

### RATING ANNOUNCEMENT

GCR assigns initial issuer ratings of BBB<sub>(NG)</sub>/A3<sub>(NG)</sub> to Ojaja Pan Africa Limited on good earnings generation and strong shareholder support, Outlook Stable.

### Rating action

Lagos, 30 April 2026 - GCR Ratings (GCR) has assigned an initial national scale long-term and short-term issuer ratings of BBB<sub>(NG)</sub> and A3<sub>(NG)</sub> respectively to Ojaja Pan Africa Limited, with a Stable Outlook.

| Rated entity             | Rating class      | Rating scale | Rating              | Outlook |
|--------------------------|-------------------|--------------|---------------------|---------|
| Ojaja Pan Africa Limited | Long-term issuer  | National     | BBB <sub>(NG)</sub> | Stable  |
|                          | Short-term issuer | National     | A3 <sub>(NG)</sub>  | --      |

### Rating rationale

The ratings of Ojaja Pan Africa Limited (OPAL or the company) reflect its diversified operations across multiple sectors which have bolstered decent earnings and consistent cash generation. Also, the ongoing financial support from its major shareholder has underpinned limited recourse to debt, thus supporting strong leverage metrics and good liquidity position. These strengths are, however, constrained by the company's modest operational size, with most business divisions at nascent stage but expanding rapidly. Also, we have adversely viewed the constrained level of financial disclosures, especially with respect to unreported credit facilities.

Incorporated in June 2019, OPAL has evolved into a diversified entity with operations across multiple sectors including hospitality and tourism, property development, commercial property, agriculture, discretionary and non-discretionary retails, as well as fast moving consumer goods (FMCG). The continuing business expansion has supported smooth market penetration into four states within South-West Nigeria, enabled multiple streams of income, steady cash flow generation and diversified customer base. The company also boasts of strong underlying support from its key shareholder, His Imperial Majesty, Oba Adeyeye Enitan Ogunwusi, the Ooni of Ife, which has significantly enhanced regional market acceptance. Notwithstanding these strengths, majority of these businesses are newly introduced, and operational scales are still modest when compared with larger entities across these sectors in Nigeria. However, the company is undertaking several expansion projects, including ten additional outlets to its retail store, ramp up of production capacity for its beverage business, increase volume for cocoa beans trading, as well as other construction projects. We expect the completion of these various projects to strengthen overall market position going forward.

Sustainability assessment is considered slightly negative to the ratings due to inadequate financial disclosures, especially with respect to borrowings and other unreported off-balance sheet transactions which could impair true representation and fair assessment of the company's credit exposure. We will continue to monitor

this on an ongoing basis. However, we have noted the company's well-constituted board structure with independent oversight functions performed through the various committees.

OPAL has reported exponential revenue growth over the review period, which is rating positive, but this is moderated by the limited earnings track record for most of the new and smaller businesses. In 2025 financial year which ended 31 December 2025, the company reported revenue growth of 51.4% to NGN38 billion (USD25 million), supported by business expansion and diversification into other sectors. We expect revenue to increase to above NGN55 billion in 2026, with an estimated growth of about 50% for 2027 on the back of the expansion plans. Earnings margins have registered within strong levels, with the EBITDA margin above 37% over the last four years, given its low operating cost base across key business divisions. Further margin enhancement is anticipated as the business garner scale, but there could be variabilities going forward, given the expansion of the lower margin beverage business.

Leverage and capital structure assessment is a key rating strength underpinned by conservative debt utilisation anchored on the ongoing financial support from the shareholder. Major capital spendings have largely been financed through continuous funding support from the key shareholder, amounting to NGN71 billion as of 31 December 2025, thus underpinning limited recourse to debt funding. As such, gross debt is modest, registering at NGN4 billion as of December 2025 (2024: NGN1 billion) and supporting strong leverage metrics. Over the outlook period, the company seeks to raise up to NGN30 billion in commercial paper (CP) issuances to finance working capital requirements arising from the growth plans, while major capital spending towards the ongoing expansion will be financed through internally generated cash flow and additional support from the shareholder. Notwithstanding the expected escalation in debt, we expect leverage metrics to remain strong on the back of the anticipated earnings enhancement, with net debt to EBITDA to register below 1x, operating cash flow coverage of debt above 60%. Additionally, we expect interest coverage to remain strong at 9x, despite expectations of higher interest payment accruing from the debt escalation.

Liquidity assessment is neutral to the ratings, as the company's good cash generation and robust cash holding are balanced against its aggressive expansion drive. OPAL aims to fund its ongoing expansion projects from operating cash flows while working capital needs will be funded with the proposed NGN30 billion CP issuances. As such, the cash flow from successfully executed projects will be used to fund additional projects. This suggests that without the CP, the company will exercise flexibility towards capital spending to drive adequate liquidity. Furthermore, we take cognisance of the consistent financial support from the shareholder over the years as well as the company's enhanced access to diverse funding sources to continue to support liquidity. Notably, the company's robust cash holding of NGN8 billion as of December 2025 sufficiently covers the anticipated maturing obligation of NGN3 billion over the 12-month period to December 2026. Overall, the liquidity sources versus uses coverage is projected to comfortably register above 1x over the next 12-month to 24-month period if capital projects are cautiously executed.

## Outlook statement

The stable outlook reflects our expectation that the ongoing shareholder support will continue to support OPAL's business expansion and market position. Furthermore, we expect leverage metrics to remain strong despite the anticipated growth in debt level to finance the business expansion.

## Rating triggers

An upward rating trend could follow successful execution of its strategic growth plan across its business divisions which support sustained strong earnings and margins. Additionally, the ability to maintain a sustainable debt level that underpins stronger leverage metrics and better liquidity position over the medium term would be favourably considered. Moreover, notable improvements in financial disclosures on a sustainable basis could support a rating uplift.

Conversely, the ratings could come under pressure following: 1.) earnings underperformance and margin contraction that significantly weakens operating cash flows, or 2.) aggressive expansion drive that results in material debt escalation, with weakening leverage metrics and liquidity strain. Furthermore, persistent inadequate financial disclosures and reduced funding support from the major shareholder that threatens the company's going concern could lower the ratings.

## Analytical contacts

|                                          |                                            |                                                                 |
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## Related criteria and research

Criteria for the GCR Ratings Framework, May 2024  
GCR Country Risk Scores, March 2026  
Criteria for Rating Corporate Entities, May 2024  
GCR Ratings Scales, Symbols & Definitions, May 2023  
GCR Nigeria Corporate Sector Risk Scores, September 2025

## Ratings history

| Ojaja Pan Africa Limited |              |              |        |         |      |
|--------------------------|--------------|--------------|--------|---------|------|
| Rating class             | Review       | Rating scale | Rating | Outlook | Date |
| Long-term issuer         | Initial/Last | National     | N/A    | N/A     | N/A  |
| Short-term issuer        | Initial/Last | National     | N/A    |         |      |

## Risk score summary

| Rating Components & Factors  | Score         |
|------------------------------|---------------|
| <b>Operating environment</b> | <b>6.25</b>   |
| Country risk score           | 3.75          |
| Sector risk score            | 2.50          |
| <b>Business profile</b>      | <b>(1.00)</b> |
| Competitive position         | (0.50)        |
| Sustainability               | (0.50)        |
| <b>Financial profile</b>     | <b>1.50</b>   |
| Earnings profile             | 0.25          |
| Leverage & capital structure | 1.25          |
| Liquidity                    | 0.00          |
| <b>Comparative profile</b>   | <b>0.00</b>   |
| External support             | 0.00          |
| Peer comparison              | 0.00          |
| <b>Total Risk Score</b>      | <b>6.75</b>   |

## Glossary

|                     |                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Balance Sheet       | Also known as Statement of Financial Position. A statement of a company's assets and liabilities provided for the benefit of shareholders and regulators. It gives a snapshot at a specific point in time of the assets the company holds and how they have been financed.                                                                                                                |
| Capacity            | The largest amount of insurance available from a company. In a broader sense, it can refer to the largest amount of insurance available in the marketplace.                                                                                                                                                                                                                               |
| Capital             | The sum of money that is invested to generate proceeds.                                                                                                                                                                                                                                                                                                                                   |
| Cash                | Funds that can be readily spent or used to meet current obligations.                                                                                                                                                                                                                                                                                                                      |
| Cash Flow           | The inflow and outflow of cash and cash equivalents. Such flows arise from operating, investing and financing activities.                                                                                                                                                                                                                                                                 |
| Commercial Paper    | Commercial paper is a negotiable instrument with a maturity of less than one year.                                                                                                                                                                                                                                                                                                        |
| Coverage            | The scope of the protection provided under a contract of insurance.                                                                                                                                                                                                                                                                                                                       |
| 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                                                                                                                                               |
| 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.                                                                                                                                                         |
| Diversification     | Spreading risk by constructing a portfolio that contains different exposures whose returns are relatively uncorrelated. The term also refers to companies which move into markets or products that bear little relation to ones they already operate in.                                                                                                                                  |
| Exercise            | To exercise an option is to use the right of the holder to buy or sell the underlying asset on which the option is based at the strike price.                                                                                                                                                                                                                                             |
| Exposure            | Exposure is the amount of risk the holder of an asset or security is faced with as a consequence of holding the security or asset. For a company, its exposure may relate to a particular product class or customer grouping. Exposure may also arise from an overreliance on one source of funding. In insurance, it refers to an individual or company's vulnerability to various risks |
| Going Concern       | An accounting convention that assumes a company will continue to exist and trade normally for the foreseeable future. In practice this is likely to mean at least for the next 12 months.                                                                                                                                                                                                 |
| Income              | Money received, especially on a regular basis, for work or through investments.                                                                                                                                                                                                                                                                                                           |
| 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.                                                                                                                                                                           |
| Leverage            | With regard to corporate analysis, leverage (or gearing) refers to the extent to which a company is funded by debt.                                                                                                                                                                                                                                                                       |
| Liquidity           | The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.                   |
| Margin              | A term whose meaning depends on the context. In the widest sense, it means the difference between two values.                                                                                                                                                                                                                                                                             |
| Market              | An assessment of the property value, with the value being compared to similar properties in the area.                                                                                                                                                                                                                                                                                     |
| 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.                                                                                                                                                                                                                    |
| Off Balance Sheet   | Off balance sheet items are assets or liabilities that are not shown on a company's balance sheet. They are usually referred to in the notes to a company's accounts.                                                                                                                                                                                                                     |
| 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.                                                                                                                                                                                                        |
| Property            | Movable or immovable asset.                                                                                                                                                                                                                                                                                                                                                               |
| Recourse            | A source of help in a difficult situation.                                                                                                                                                                                                                                                                                                                                                |
| Shareholder         | An individual, entity or financial institution that holds shares or stock in an organisation or company.                                                                                                                                                                                                                                                                                  |
| Working Capital     | Working capital usually refers to the resources that a company uses to finance day-to-day operations. Changes in working capital are assessed to explain movements in debt and cash balances.                                                                                                                                                                                             |

## Salient points of accorded rating

GCR affirms that a.) no part of the rating 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 the rated entity.

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:

- 2025 audited annual financial statement, and prior four years annual financial statements;
- Three-month management account to 31 March 2026;
- Internal and/or external management reports;
- Industry comparative data and regulatory framework and a breakdown of facilities available and related counterparties;
- Information specific to the rated entity and/or industry was also received.
- Exchange Rate Source: Central bank of Nigeria. Average exchange rate for 2025: NGN1517.09/USD.

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