RATING ANNOUNCEMENT

GCR assigns a national scale long term issue rating of BBB+(NG) to Valency SPV Plc's NGN4.2 billion Series 1 Senior Unsecured bond, Outlook stable.

Rating action

Lagos, 30 June 2026 - GCR Ratings (GCR) has assigned a national scale long-term issue rating of BBB+(NG) to Valency SPV Plc's NGN4.2 billion series 1 Senior Unsecured Bond, with the outlook accorded as stable.

Rated issue	Rating class	Rating scale	Rating	Outlook
Valency SPV Plc's NGN4.2 billion Series 1 Senior Unsecured Bond	Long-term issue	National	BBB+(NG)	Stable

Rating Rationale

Valency SPV Plc (the issuer) is a special purpose vehicle incorporated in December 2022 and established, solely for the purpose of raising finance for its sponsor, Valency Agro Nigeria Limited (Valency Agro). Valency Agro is a wholly owned subsidiary of Valency International Pte Limited (Valency International or the guarantor). The rating assigned to the NGN4.2 billion Series 1 Senior Unsecured Fixed Rate Bond reflects the national scale long-term senior unsecured rating of the sponsor. GCR affirmed the sponsor's long-term rating at BBB+ in October 2025. For the latest rating action, please see: /gcr-affirms-valency-agro-nigeria-limiteds-long-and-short-term-issuer-rating-of-bbbng-a2ng-on-the-credit-strengths-of-its-parent-company-outlook-stable/

The issuer registered a NGN50 billion Bond Issuance Programme (the Programme) with the Securities and Exchange Commission and successfully issued NGN4.2 billion in Series 1 Senior Unsecured Fixed Rate Bond (the Series 1 Bond) under the Programme. The Series 1 Bond has a tenor of five years with expected legal maturity date in June 2031. Coupon on the bond shall accrue from the issue date and remain payable semi-annually in arrears throughout the tenor of the instrument up to and including maturity. Principal repayment shall occur on an amortising basis following an initial two-year principal moratorium period.

According to the executed Series 1 Trust Deed and Pricing Supplement, proceeds from the bond issuance will be utilised to support capital expansion initiatives and refinance existing short-term debt obligations of the sponsor. The Series 1 Bond constitutes direct, unconditional, fixed-rate, senior, unsubordinated and unsecured obligations of both the issuer and the sponsor and shall rank pari passu and without preference among themselves and with all other present and future senior unsecured obligations of the issuer and sponsor, except to the extent otherwise required under applicable insolvency and creditors' rights legislation.

Based on the deed of guarantee executed by the sponsor, Issuer, guarantor and the bond trustees (acting on behalf of bondholders), both the sponsor and guarantor irrevocably, unconditionally and absolutely guarantee the full and timely payment of all obligations arising under the Programme. The guarantor and

sponsor undertake that if the issuer does not pay any of the obligations, it will immediately perform the payment obligations of the issuer as if it was the primary obligor. In addition, the legal opinion indicates that the guarantee constitutes a legal, valid, binding, and enforceable obligation of the sponsor.

Given that the guarantor and the sponsor offer timely and full coverage of all payments due to the bondholders, under the Series 1 Bond through the deed of guarantee, the bond bears the same default risk as its guarantor and sponsor and would reflect similar recovery prospects to their senior unsecured creditors in the event of a default. As such, the long-term rating of the Series 1 Bond will reflect the creditworthiness of the guarantor and the long-term senior unsecured corporate rating of the sponsor.

Outlook statement

The stable outlook reflects GCR's view that Valency International Pte will maintain its strong competitive position, supported by steady earnings growth and healthy cash flow generation over the outlook period. While debt levels are expected to remain elevated due to ongoing working capital demands from business expansion, the group's existing revolving credit facilities should provide adequate liquidity support in the near term.

Rating triggers

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

An upward rating movement could follow the successful completion of ongoing expansion projects that translate to stronger and more sustainable revenue growth and cash flow generation, supported by improved operational efficiency across key markets. In addition, an improvement in working capital management that free up cash for operations and limits recourse to debt utilisation thus supporting material improvement in leverage and liquidity metrics could upgrade the ratings.

Conversely, a rating downgrade could follow 1) earnings underperformance below expectations which exerts further pressure on leverage metrics, 2) a continued sharp rise in working capital utilization, which intensifies cash flow pressures. 3) an unexpected increase in debt levels without a commensurate improvement in earnings, further deteriorating leverage metrics, or 4) a reduction in available committed facilities or liquidity sources, which heightens refinancing risk and limits the group's financial flexibility.

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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, June 2026
GCR Nigeria Corporate Sector Risk Scores, June 2026

Ratings history

Valency SPV Plc's Series 1 NGN4.2 billion Senior Unsecured Bond					
Rating class	Review	Rating scale	Rating	Outlook	Date
Long-term	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.
Cash Flow	The inflow and outflow of cash and cash equivalents. Such flows arise from operating, investing and financing activities.
Covenant	A provision that is indicative of performance. Covenants are either positive or negative. Positive covenants are activities that the borrower commits to, typically in its normal course of business. Negative covenants are certain limits and restrictions on the borrowers' activities.
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.
Liabilities	All financial claims, debts or potential losses incurred by an individual or an organization.
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.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
Moratorium	A period of time in which an activity is suspended until such time as a change in circumstances permits its removal. For example, a borrower can declare a moratorium on the repayments of the principal, and sometimes the interest, on a loan.
Principal	The total amount borrowed or lent, e.g. the face value of a bond, excluding interest.
Senior	A security that has a higher repayment priority than junior securities.
Short Term	Current; ordinarily less than one year.

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 the issuer.

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 executed 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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