



*2025 represents figures from the Management Accounts for the 12-month period
Source: Hillcrest Agro-Allied Ltd

improved to ₦247.8m and 2%, respectively.

In the year 2024, Direct Costs and Factory Consumables declined by 15% from ₦16.8b (Yr. 23) to ₦14.3b (Yr. 24). Revenue remained sufficient to cover these Costs, driving an improvement in Gross Profit from ₦2.8b (Yr. 23) to ₦3.7b (Yr.24). Consequently, Gross Profit Margin strengthened from 14% (Yr.23) to 21% (Yr.24).

As at 31 December 2025, Revenue and Gross Profit recorded further decline to ₦12.1b and ₦3.2b, respectively. This translated to a Gross Profit Margin of 27%.

Operating Expenses including Legal & Professional Fees, Depreciation, Amortization, Personnel Costs and other administrative expenses stood at approximately ₦2.0b in the years 2023 and 2024. Depreciation & Amortization remained the largest component of Operating Expenses, accounting for 52% of the total. In the reviewed year, Finance Cost including Bank Charges and Interest increased from ₦587.2m (Yr.23) to ₦1.5b (Yr.24). This declined marginally to approximately ₦1.4b in the period ending 31st December, 2025.

Profit Before Tax declined from ₦312.9m in 2023 to ₦181.4m in 2024, following the decline in Revenue. Consequently, profitability as reflected by the Net Profit Margin, declined from 2% (Yr. 23) to 1% (Yr. 24). As at 31st December 2025, Net Profit and Net Profit Margin

• CAPITALIZATION

As at 31st December 2024, Shareholders' Funds stood at ₦1.3b, reflecting a marginal increase of 2%. In the reviewed year, the Company issued additional 50 million Shares, bringing the total Share Capital up to ₦100m. Revaluation Reserve remained unchanged at ₦311.7m (Yr. 24) while Retained Earnings declined slightly to ₦903.7m (Yr. 24) from ₦930.9m recorded in the preceding year.



**2025 represents figures from the Management Accounts for the 12-month period
Source: Hillcrest Agro-Allied Ltd*

For the 12-month period ending 31 December 2025, Share Capital and Revaluation Reserve remained at prior-year levels. Retained Earnings, however, improved to ₦1.2b. Additionally, the balance on the Director's Account stood at a total of ₦2.0b. Aggregately, Shareholders' Funds increased significantly from ₦1.3b (Yr. 24) to ₦3.6b (Q4 25)

As at 31st December, 2024, Total Liabilities amounted to ₦22.5b (Yr.24), a 50% increase compared with the preceding year. This included Long and Short-term obligations. The increase in Total Liabilities was largely influenced by Bank Loans, which grew from ₦11.7b (Yr.23) to ₦18.8b (Yr.24) and constituted 84% of the Total Liabilities.

As at the 2024 year-end, the bulk of the Company's operations were funded through Liabilities to the tune of 94%.

• ASSET UTILITY

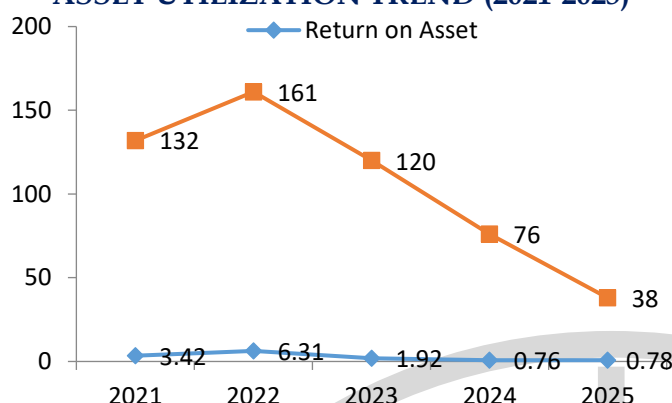
Full operations began in 2015 with an initial rice milling production capacity of 6MT per hour, equivalent to 36,000MT per annum. Since then, deliberate efforts have been made to scale up operations and improve output capacity. Currently, total installed capacity amounts to 26MT per hour (187,200MT per annum). The Company is yet to fully optimized its installed capacity. In the year 2024, overall capacity utilization across all products stood at 35%.

BREAKDOWN OF TOTAL ASSET				
ITEM	2024 ₦'000	%	2023 ₦'000	%
Non-Current Assets	21,479,829	90	13,949,535	86
Current Assets	2,296,459	10	2,321,112	14
Total Assets	23,776,288	100	16,270,647	100

Source: Hillcrest Agro-Allied Industries Limited

In the reviewed year, the Company's Total Assets stood at ₦23.8b, comprising both Current and Non-Current Assets. Non-Current Assets represented the largest share of Total Assets, recording

ASSET UTILIZATION TREND (2021-2025)



**2025 represents figures from the Management Accounts for the 12-month period
Source: Hillcrest Agro-Allied Ltd*

54% growth to ₦21.5b (Yr. 24). The growth was primarily driven by a substantial increase in Property, Plants and Equipment, following the acquisition of additional equipment in the year. Other components of Non-Current Assets include Unquoted Investments which represents investment in Cashew Plantation as well as investments in Fixed Deposits.

Current Assets recorded a marginal decline from ₦2.3b (Yr. 23) to ₦2.2b (Yr. 24). This reduction was primarily driven by the decline in Cash and amount owed to the business by customers. Inventory however rose from ₦1.6b in 2023 to ₦1.8b in 2024.

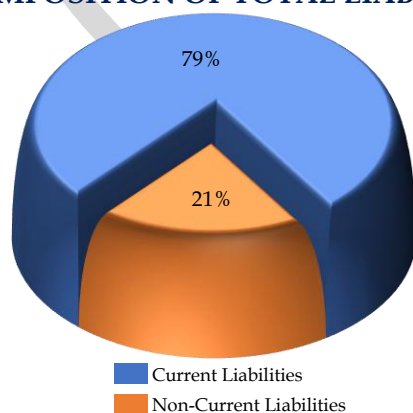
The Company's ability to generate Revenue using its operating Assets stood at 76% (Yr. 24) as against 120% in the prior year. Also, Profitability efficiency weakened, as reflected in the decline in Return on Total Assets (ROA) to approximately 1% in 2024.

As at the period ending 31st December 2025, Asset Turnover Ratio declined further to 38%, while ROA remained unchanged at 1%.

• LIQUIDITY

As at 31st December 2024, Total Liabilities stood at ₦22.5b, reflecting a 50% increase over the previous year. These obligations comprised both Long-term and Short-term liabilities.

COMPOSITION OF TOTAL LIABILITIES



**2025 represents figures from the Management Accounts for the 12-month period
Source: Hillcrest Agro-Allied Ltd*

Current obligations accounted for 79% of the Total Liabilities, primarily influenced by Bank Loans, which grew from ₦11.7b (Yr.23) to ₦18.8b (Yr.24) and accounted for 84% of Total Liabilities. Bank Loans comprised both Current (75%) and Non-current portions (25%). Other components of Total Liabilities included Trade Payables, Customer Deposits, Current Tax Payable, as well as Borrowings/Overdrafts.

The Company obtained loans from Commercial Banks, which were originally contracted in 2025 as long-term obligations. As of 31st December 2025, the total balance of these Loans stood at ₦27b.

In the financial year 2024, the Company recorded an Operating Cash Flow of ₦1.2b. Current Assets were insufficient to fully cover Current Liabilities in the year under review. This was reflected in its Working Capital position of ₦15.5b (Yr.24) and Current Ratio of 13% (Yr.24). Current Ratio improved to 53% as at 31st December, 2025.

CORPORATE GOVERNANCE & RISK MANAGEMENT

The affairs of the Company are directed by its Board which consists of the Chairman, Managing Director/CEO, an Independent Director and three (3) Non-Executive Directors.

THE CORPORATE ORGANOGRAM



Source: Hillcrest Agro-Allied Industries Limited

RISK FACTORS

In the course of our review, we considered the following significant risks.

- REPUTATIONAL RISK**

This is the risk that the Company may be exposed to reputational damage of its brand which may lead to loss of business.

In the course of our review, there was no negative public information or adverse press report against the Company or its Board of Directors.

• GOVERNANCE RISK

This is the risk that a Company's operations or performance may be adversely affected by weak management structures, poor oversight or ineffective internal controls.

The concentration of decision-making in a Board consisting mainly of family members can pose a threat to the life of the business.

• INTEREST RATE RISK

This is the risk of loss to income arising from adverse movement in Interest Rate.

Based on our review, the Company has outstanding Interest-Bearing Liabilities of over ₦27 from Commercial Banks at varying rates. Therefore, adverse movement in Interest Rates may affect the Company's profitability.

• LIQUIDITY RISK

This is the risk arising from the inability of the Company to pay obligations as and when due.

Based on our review, the Company recorded a Current Ratio of 13% as at the year ended 31st December 2024. Indicating that Current Assets were insufficient to fully cover Current Liabilities in the reviewed year.

CONCLUSION

The Rating of the Company is supported by its Good Revenue Profile and Experienced Management Team.

Consequently, we assigned a Rating of **"BBB"**

FINANCES

Financial Position as at

	Dec, 2024		Dec, 2023		Dec, 2022
	₦	Δ%	₦	Δ%	₦
NON-CURRENT ASSETS					
Property, Plant and Equipment	21,338,854	54.49	13,812,539	80.40	7,656,587
Unquoted Investment	36,253	12.34	32,272	4.69	30,826
Investment in Fixed Deposit	104,723	-	104,723	-	104,723
	<u>21,479,830</u>	53.98	<u>13,949,534</u>	79.02	<u>7,792,136</u>
CURRENT ASSETS				(100.00)	2,786,960,220
Inventory	1,783,673	11.77	1,595,879	(31.60)	2,333,194
Trade Receivables	0	(100.00)	320	(83.69)	1,962
Other Receivables	211,122	(1.03)	213,309	108.95	102,087
Deposit with Suppliers	0		0	(100.00)	300,018
Cash and Cash Equivalent	301,663	(41.04)	511,604		0
	<u>2,296,458</u>	(1.06)	<u>2,321,112</u>	(15.20)	<u>2,737,261</u>
TOTAL ASSETS	<u>23,776,288</u>	46.13	<u>16,270,647</u>	53.80	<u>10,579,097</u>
EQUITY & LIABILITIES					
LIABILITIES	<u>22,460,857</u>	49.96	14,978,074	68.42	<u>8,893,189</u>
CAPITAL AND RESERVES					
Share Capital	100,000	-	100,000	900.00	10,000
Revaluation reserve	311,703	-	311,703	-	311,703
Directors Fund	0		0	(100.00)	98,702
Retained Earnings	903,728	(2.92)	930,869	(26.44)	1,265,502
	<u>1,315,431</u>	(2.02)	<u>1,342,572</u>	(20.37)	<u>1,685,907</u>
PROFIT OR LOSS ACCOUNT					
Income	17,983,416	(8.12)	19,572,881	14.85	17,041,965
Profit Before Taxation	181,369	(42.04)	312,901	(53.15)	667,928
Taxation	(158,512)	3.61	-152,984	177.94	(55,042)
Profit After Taxation	<u>22,857</u>	(85.71)	<u>159,917</u>	(73.91)	<u>612,886</u>

Signed: 
Name: Oladele Adeoye
Designation: Chief Rating Officer
Date: 11th March, 2026

For and on behalf of:
DataPro Limited
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USER GUIDE

DataPro's credit rating is an opinion of an issuer's/issues overall creditworthiness and its capacity to meet its financial commitment.

Our **short-term** ratings have a time horizon of less than 12 months in line with industry standards reflecting risk characteristics. The ratings place greater emphasis on the liquidity to meet financial commitment in a timely manner.

The long-term risk indicator is divided into 8 bands ranging from AAA through DD. Each band could be modified by + or -. With + representing slightly less risk than -. Such suffixes are not added to the 'AAA' long -term rating category and to categories below 'CCC'. Or to short-term rating older than A1+.

LONG-TERM RATING

Investment Grade

Indicator	Meaning	Explanation
AAA	Lowest Risk.	(Superior) Assigned to companies which have superior financial strength, operating performances and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	(Excellent) Assigned to companies which have excellent financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	(Very Good) Assigned to companies which have very good financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	(Fair) Assigned to companies which have fair financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies,

in our opinion, have an ability to meet their current obligations, but their financial strength is vulnerable to adverse changes in economic conditions.

Non-Investment Grade

Indicator Meaning Explanation

BB	Moderate Risk	(Marginal) Assigned to companies which have, marginal financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
B	High Risk	(Weak) Assigned to companies which have, weak financial strength, operating performance and profile when compared to the standard established by <i>DataPro Limited</i> . These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
CCC	Higher Risk	(Poor) Assigned to companies, which have poor financial strength, operating performance and profile when compared to the standards established <i>DataPro Limited</i> . These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.
DD	Highest Risk	(Very Poor) Assigned to companies, which have very poor financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.

SHORT-TERM RATING

Indicator	Meaning	Explanation
A1+	Highest credit quality	Indicates the strongest capacity for timely payment of financial commitments. May have an added “+” to denote any exceptionally strong credit feature.
A1	Good credit quality	A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
A2	Fair credit quality	The capacity for timely payment of financial commitments is adequate. However, near term adverse changes could result in reduction to non investment grade.
B	Speculative	Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk	Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment. Indicates an entity that has defaulted on all its financial obligations.