MIXTA REAL ESTATE PLC

1995 - 2021

DataPro Limited
Ground Floor, Foresight House
163-165 Broad Street
By Marina Water Front
☎234-1-4605395, 4605396
Email: info@datapronigeria.net
dataprong@gmail.com
Website: www.datapronigeria.net

August, 2021

MIXTA REAL ESTATE PLC

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

CORPORATE RATING REPORT

References

Abiodun Adeseyoju, *FCA.*
Abimbola Adeseyoju
Oladele Adeoye

EVALUATION VALID TILL:August, 2022

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

Long-term Rating:	**BBB**
Short term Rating	**A2**
Previous Rating:	**BBB-**
Rating Outlook:	**Stable**
Trend:	**UP**
Currency:	**Naira**

EXECUTIVE SUMMARY

	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000	2016 ₦'000
Turnover	4,680,482	4,005,918	4,105,644	19,049,971	7,344,849
Pre Tax Profit	353,747	(2,878,844)	(1,004,415)	7,945,482	1,257,001
Equity	44,924,873	33,012,969	35,937,065	38,722,169	5,132,310
Fixed Asset	89,361,421	195,370	76,715	92,643	101,924
Total Asset	114,706,853	96,172,558	79,241,886	70,889,545	63,131,825
Short-term Debt	59,759,614	40,313,967	29,983,564	21,195,281	23,136,778

Please Note that figures used in this report represents that of the company and not the group

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

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

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

The qualitative information used was based on industry and market intelligence including public information.

The quantitative information was 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 subject's current healthy profile in the medium to long term period.

Overall, the following were observed:

Strengths:

- Experienced Management Team
- Strong Brand Presence

Weaknesses:

- Weak Liquidity
- High Finance Cost

BACKGROUND

Mixta Real Estate Plc ("The Company") previously known as ***ARM Real Estate Investment Plc*** (2006) and later as ***ARM Properties Plc*** (2007) was incorporated on the 6th of February, 2006. Following an internal restructuring exercise during the year 2019, ***Mixta Nigeria*** became the parent company with subsidiaries broadly classified as ***Mixta Africa*** and ***Other Mixta Nigeria Subsidiaries***.

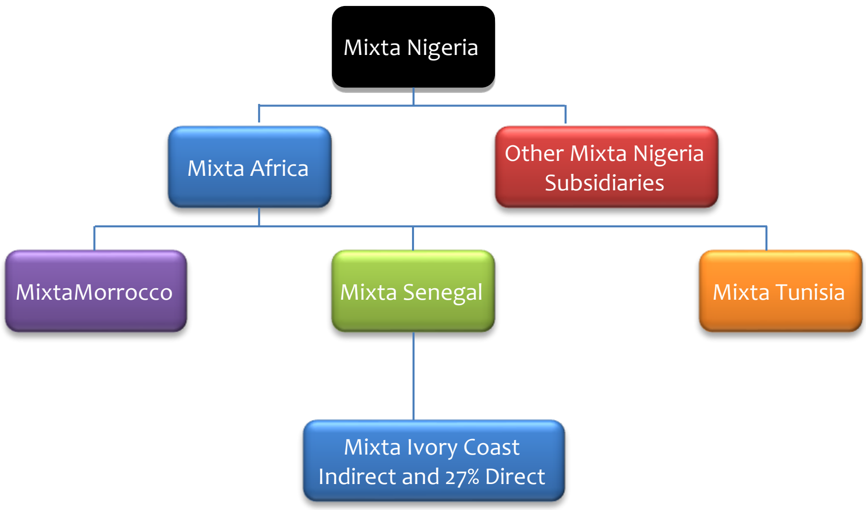
Mixta Africa is made up of: ***Mixta Morocco, Mixta Senegal, Mixta Tunisia and Mixta Ivory Coast***. Other ***Mixta Nigeria Subsidiaries*** are: ***Townsville Properties Ltd, Adivia Properties Ltd, Toll System Development Company Ltd, Edo Affordable Housing Development Ltd, Summerville Golf Club Ltd and FP2 Ltd.***

The Corporate Organogram of the Group is as presented.

SUMMARY

- **Rating**
  BBB
- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

MIXTA CORPORATE ORGANOGRAM

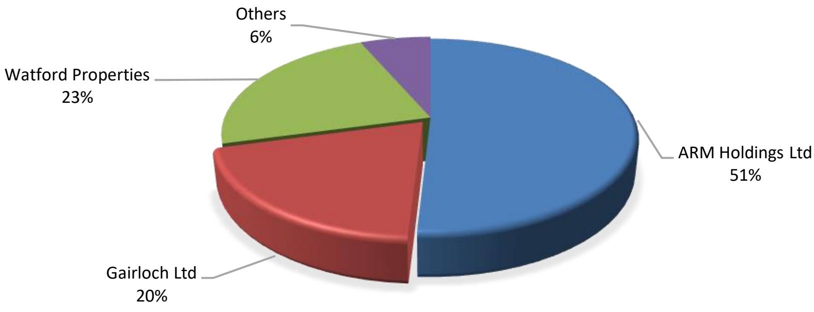


Source: *Mixta Real Estate Plc*

Aside the parent and subsidiaries relationship stated above, ***Mixta Nigeria*** also has a joint venture arrangement with an interest of 51% in ***Garden City Golf Estate Development Company Limited***.

The ownership of the Company is divided majorly among Asset ***and Resources Management Holdings Limited, Gairloch Limited*** and ***Watford Properties***. The Shareholding is as distributed:

ANALYSIS OF SHAREHOLDING STRUCTURE



Source: *Mixta Real Estate Plc*

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

The major activities of the Company are: property development And Investment services. The Company has a diverse real estate portfolio with operations spanning the residential, commercial, and retail sectors of the Nigerian real estate industry. ***Mixta Nigeria*** executes medium to large-scale real estate development projects and provides real estate advisory services.

The Company has operations in Five (5) African countries. The countries include ***Nigeria***, ***Senegal***, ***Cote d'ivoire***, ***Tunisia*** *and* ***Morocco***. ***Mixta Nigeria*** has a landbank of approximately 15million sqm across territories with a significant portion located in Lagos, Nigeria.

DIRECTORS PROFILE

The following served as Directors during the year under review; ***Mr. Oladapo Oshinusi-Chairman, Mr. Kola Ashiru-Balogun-Managing Director, Mr. Sadiq Mohammed, Mrs. Olanike Anani, Ms. Monica Musonda, Mr. Benson Ajayi and Mr.Deji Alli, Ms. Soula Proxenos***

The Directors profiles are as follow.

1. **Name:** Mr. Oladapo Oshinusi
   Position: Chairman
   Experience (Years): 20 years in petroleum engineering
   Education: •B. Sc – University of Ibadan
   •Harvard Business School
   Job Experience: •Mansfied Energy
   •Schlumberger
   •Main One Cable Company
   •Power Systems Limited

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

•Mixta Africa SA

2. **Name:** Mr. Deji Alli
   Position: Chief Executive Officer
   Experience (Years): 32 years in property development & finance service
   Education: •B. Sc – University of Lagos
   •M Sc – University of Lagos
   •Chartered Institute of Mgmt. Accountant
   Job Experience: •ARM Holding Co.
   • Prudential Portfolio Managers Ltd, UK
   • African Development Bank
   •MixtaReal Estate Plc

3. **Name:** Mrs. Olanike Anani
   Position: Non-Executive Director
   Experience (Years): 12 years in investment management and finance
   Education: •B. Sc – University College London, UK
   •Institute of Chartered Accountants England
   Job Experience: •Clad Ltd
   •Deloitte LLP UK
   •GFI Group
   •Mixta Real Estate Plc

4. **Name:** Mr. Sadiq Mohammed
   Position: Non-Executive Director
   Experience (Years): 18 years in property development & finance
   Education: •B. Sc – Abubakar Tafawa Balewa
   •MBA – Carnegie-Mello University
   MBA – University of Geneva
   Harvard Business School
   Job Experience: •KPMG Professional Services
   •Moorhouse Hotel
   •ARM Group
   •FMDQ OTC Plc
   •Lekki Concession Company (LCC)
   •PenOp
   •Mixta Real Estate Plc

5. **Name:** Mr. Kola Ashiru-Balogun
   Position: Executive Director
   Experience (Years): 18 years in property development & finance
   Education: •B. Sc – Zicklin School of Business

		•MSc – New York University
	Job Experience:	•Harbor Point Limited • Schonbraun McCann Group •Stonehenge Real Estate Group •The Church Pension Group •Goldman Sachs •Mixta Real Estate Plc
6.	**Name:**	Mr. Benson Ajayi
	Position:	Executive Director
	Experience (Years):	28 years in finance and consulting
	Education:	•B. Sc. – Obafemi Awolowo University •MBA - Obafemi Awolowo University •Institute of Chartered Accountants of Nigeria
	Job Experience:	•Lekki Concession Co. (LCC) •ARM Holding Co •UAC Nigeria •NCR Nigeria Limited • Mixta Africa SA
7.	**Name:**	Ms. Monica Musonda
	Position:	Independent Executive Director
	Experience (Years):	16 years in investment management 7 consulting
	Education:	•LL.B – University of Zambia •LLM – University of London
	Job Experience:	•Java Foods •Airtel Networks Zambia Plc •Zambian Breweries •Dangote Industries •Mixta Real Estate Plc
8.	**Name:**	Ms. Soula Proxenos
	Position:	Independent Non-Executive Director
	Experience (Years):	30 years in Financial Services
	Education:	•MBA – Stellenbosch University •BA – Witwatersrand University
	Job Experience:	•International Housing Solutions •Johns Hopkins SAIS •Carey Business School •International Housing Solutions

SUMMARY

- **Rating**
  BBB
- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

SUMMARY

- **Rating**

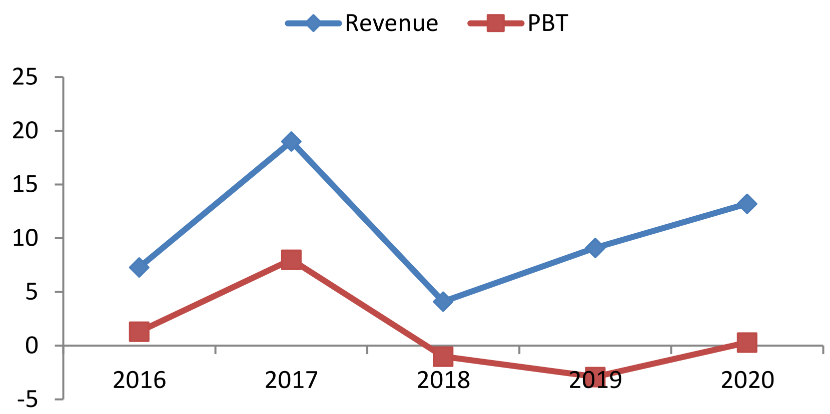
BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

FINANCIAL PERFORMANCE

- **EARNINGSAND PROFITABILITY PROFILE**

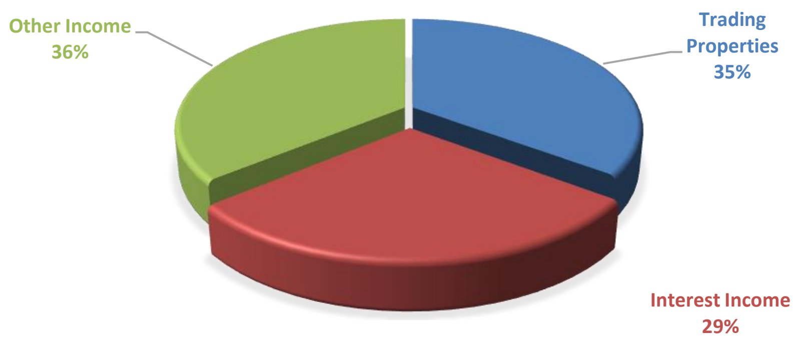
REVENUE GROWTH (2016 – 2020)



***Source**: Mixta Real Estate Plc*

The Company had three major sources of Revenue during the year 2020. These were Interest Income, Revenue from Sales of Property and Other Income. The following is a breakdown of these sources to the Company's Gross Earnings.

COMPOSITION OF GROSS EARNING



***Source**: Mixta Real Estate Plc*

Trading in Properties is the principal activity of the Company. The Company realized revenue of ₦4.6b from this activity during the year 2020 as against ₦4b (Yr.19). Income from Trading in properties translated to 35% of Company's total Revenue during the year under review.

Other Income largely represented the net gain of ₦972m realized from negotiated settlement of foreign currency loans during the year. This class of Revenue grew to ₦4.7b (Yr. 20) from ₦552m (Yr. 19). The significant growth achieved in Rental Income also served as major buffer for the increase in Revenue during the year under review.

However, Interest Income declined by 14% from ₦4.4b (Yr. 19) to ₦3.8b (Yr. 20). It comprises of income earned from Loans to Related Entities and Cash & Cash Equivalent.

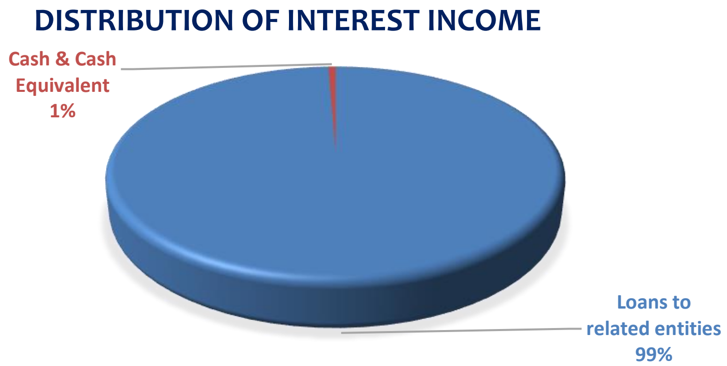
Despite this decline, Group Gross Revenue grew by 116% from ₦6.2b (Yr. 19) to ₦13.4b (Yr. 20).

SUMMARY

- **Rating**

BBB

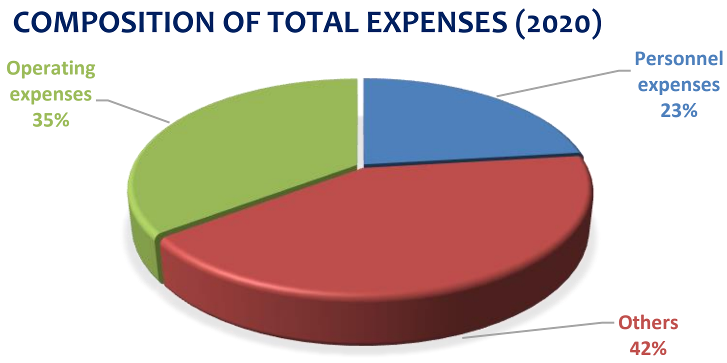
- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021



Source: *Mixta Real Estate Plc*

The Company Profit Margin from Trading in Properties went down significantly from 48% (Yr.19) to 13% (Yr.20). This was due to the mismatch in the growth rate of Cost and Revenue relating to Trading in Properties.

The Company's Total Expenses reduced during the year under review by 31%. This was largely influenced by the decline in Allowance for Losses from Impairment of Assets. The impairment balance charged to Income during the year was ₦1.3b as against ₦2.7b (Yr. 19). Operating Expenses also reduced from ₦1.3b (Yr. 19) to ₦1.1b (Yr. 20). The decreases in these two major components led to an overall decline in Total Expenses from ₦4.6b (Yr. 19) to ₦3.2b (Yr. 20).



Source: *Mixta Real Estate Plc*

SUMMARY

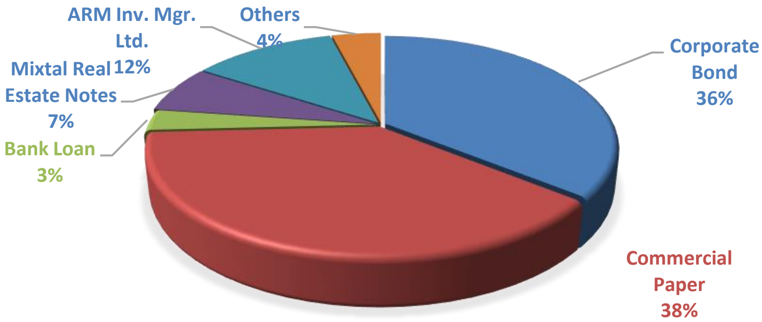
- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

The growth in Gross Revenue as well as the reduction in Total Expenses during the year enhanced Operating Profit before Finance Costs significantly. This grew from ₦2.2b (Yr. 19) to ₦6b (Yr. 20).

However, Finance Costs rose during the year under review. This growth was due to increased Cost of Borrowings during the year 2020. This moved from ₦5b (Yr. 19) to ₦5.5b (Yr. 20). Cost of Borrowings also accounted for 98% of Finance Costs. The major sources of the borrowing cost were Corporate Bond (36%) and Commercial Paper (38%). The component of Finance Cost is as presented



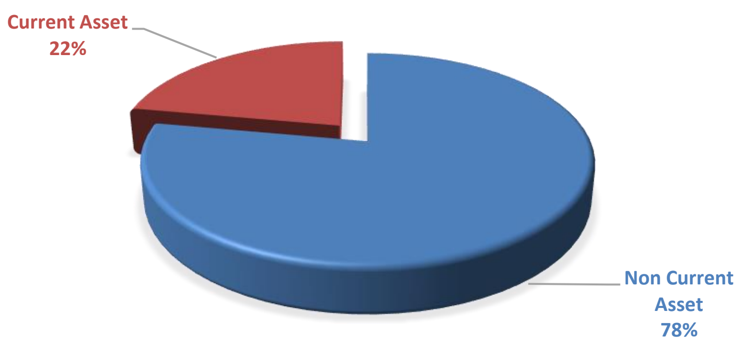
Source: *Mixta Real Estate Plc*

The Company recorded Profit Before Tax of ₦353m (Yr. 20) as against a loss of ₦2.8b the previous year (Yr. 19). This was largely due to strong growth in Rental Income which moderated the effect of high Cost of Borrowing during the year under review. Consequently, all profitability indices improved during the year under review.

- ## CAPITALIZATION

Total Assets of the Company grew by 18% in the year 2020. It increased from ₦96.2b (Yr. 19) to ₦114b (Yr. 20). The growth was supported by increases in both Current and Non-Current Assets which grew by 12% and 53% respectively. Non-current asset constituted 78% of the total assets in the year under review.

BREAKDOWN OF THE TOTAL ASSET



Source: *Mixta Real Estate Plc*

SUMMARY

- **Rating**

BBB

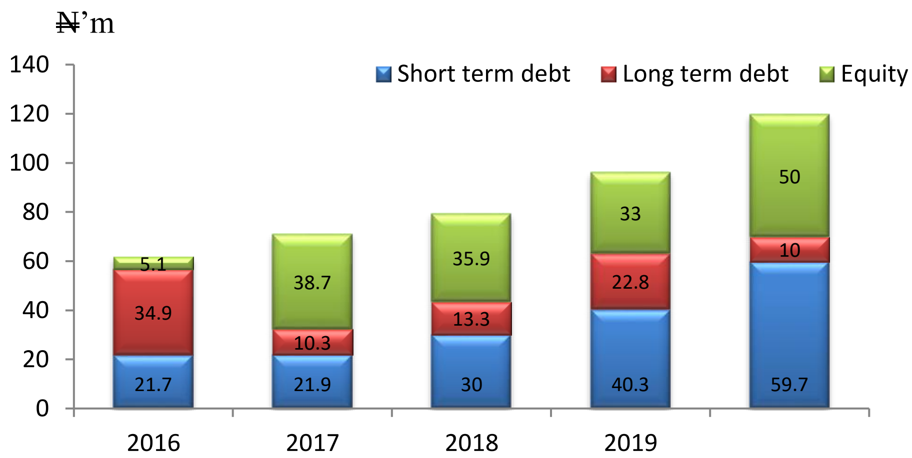
- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

The Company's Share Capital and Share Premium remained the same at ₦4.9b and ₦35.6b respectively in the year 2019 and 2020. Common Control Acquisition Deficit also remained unchanged and stood at ₦2.2b in the year 2019 and 2020. However, retained losses dropped from ₦5.3b (Yr. 19) to ₦5b (Yr. 20) due to profit retention during the year.

As a component of its Equity, The Company had on balance an amount of ₦11.6b payable to ***ARM Holding Company Limited*** for the acquisition of ***Mixta Africa S.A***. based on the Convertible Note Purchase Agreement executed between them. This Fund enhanced the growth of Equity by 36% from ₦33b (Yr. 19) to ₦44.9b (Yr. 20).

Equity as a proportion of Total Asset improved during the year from 34% (Yr. 19) to 39% (Yr. 20).

FUNDING OF OPERATION



Source: *Mixta Real Estate Plc*

DataPro @ 2021

SUMMARY

- **Rating**

BBB

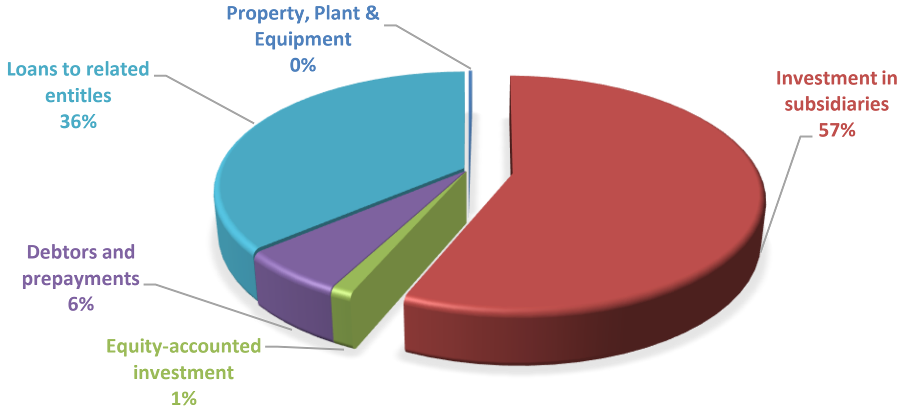
- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

ASSET UTILITY

Total Assets stood at ₦114b in the year under review. It comprised of Current and Non-Current Assets. However, Non-Current Assets constituted 78% of the Total Assets. It increased by 12% from ₦79.5b (Yr. 19) to ₦89b (Yr. 20). The growth recorded was largely due to increase in the amount of Loans to Related Entities. This grew by 33% from ₦24.3b (Yr. 19) to ₦32.2b (Yr. 20). The value of Debtors and Prepayments also rose during the year by 59% from ₦3.4b (Yr. 19) to ₦5.4b (Yr. 20).

The largest component of the Non-Current Assets was Investments in Subsidiaries which remained the same at ₦50.2b in the years 2019 and 2020. The interest of the Company in its subsidiaries are: ***Toll System Development Company Limited (directly 60% and indirectly 100%), Mixta Africa S. A. (100%) and Summerville Golf Club Limited (95.63%).***

DISTRIBUTION OF NON CURRENT ASSETS



Source: *Mixta Real Estate Plc*

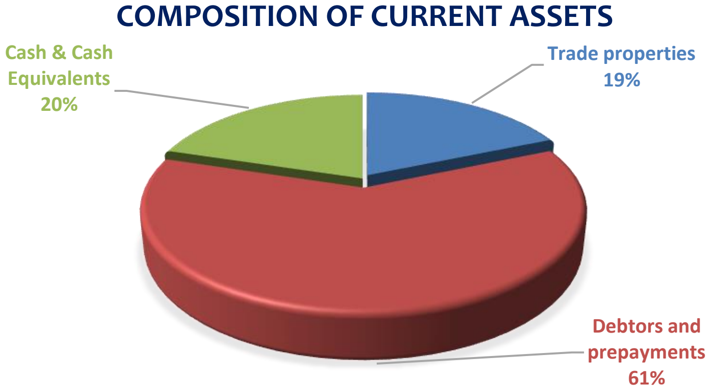
Current Assets constituted 23% of the Total Asset. It grew by 53% from ₦16.5b (Yr. 19) to ₦25.3b (Yr. 20). This increase was due to a rise in all its components during the year 2020. However, Loans to Related Entities which were current in nature reduced from ₦1.4b (Yr. 19) to a nil value in the year under review. The following is a breakdown of the Current Assets of the Company.

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

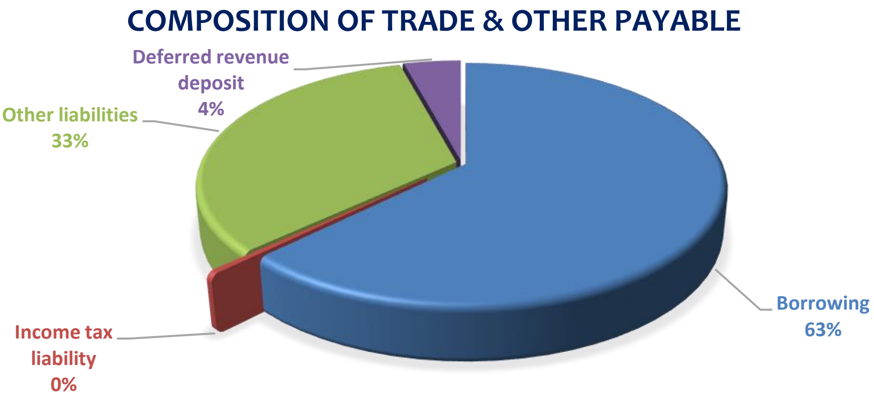


Source: *Mixta Real Estate Plc*

Ability of the Company to effectively utilize Assets to generate Revenue has steadily improved over the last three years. This moved from 7% (Yr. 18) to 9% (Yr. 19) and subsequently 12% (Yr. 20). Profit to Total Assets stood at 0.3% during the year 2020. It improved from a negative of 2.8% in the year 2019.

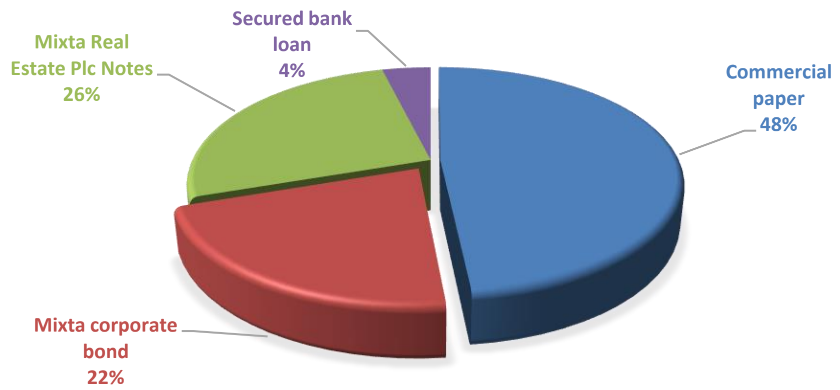
- **LIQUIDITY**

Total Liabilities amounted to ₦69.7b (Yr. 20) as against ₦63.1b (Yr. 19). Current liability accounted for 86% of the Total Liabilities in the year 2020. The major components of Current Liabilities are Borrowing (₦37b) and Other Liabilities & Accruals (₦19.5b). Borrowings of the Company grew significantly during the year under review. This grew by 86% from ₦20b (Yr. 19) to ₦37b (Yr. 20). This component also made up 63% of Current Liabilities during the year under review.



Source: *Mixta Real Estate Plc*

The Company's Total Borrowings were significantly concentrated in ***Commercial Papers***, ***Mixta Notes*** and ***Mixta Corporate Bond***. However, it also acquired financing from Secured Bank Loans



Source: *Mixta Real Estate Plc*

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

The Company is currently exposed to Nine (9) institutions. The institutions comprise of a Bank and eight (8) other Related Companies. This is excluding Commercial Papers and Corporate Bonds which the Company has in its loan portfolio. The range of interest payable on the outstanding loan of the Company is 4% - 17% per annum.

Mixta Nigeria Current Asset grew by 53% as against the 48% growth recorded in Current Liability. Consequently, Current Ratio declined from 44% (Yr. 19) to 42% (Yr. 20) . The Company generated significantly more from its Operations during the year 2020. Cashflow from Operating Activities was ₦162m (Yr. 19). This increased to ₦3.4b during the year 2020.

RISK FACTORS

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

- **LEGAL RISK**

This is the risk that the Company will be exposed to legal actions that may lead to paying of significant fees.

In the course of our review, we did not come across any action that could lead to legal risk.

- **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.

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

In the course of our review, there was no negative public information or adverse press report against the Company or its Board of Directors. Additionally, The Group's Reputational Risk is managed closely with the Corporate Strategy Unit and the Marketing & Corporate Communication Unit.

- **CREDIT RISK**

This is the risk arising from the inability of counterparties to honour their obligations as at when due.

Based on our review, a significant amount of ₦21b representing 18% of total assets are in the hands of third parties. However, the Company has a Counterparty Policy which helps provide a framework for the Company's Credit Risk Management

- **LIQUIDITY RISK**

Based on our review, ***Mixta Nigeria*** maintained a current ratio of 42% (Yr. 20) as against 44% (Yr. 19). Additionally, the Company's borrowing constituted 53% of the total liabilities.

CORPORATE GOVERNANCE & RISK MANAGEMENT

The affairs of the Group is directed by its Board of Directors which consists of Three (3) Executives and (5) non-Executives.

The Board of Directors has three (3) Principal Board Committees. They include: Board, Audit and Risk Committee, Investment Committee and Nomination, Remuneration and Human Resources Committee. Other Management Committee includes: Project Monitoring Committee and Business Review Committee.

CONCLUSION

The Rating of the Company is supported by its Experienced Management Team and Strong Brand Presence.

However, it is constrained by weak liquidity and high debt profile. Consequently, we assigned a Rating of ***"BBB"***

FINANCES

Financial Position as at

	Company Dec, 2020 ₦'000	Δ%	Company Dec, 2019 ₦'000	Δ%	Company Dec, 2018 ₦'000
ASSETS					
Property and Equipment	231,284	18.38	195,370	154.67	76,715
Investment in subsidiaries	50,213,059	(0.00)	50,213,060	58.58	31,664,272
Equity-accounted investment	1,153,595	(19.88)	1,439,781	(42.53)	2,505,100
Loans to related entities	32,296,063	25.27	25,781,706	10.24	23,387,157
Trading properties	4,787,697	567.80	716,940	(73.94)	2,751,116
Debtors and prepayment	20,896,522	28.47	16,265,254	(0.87)	16,407,706
Cash and cash equivalent	5,128,632	228.66	1,560,447	(36.30)	2,449,820
	114,706,852	19.27	**96,172,558**	21.37	**79,241,886**
Liabilities					
Deferred tax liabilities	12,441	-	12,441	-	12,441
Deposit for shares	-				
Borrowings	47,374,575	50.98	31,377,582	27.08	24,690,738
Current income tax liability	268,386		265,198	(4.02)	276,295
Other liabilities and accruals	19,557,830	(98.47)	17,595,216	(1.84)	17,924,379
Provisions	-			(100.00)	410,811
Deferred revenue-deposit from customer	2,568,748		2,260,294	(23,063.47)	(9,843)
Irredeemable debetures	-		11,648,858		
Total Liabilities	**69,781,980**	10.49	**63,159,589**	45.85	**43,304,821**
Net Asset	**44,924,872**	36.08	**33,012,969**	(8.14)	**35,937,065**
Share and reserves					
Share capital	4,914,135	-	4,914,135	-	4,914,135
Share premium	35,565,809	-	35,565,809	-	35,565,809
Common control acquisition deficit	(2,156,000)	-	(2,156,000)	-	(2,156,000)
Irredeemble debentures	11,648,858				
Retains earning	(5,047,929)	(4.95)	(5,310,975)	122.51	(2,386,879)
Shareholders; funds	**44,924,873**	36.08	**33,012,969**	(8.14)	**35,937,065**
Profit & Loss Account					
Total revenue	4,700,000	17.50	4,000,000	(2.57)	4,105,644
Profit before income tax	353,748	(112.29)	(2,878,844)	186.62	(1,004,415)
Profit for the year	263,046	(109.00)	(2,924,096)	189.95	(1,008,474)
Trasfer to retained earnings	263,046	(109.00)	(2,924,096)	189.95	(1,008,474)

SUMMARY

- **Rating**

  BBB

- **Report Type:**
  Corporate Rating
- **Client:**
  Mixta Real Estate Plc
- **Date Compiled**
  5-Aug-2021

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

Financial Position as at

	Group Dec, 2020 ₦'000	Δ%	Group Dec, 2019 ₦'000	Δ%	Group Dec, 2018 ₦'000
ASSETS					
Property and Equipment	11,220,615	(1.52)	11,394,026	1.07	11,273,699
Goodwill	56,106	(14.32)	65,485	16.72	56,106
Investment property	75,120,794	15.75	64,900,794	(16.79)	78,000,000
Equity-accounted investment	878,143	(43.87)	1,564,547	(39.81)	2,599,395
Loans to related entities	6,745,105	39.55	4,833,365	(48.18)	9,326,531
Trading properties	55,313,615	2.80	53,809,372	80.06	29,883,828
Debtors and prepayment	13,219,747	(23.14)	17,199,138	72.36	9,978,786
Cash and cash equivalent	7,166,184	125.21	3,182,034	13.93	2,792,908
	169,720,309	8.14	**156,948,761**	9.06	**143,911,253**
Liabilities					
Deferred tax liabilities	6,288,546	19.44	5,265,148	(31.88)	7,729,562
Deposit for shares	-				253,746
Borrowings	70,452,440	26.68	55,612,976	29.25	43,028,832
Irredeemable debetures	-		11,648,858		-
Current income tax liability	1,128,397	(18.73)	1,388,429	(26.88)	1,898,946
Other liabilities and accruals	14,099,993	(13.57)	16,313,445	(1.22)	16,515,475
Deferred revenue-deposit from customer	9,620,493	(25.82)	12,968,545	195.11	4,394,440
Provision	-		-		3,115,988
Total Liabilities	**101,589,869**	(1.56)	**103,197,401**	34.13	**76,936,989**
Net Asset	**68,130,440**	26.75	**53,751,360**	(19.74)	**66,974,264**
Share and reserves					
Share capital	4,914,135	-	4,914,135	-	4,914,135
Share premium	35,565,809	-	35,565,809	-	35,565,809
Irredeemble debentures	14,041,128				
Common control acquisition deficit	(16,579,900)	16.86	(14,187,630)	385.81	(2,920,407)
Retains earning	30,149,665	11.00	27,162,162	19.29	22,769,216
Non-controlling interest	39,605	(87)	296,884	(96)	6645511
Shareholders; funds	**68,130,442**	26.75	**53,751,360**	(19.74)	**66,974,264**
Profit & Loss Account					
Total revenue	135,000,000	2,077.42	6,200,000	(61.22)	15,988,929
Profit before income tax	2,002,982	(170.84)	(2,827,290)	(230.96)	2,158,966
Profit for the year	819,941	(246.94)	(558,003)	(141.48)	1,345,312
Trasfer to retained earnings	1,054,250	(282.85)	(576,573)	(151.39)	1,122,048

Signed:
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: 5th August, 2021

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

SUMMARY
- **Rating**
  BBB
- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

USER GUIDE

DataPro's credit rating is an opinion of an issuer's 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+.

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

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 an 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.

SUMMARY

- **Rating**

BBB

- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021

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 *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 companies which 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 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.

SUMMARY

- **Rating**
  BBB
- **Report Type:** Corporate Rating
- **Client:** Mixta Real Estate Plc
- **Date Compiled** 5-Aug-2021