DataPro

Since 1995

CORPORATE RATING REPORT

SKLD INTEGRATED SERVICES LIMITED

Ground Floor, Foresight House
163-165 Broad Street,
By Marina Water Front
Lagos, Nigeria
☎234-802 220 5312, 805 530 3677
Email:info@datapronigeria.net
dataprong@gmail.com
Website:www.datapronigeria.com

July, 2025

SKLD INTEGRATED SERVICES LIMITED

Long-Term Rating:

BBB⁺

Short Term Rating: A1
Previous Rating: BBB⁺
Rating Outlook: Stable
Trend: UP
Currency: Naira
Date Issued: 7 July, 2025
Valid Till: 6 July, 2026

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

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

EXECUTIVE SUMMARY

	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000
Turnover	7,962,110	3,859,968	2,780,849	1,973,387	1,015,498
Pre-tax-Profit	181,591	79,213	19,671	66,864	-64,352
Equity	1,270,351	896,821	843,697	836,422	11,199
Non-Current Assets	173,553	237,826	301,521	282,581	84,130
Total Asset	6,039,302	3,102,748	2,453,738	1,606,962	818,457
Long-term Debt	31,247	28,912	28,640	28,439	28,326

Rating Explanation

The Short-Term Rating of **A1** indicates ***Good Credit Quality*** and satisfactory 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:

- Experienced Management Team
- Diversified Earnings Profile
- Strong Brand Presence
- Good Liquidity Position

Negative Rating Factors:

- Low Profit Margin
- Macroeconomic Constraints

BACKGROUND

SKLD Integrated Services Limited ("The Company") previously known as ***School Kits Limited,*** was incorporated on the 11th of July, 2000. However, it commenced operations on 9th September, 2000.

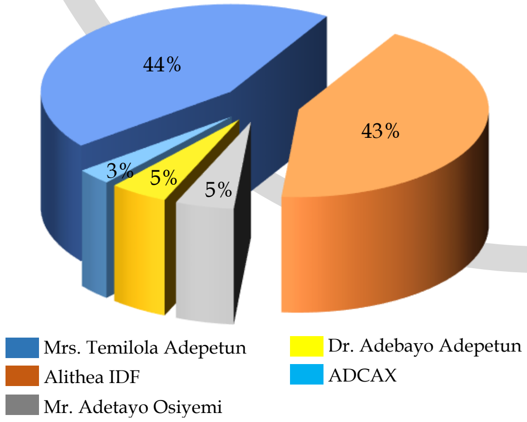
It is a technology-enabled manufacturing and sourcing solutions Company that engages in a diverse range of activities. These include manufacturing, trading, importing, exporting, distributing and supplying a comprehensive selection of educational resources and equipment.

The Company's product offerings include, but are not limited to, school uniforms, sportswear, educational apparel, footwear, stationery, school furniture, and additional facilities and solutions that enhance learning within educational institutions at all levels.

The Company is structured into five distinct Strategic Business Units, namely: Retail, Wholesale, Humanitarian Aid Supply, Corporate sales and Educational Technology (Edtech) Product Distribution. The company plans to increase its footprint in corporate sales over the coming years by aggressive marketing. On Its Retail division, Skit Store, represents its most significant business segment, operating 7 brick-and-mortar locations across 3 major cities: Lagos, Abuja, and Port Harcourt. Furthermore the retail store is the segment with the gross profit margin indicating cost management efficiency, brand loyalty and solid pricing

Currently, the Company serves approximately 18,618 retail customers annually across its various stores. Its online store serves a customer base of over 25,000. Additionally, the Company's offices are located in 12 different locations including Dubai.

ANALYSIS OF SHAREHOLDING STRUCTURE



Source: SKLD Integrated Services

The Company is engaged in the sales, wholesale supply and distribution of brands including ***Marcel Hughes Schoolwears, Weavevorx, Casio, Skit Store***, and ***SKLD Relief***. SKLD's current services offerings expands beyond Nigeria. Through the Humanitarian Aid business segment SKLD has been able to work with multi-lateral organizations to service the humanitarian need of people in countries across Africa.

The major Shareholders of the Company are: ***Mrs Temilola Adepetun*** (44.1%) and ***Alithea IDF*** (42.9%). Other significant shareholders are ***Dr Adebayo Adepetun, Mr Tayo Osiyemi*** with 5% each as well as ***ADCAX*** with 3%.

DIRECTORS' PROFILE

The following persons served as directors during the year under review: ***Mr. Michael Olusegun Olukoya –*** *Chairman;* ***Mrs. Temilola Adepetun –*** *Managing Director; Non Executive Director -* ***Miss Aramide Abe; Mr Adedamola Adepetun; Mr. Obinna Ukachukwu; Mr. Tayo Osiyemi*** *and* ***Tokunboh Ishmael.***

The Directors' profile is as follows:

1. **Name:** Mr. Michael Olusegun Olukoya
   Position: Chairman
   Years of Experience: 25 years
   Education: B.Sc (Economics) - University of Lagos
   Job Experience:
   - NEXTZON Business Services
   - Heirs Alliance Group
   - Guaranty Trust Bank Plc
   - Kakawa Asset Management Ltd
   - Accenture

2. **Name:** Mrs. Temilola Adepetun
   Position: Managing Director
   Years of Experience: 36 years in Insurance, Economic planning and Treasury
   Education:
   - B.Sc (Economics)- University of Lagos
   - Associate, Chartered Institute of Insurance London

   Job Experience:
   - Ashland Oil Nigeria
   - Addax Petroleum

   Board Membership: Since 2000

3. **Name:** Ms Aramide Abe
   Position: Director
   Years of Experience: 16years
   Education:
   - MBA from INSEAD

   Job Experience:
   - Naija Startups
   - United Nations
   - AfCFTA
   - InaTiDe Limited

4. **Name:** Mr. Adedamola Adepetun
   Position: Non-Executive Director
   Years of Experience: 14
   Education:
   - BSC. Baylor University, Texas, US
   - IMBA, Abilitie

   Job Experience:
   - Mastercard Foundation
   - African Leadership Group (African Leadership University and The Room(now sand technologies)

- Trellis Group
- DDB Lagos, Advertising agency
- KPMG, Lagos, Nigeria

Board Membership: 2024

5. **Name:** Mr. Tayo Osiyemi
Position: Executive Director & DMD
Education:
•B.Sc- Obafemi Awolowo University
•MBA - Quantic School of Business and Technology
•Lagos Business School.
Job Experience:
•Harde Business School
•Nexton Business Services
•Value Tag Limited
Years of experience: 18 years

6. **Name:** Mrs Tokunboh Ishmael
Position: Non-Executive Director
Education: N/A
Job Experience:
•Alitheia Capital
•Avante Capital Ltd
•Aureos Capital
•African Private Equity and Venture Capital Association
Years of experience: 37 years

7. **Name:** Mr. Obinna Ukachukwu
Position: Non-Executive Director
Education:
•B.Sc in Electrical Electronic Engineering
•MBA - University of Manchester Business School
Job Experience:
• Sterling Bank Plc
•Advans Micro Finance Network,
•Stanbic IBTC
•Hygeia HMO

SECTOR REVIEW

Nigeria, one of Africa's largest and most influential economies, with a population exceeding 200 million, has demonstrated impressive growth in the fourth quarter of 2024, marking its most robust performance in three years. The Country's Gross Domestic Product (GDP) expanded by 3.84% year-on-year, with the Services Sector playing a pivotal role, contributing 57.38% to the overall GDP and achieving a growth rate of 5.37%.

The provision of basic social amenities has posed a persistent challenge for the Country, with the Education Sector being among the most severely affected. Notwithstanding, the Educational Clothing Sub-Sector in Nigeria plays a critical role in the Country's schooling culture, where school uniforms are mandatory in nearly all primary and secondary institutions.

The Education Sector, though undergoing a subtle but significant transformation still faces unique challenges. Despite the Government's commitment to increasing funding for the Sector, Nigeria has allocated less than 10% of its GDP to this Sector over the past decade. Budgetary allocation to Education in the year 2025 was 7.3%, amounting to ₦3.52 trillion out of the total budget of ₦54.99 trillion.

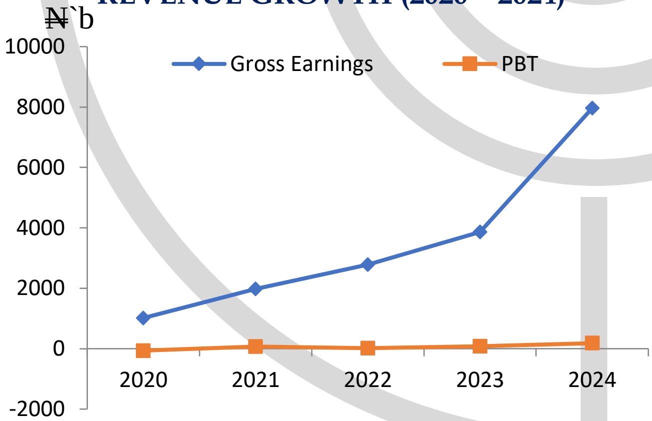
Hence, the Education Sector in Nigeria remains essential but underdeveloped. However, with the right investment and innovation, the Educational Clothing Sub-Sector has the potential to reduce the burden on low-income families, create local jobs in garment production, as well as improve student experience and school identity.

Therefore, addressing challenges like affordability, quality and supply inefficiencies will be critical to unlocking these outcomes. As Nigeria's population and school-age demographic continue to grow, the Sector will remain both a social necessity and an economic opportunity.

FINANCIAL PERFORMANCE

- **EARNINGS PROFILE**

REVENUE GROWTH (2020 – 2024)

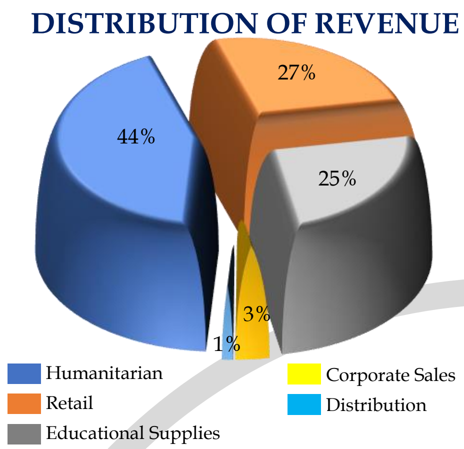


Source: SKLD Integrated Services

Revenue was generated through Retail, Wholesale, Humanitarian Aid Supply, Corporate sales and Educational Technology (Edtech) Product Distribution. In the year 2024, Earnings were primarily drawn from two key locations: Abuja and Lagos, with the former contributing 54% of the Total Revenue. Furthermore, Sales to the General Public constituted 95% of the overall Earnings during the year.

In the financial year ending October 31, 2024, Revenue increased to ₦7.9b, reflecting a remarkable growth of 106% compared to the previous year.

This substantial rise was attributable to the growth in the Company's diverse range of products. These products included books, lifestyle items, medical supplies, sporting goods, stationery, dress accessories, footwear, non-food items, office supplies and other merchandise. Notably, Uniforms and Lifestyle Products collectively accounted for 53% of the Total Revenue generated for the financial year.

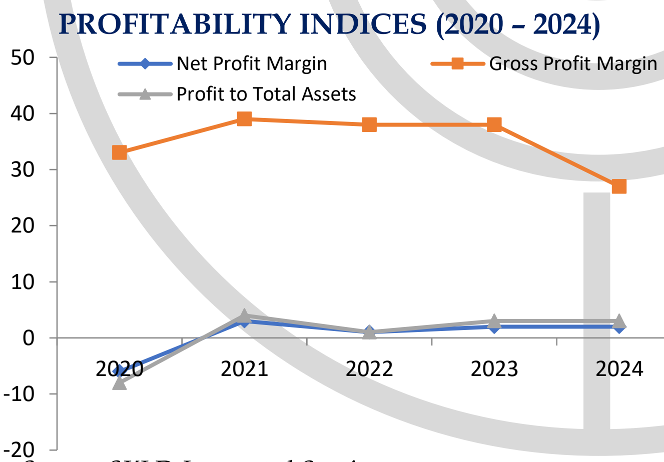


Source: SKLD Integrated Services

In addition to the primary Revenue streams, the Company generated Operating Income from supplementary sources amounting to ₦23.3m (Yr. 24). This represented a 20% decline from the ₦29m recorded in the year 2023. As reported in the Management Account ending March 31, 2025, Revenue amounted to ₦2.25b.

- ## PROFITABILITY

Direct Costs were associated with Inventories of Finished Goods and Work in Progress. These Costs recorded a significant increase of 152%, rising from ₦2.4b (Yr. 23) to ₦5.8b (Yr. 24). This escalation was primarily driven by the heightened Cost of educational materials sold. Consequently, the growth in Direct Costs resulted in a slight decline in the Company's Gross Profit Margin efficiency for the year 2024. Therefore, Gross Profit Margin reported was 27% (Yr. 24), a decrease from 38% in the preceding year.



Source: SKLD Integrated Services

Operating Expenses amounted to ₦1.6b in the year 2024, reflecting a 34% increase from the previous year's figure of ₦1.17b. Notably, Employee Costs demonstrated the most significant growth among the various components of Operating Expenses. It totaled ₦678.9m (Yr. 24), compared with ₦486.9m in the preceding year. Additionally, a substantial portion of the Company's Operating Expenditure was attributed to Employee Costs to the tune of 43%.

Furthermore, Finance Costs increased from ₦263.3m in the year 2023 to ₦440.4m in the year 2024. This represented a growth rate of 67%. Interest Expense constituted nearly 100% of the Finance Costs recorded for the year.

In the year 2024, a Profit Before Tax of ₦181.6m was recorded as against ₦79.2m in the previous year. Despite this growth, the Net Profit Margin remained constant at 2% in both years 2023 and 2024.

• CAPITALIZATION

In the year 2024 Total Assets recorded a 95% growth from ₦3.1b (Yr. 23) to ₦6b (Yr. 24). Current Assets totaled ₦5.9b (Yr. 24) and constituted 97% of Total Assets. It comprised Inventories, Trade and Other Receivables as well as Cash and Cash Equivalents. Approximately, 83% of the Company's Current Assets for the financial year were Inventories and Receivables.

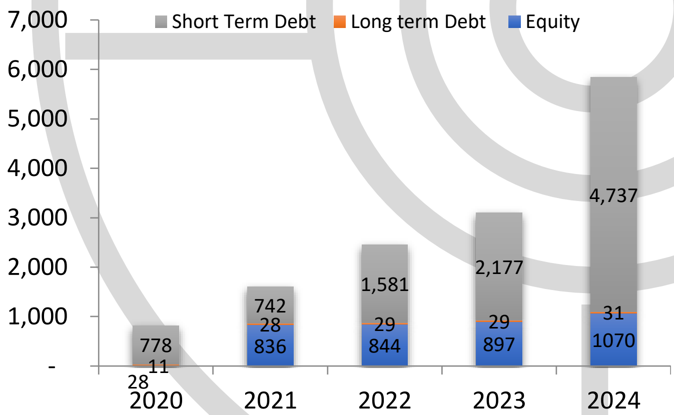
BREAKDOWN OF THE TOTAL ASSET

Item	2024	%
Current Asset	5,865,748,569	97
Non-Current Asset	173,552,981	3
Total Asset	**6,039,301,550**	**100**

Source: *SKLD Integrated Services*

In the year 2024, Non-Current Assets constituted only 3% of the Total Asset value. This represented a 27% decline from ₦237.8m (Yr. 23) to ₦173.6m (Yr. 24). This decrease was primarily attributed to a reduction in Property, Plants and Equipment (PPE). As at March 31, 2025, Non-Current Assets were reported at ₦145.9m.

CAPITAL FUNDING PROFILE



Source: SKLD Integrated Services

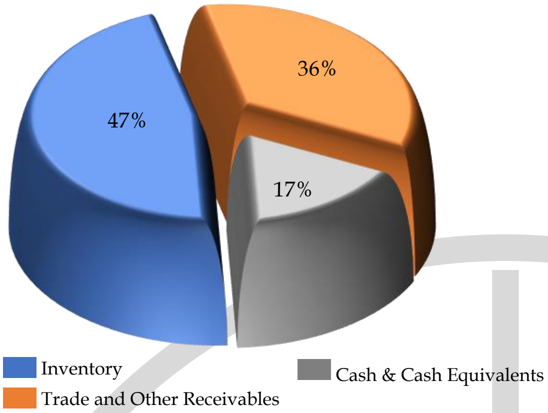
Share Capital increased to ₦1b in the year 2024 as against ₦776.6m in the year 2023. Also, Reserves and Retained Income grew positively as at 31st October 2024. Retained Earnings increased from ₦119.5m (Yr. 23) to ₦196.5m (Yr. 24). Consequently, Total Equity recorded an enhancement of 42% in the year 2024.

In absolute value, Total Equity amounted to ₦1.3b (Yr. 24) against ₦896.8m (Yr. 23). As a consequence of the disparity between the growth in Shareholders' Funds and Total Assets, the proportion of operations financed by Equity decreased to 21% in the year 2024. This represented the lowest level of Equity funding reported in the past four years (2021-2024).

• ASSET UTILITY

The Company conducts its sorting and packaging operations within a 1,200 square meter facility. The total installed production capacity of its factory for all products was 72,000 units/year. As at the financial year-ended, 70,542 units of its products were sold.

DISTRIBUTION OF CURRENT ASSETS



Source: SKLD Integrated Services

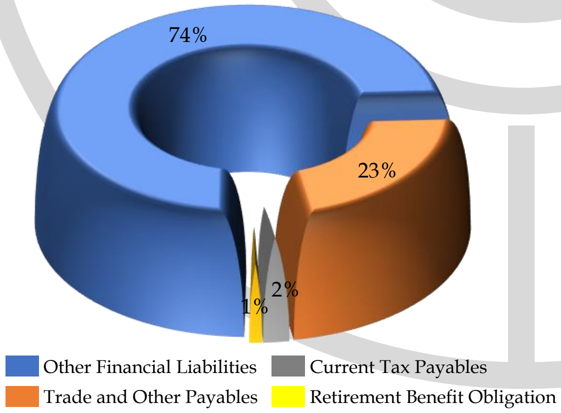
The Company predominantly maintained its Assets in Liquid form. In the year 2024, this Asset Class experienced a substantial growth of 105%, compared to a 33% increase in the previous year. This notable progression can be attributed to the increase in Inventory and Receivables. Collectively, they amounted to ₦4.8b, accounting for 80% of the Current Assets for the financial year 2024.

The Company's ability to effectively utilize its Assets to generate Profit remained virtually the same at 3% in the years 2023 and 2024. However, its capacity to generate Revenue through Asset utilization improved from 124% (Yr. 23) to 132% (Yr. 24).

• LIQUIDITY

In the year 2024, the Current Liabilities of the Company represented 99% of the Total Liabilities. This category comprised Trade and Other Payables, Financial Liabilities, Retirement Benefit Obligations and Current Tax Payable.

COMPOSITION OF CURRENT LIABILITY



Source: *SKLD Integrated Services*

The Total value of these components amounted to ₦4.7b for the year 2024, reflecting a substantial increase of 118% compared to the ₦2.2b recorded in the previous year. The primary catalyst of this growth was the Company's Financial Liabilities, which surged by 169% and constituted 74% of Current Obligations. These Financial Liabilities were largely Short-term Loan Facilities and Asset Finance Leases obtained from Banks. As at 31 March 2025, the Current Obligations of the Company declined to ₦2.6b.

The Company obtained an ***Ijara wa Iqtina*** (Lease to Own) facility of ₦29.3m from ***Lotus Bank Limited*** in the year 2022. However, the outstanding balance stood at ₦3.85m as at 31st October 2024. Asset Finance Lease and Loan obtained from Access Bank stood at a balance of ₦0.72m as at the financial year ended 2024.

Also, the Company issued four Commercial Papers, with the latest maturing on March 4, 2025. As at the year-end 31st of October 2024, the outstanding balance on all the Commercial Papers was ₦3.5b.

The Non-Current portion of the Company's Liabilities was solely Deferred Tax. It slightly increased from ₦28.9m (Yr. 23) to ₦31.2m (Yr. 24).

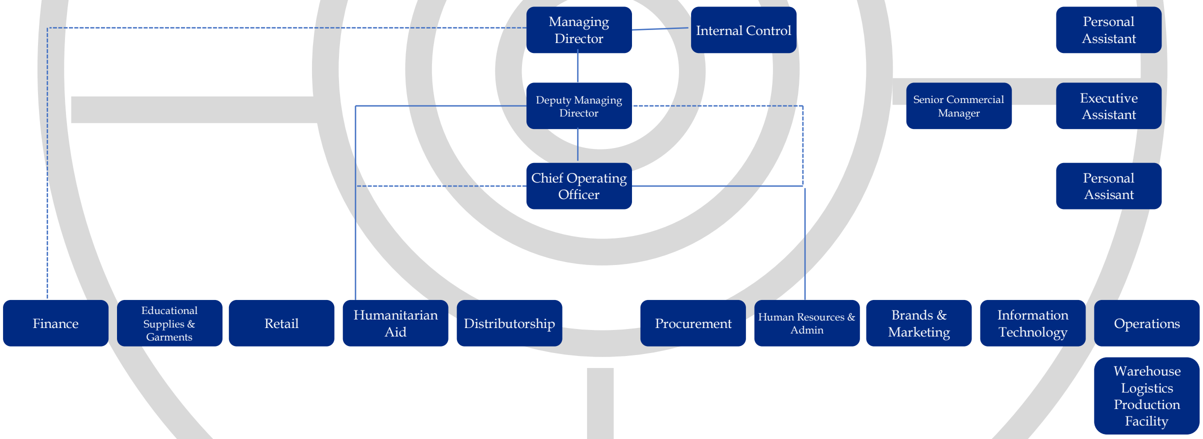
Following the adjustment of Current Liabilities from Liquid Assets, the Company reported a surplus of ₦1.1b (Yr. 24) compared with ₦687.9m (Yr. 23). This resulted in a Current Ratio of 124% for the year 2024, reflecting a decrease from 132% in the year 2023. Nevertheless, this ratio remains above the benchmark of 100%.

CORPORATE GOVERNANCE & RISK MANAGEMENT

The affairs of the Company are directed by its Board of Directors which consists of two (2) Executives and four (5) Non-Executives.

The Corporate Organogram of the Company is as presented:

CORPORATE ORGANOGRAM



Source: *SKLD Integrated Services*

The Company recognizes that it has Economic, Political, Regulatory, Supply Chain Disruptions and Market risks. In line with details contained in its annual report, the Company has measures in place to deal with its various risks.

RISK FACTORS

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

- **LIQUIDITY RISK**

This is the risk that the Company will be unable to pay its obligations when they fall due.

Based on our review, the Company maintained a Current Ratio of 124% as at year ended 31st of October, 2024.

- **FOREIGN EXCHANGE RISK**

This is the risk of loss to income arising from adverse movement in Exchange Rates.

The Company is involved in the importation of certain aspects of its stocks. Consequently, adverse movement in Exchange Rate may impair Profitability.

- **GOVERNMENT POLICY RISK**

This is the risk of loss of income arising from unfavorable government action.

A significant portion of the Company's operations is dedicated to the importation of high-quality educational materials. Given the persistent challenges associated with foreign exchange availability, businesses involved in importation are routinely subject to Government review. As a result, any adverse changes in Government policy could potentially affect the Company's business activities and revenue streams.

FUTURE OUTLOOK

The Company plans to raise additional capital to fund its expansionary plans, which includes entering new markets, scaling retail operations and constructing a state-of-the-art factory to enhance production efficiency. Its plan mainly focuses on the following:

- Retail footprint expansion into six new Nigerian cities and Regions.
- Vertical integration initiatives, including a purpose-built $3M factory.
- Enhanced supply chain efficiency, aiming for a 90% on-time delivery rate and customer satisfaction.

The Company's strategies encompass various facets, including retail and geographic expansion initiatives, production methodologies, technological advancements, inventory management, organizational culture, marketing strategies and brand development efforts. All of these components are integrated into a cohesive framework for growth and success, some of which include:

- Establishing eight (8) new retail outlets in Kano, Enugu, Port Harcourt (2nd Outlet), Lagos (5th Outlet), Ibadan, Calabar, Warri, Abuja (3rd outlet) or Kaduna.
- Establishing presence in Senegal, Ghana, Kenya, UAE - mostly Humanitarian Aid & Education Supplies.
- Setting up $3m garment factory in a free zone in Lagos or Kaduna.
- Increasing production capacity by 300%, targeting cost efficiency and import substitution.

- Implementation of a Company-wide ERP system for 85% operational efficiency improvement.
- Deepening sourcing relationships in six countries and onboarding two new suppliers.
- Recruitment of experienced hires to drive growth and expansion plans.
- Expanding market share through targeted campaigns for new markets and the Marcel Hughes brands.
- Building an extended marketing campaign leveraging research and data gathering to penetrate new markets with different brands under the SKLD name.

CONCLUSION

The Rating of the Company is supported by its strong brand presence, experienced management team and diversified income sources.

Consequently, we assigned a Rating of ***"BBB^{+}"***

FINANCES

Financial Position as at

	Oct, 2024 ₦	Δ%	Oct., 2023 ₦	Δ%	Oct., 2022 ₦
Assets					
Non-current assets	172,552,981	(27.45)	237,826,071	(21.12)	301,521,352
Current assets	5,865,748,569	104.74	2,864,921,752	33.11	2,152,216,484
Total Assets	**6,038,301,550**	94.61	**3,102,747,823**	26.45	**2,453,737,836**
Liabilities					
Non-current libailities	31,246,715	8.07	28,912,175	0.95	28,640,225
Current liabilities	4,737,703,446	117.62	2,177,014,573	37.66	1,581,400,511
Total Liabilities	**4,768,950,161**	116.19	**2,205,926,748**	37.01	**1,610,040,736**
Equity					
Share capital	1,070,616,200	37.85	776,626,000	-	776,626,000
Reserve	1,224,050	67.35	731,425	655.02	96,875
Retain Income	198,511,139	66.17	119,463,650	78.37	66,974,224
Total equity	**1,270,351,389**	41.65	**896,821,075**	6.30	**843,697,099**
Total equity and liabilities	**6,039,301,550**	94.64	**3,102,747,823**	26.45	**2,453,737,835**
Financed by:					
Share capital	170,616,200	(78.03)	776,626,000	-	776,626,000
Fair value adjustment assets-available-for-sale reserve	1,224,050	67.35	731,425	655.02	96,875
Retained income	198,511,139	66.17	119,463,650	78.37	66,974,224
Total equity	**1,270,351,389**	41.65	**896,821,075**	6.30	**843,697,099**
Total equity and liabilities	**6,039,301,550**	94.64	**3,102,747,823**	26.45	**2,453,737,835**
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	7,962,109,846	106.27	3,859,968,095	38.81	2,780,848,748
Cost of sales	(5,827,785,160)	142.91	(2,399,129,636)	38.44	(1,732,968,410)
Gross profit	**2,134,324,686**	46.10	**1,460,838,459**	39.41	**1,047,880,338**
Other operating income	23,273,523	(19.97)	29,081,623	24.75	23,312,217
Other operating expenses	(1,571,867,234)	34.27	(1,170,664,842)	26.52	(925,301,143)
Operating profit (loss)	**585,730,975**	83.47	**319,255,240**	118.83	**145,891,412**
Investment Income	36,283,633		23,252,461		1,978,099
Finance costs	(440,423,469)	67.27	(263,295,095)	105.38	(128,198,589)
Profit (loss) before taxation	**181,591,139**	129.25	**79,212,606**	302.69	**19,670,922**
Taxation	(86,678,935)	224.36	(26,723,180)	113.23	(12,532,754)
Operations	**94,912,204**	80.82	**52,489,426**	635.33	**7,138,168**
Profit (loss) for the year	**94,912,204**	80.82	**52,489,426**	635.33	**7,138,168**
Retained income (loss) of the year	**94,912,204**	80.82	**52,489,426**	635.33	**7,138,168**

Signed:
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: 7th July, 2025

For and on behalf of:
DataPro Limited
Ground Floor, Foresight House
By Marina Water Front
163/165 Broad Street, Lagos Island, Lagos.
Tel: 234-1-4605395, 4605396
Cell: 0805-530-3677
Email: info@datapronigeria.net,dataprong@gmail.com
Website: www.datapronigeria.net

USER GUIDE

DataPro'scredit 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 *DataPro Limited.* 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 *DataPro Limited*. 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 *DataPro Limited*. 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 *DataPro Limited*. 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 companieswhich have, marginal financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* 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 companieswhich have, weak financial strength, operating performance and profile when compared to the standard established by *DataPro Limited*. 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 *DataPro Limited.* 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 *DataPro Limited.* 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 offinancialcommitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk	Default is a real possibility. Capacity for meetingfinancial commitments is solely reliant upon a sustained, favorable business and economic environment.Indicates an entity that has defaulted on all its financial obligations.