DataPro

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CORPORATE RATING REPORT

AGRO EKNOR INTERNATIONAL LIMITED

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July, 2025

AGRO EKNOR INTERNATIONAL LTD

Long-Term Rating:

BBB+

Short Term Rating: A2
Previous Rating: BBB+
Rating Outlook: Stable
Trend: UP
Currency: Naira
Date Issued: 18 July, 2025
ValidTill: 17 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
Revenue	3,663,810	1,682,700	366,589	19,697	338,413
Pre-Tax Profit	(371,110)	15,759	(109,317)	(238,154)	(108,288)
Equity	1,064,817	271,169	237,143	138,959	170,613
Non-Current Assets	828,242	339,445	229,461	37,037	27,230
Long-term Debt	1,161,750	562,500	375,000	14,555	14,555
Total Asset	2,467,305	1,145,097	1,017,838	562,047	500,733

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 an ability to meet its current 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 Revenue Profile
- Parent Company Support
- Experienced Management Team

Negative Rating Factors:

- Weak Profitability
- Significant Exposure to Exchange Rate

BACKGROUND

Agro Eknor International Limited ("the Company") was established on January 8, 2013 and began operations on February 2, 2014. It is headquartered in Kano and operates across several states including Ekiti, Nasarawa, Lagos, Katsina and Jigawa.

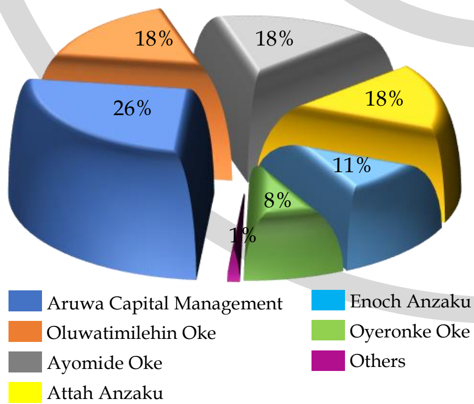
It is a Nigerian-based food and Agriculture Company with a global presence across Europe, Asia as well as North and South America. The Company specializes in sourcing, processing and exporting Agricultural products to international clients through an integrated value chain.

The Company's primary focus is the processing and export of premium hibiscus products. Its offerings include ***China Standard Hibiscus Flower, Mexico Standard Hibiscus Flower*** and Fumigation Services for agricultural products. Additionally, it recently diversified its product line with the launch of a hibiscus cordial drink under the brand name ***Madala***. This product has been exported to international markets such as Mexico, the United Kingdom, Canada and the United States.

As part of its business model, the Company provides credit capital to over 5,000 smallholder farmers. This enables it to build on traditional Agri-food production expertise and create efficient value-chain operations. It has exported over 15,000 tons of Agricultural products to clients globally.

The Company is regulated by ***Nigeria Agricultural Quarantine Services, Standard Organisation of Nigeria (SON), Nigerian Export Promotion Council (NEPC)*** and ***National Agency for Food and Drug Administration and Control (NAFDAC).*** It is also a member of ***Nigeria Chamber of Commerce, Industries and Agriculture.***

SHAREHOLDING STRUCTURE



Source: Agro Eknor International Ltd

Aruwa Capital Management holds 25.45% of the Company's shares. However, 54.81% of its shares were equally shared among ***Oluwatimilehin Oke, Ayomide Oke,*** and ***Attah Anzaku.*** The remaining shareholders include ***Enoch Anzaku, Oyeronke Oke, Adedoyin Adesanya and Olanrewaju Osayintuyi.***

DIRECTORS' PROFILE

The Directors of the Company are: ***Adesuwa O. Rhodes*** - *Chairman*; ***Oluwatimilehin Oke*** - *CEO*; ***Attah Anzaku; Ayomide Oke; Kietter Turker*** and ***Jide Adedeji.***

The Directors profile is as follows.

1. **Name:** Adesuwa Okunbo Rhodes
Position: Chairman
Profession: Finance Professional & Business Owner
Experience (Years): Over 15 years
Education/Professional Qualification:
   - B.Sc– University of Bristol
   - Chartered Institute for Securities and Investment (CIS)
   - Certificate in Financial Regulation (CISI)
   - Certificate in Securities (CISI)
   - Certificate in Derivative (CISI)

   Job Experience:
   - Lehman Brothers Europe Ltd.
   - TLG Capital Limited
   - J.P Morgan International Limited
   - Syntaxis Capital Africa
   - Wells Hosa Greenhouse Farms
   - The Wells Carlton Hotel & Apartments
   - Aruwa Capital Management

2. **Name:** Oluwatimilehin Olufemi Oke
Position: CEO
Profession: Business Owner & Strategist
Experience (Years): Over 13 years
Education/Professional Qualification:
   - B.Sc– Convenant University, Nigeria
   - M.Sc. – University of Salford, Manchester

   Job Experience:
   - The Co-operative Banking Group
   - Agro Eknor International Limited

3. **Name:** Attah'ebwa Anzaku
Position: Executive Director
Profession: Engineering Professional
Education/Professional Qualification:
   - B.Sc– Convenant University, Ota Nigeria
   - M.Sc. – University of Salford, Manchester, UK

   Job Experience:
   - Kaduna Refining and Petrochemical Company (KRPC)
   - Nigerian National Petroleum Corporation (NNPC)
   - Agro Eknor International Limited

4. **Name:** Ayomide Oke
Position: Executive Director
Profession: Business & Communication Strategist
Education/Professional Qualification:
- B.Sc– University of Bedfordshire
- M.Sc. – Pan–African University

Job Experience:
- Agro Eknor International Limited

5. **Name:** Kietter Turker
Position: Non-Executive Director
Profession: Business & Agricultural Strategist
Experience (Years): Over 16 years
Education/Professional Qualification:
- B.Sc– Northeastern University

Job Experience:
- Abarrso Tech - Somaliland
- One Acre Fund - Kenya Program Associate
- One Acre Fund - Kenya Director of Field Operations
- One Acre Fund - Kenya Chief Operating Officer
- One Acre Fund - Kenya Chief Executive Officer
- Maisha Mlima, Kenya

6. **Name:** Dr. Jide Adedeji
Position: Non-Executive Director *(Resigned Dec. 2024)*
Profession: Business Owner
Experience (Years): Over 30 years
Education/Professional Qualification:
- M.Sc– University of Ibadan, Nigeria
- Ph.D. – Rutgers, The State University of New Jersey, New Brunswick, USA

Job Experience:
- Hershey Foods Corp., New Brunswick
- Brown & Williamson Corporation, Macon, GA. USA
- Nabisco Inc., Technical Center, East Hanover, NJ. USA
- Bush Boake Allen Inc., Montvale, NJ. USA
- International Flavors & Fragrances, Union Beach, NJ. USA
- Cadbury Schweppes Beverages, Trumbull, Connecticut, USA
- Transnational Corporation, Lagos, Nigeria
- Teragro Commodities Ltd, Lagos, Nigeria
- Easysauces Nigeria Ltd, Lagos, Nigeria

SECTOR REVIEW

Nigeria is one of the leading economies in Africa, with a population exceeding 200 million. In the fourth quarter of 2024, the Country's Gross Domestic Product (GDP) demonstrated a real-term growth of 3.84% year-on-year, an improvement over the

3.46% growth recorded in Q4 2023. This growth was largely driven by the Services Sector which contributed 57.38% to aggregate GDP and expanded at a rate of 5.37%.

Agriculture continues to play a vital role in Nigeria's economy. The country possesses over 34 million hectares of arable land, with 6.5 million hectares used for permanent crops and over 30 million hectares for meadows and pastures.

In the fourth quarter of 2024, the Sector recorded a year-on-year real growth rate of 1.76%, reflecting a slight decline from 2.11% Q4 2023 but an improvement from 1.14% in Q3 2024. Overall, the annual growth of the Sector stood at 1.19% in 2024 compared to 1.13% in 2023. However, its total contribution to GDP in 2024 stood at 24.64%, a modest decline from 25.18% in the previous year.

The Agricultural processing industry in Nigeria focuses on transforming, packaging, sorting and grading livestock as well as commodities. It includes plant-based materials that are processed to add value and improve usability. In addition to food products, the industry also produces items for non-food applications.

Hibiscus flowers are cultivated almost year-round, with peak production occurring during the dry season from November to April. The crop is predominantly grown by small- to medium-scale farmers in remote regions of Northern Nigeria. Key producing states include Jigawa, Katsina, Kano, Borno, Kebbi and Sokoto. However, Jigawa is the leading production area.

Hibiscus holds significant international trade value due to its wide range of uses in medicine, flavoring and cuisine. Nigeria ranks as the second-largest producer and exporter of Hibiscus. To enhance its export potential, the Ministry of Agriculture is promoting the regulation of hibiscus cultivation through the adoption of ***Good Agricultural Practices (GAP)*** among farmers. These practices include responsible pesticide application, proper record-keeping and the implementation of ***Integrated Pest Management (IPM)*** to ensure safe and sustainable production.

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.

Nonetheless, 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.

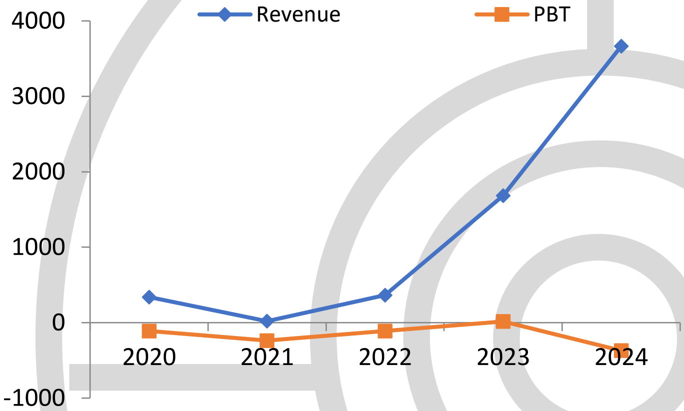
Despite these constraints, the Sector holds significant growth potential. Therefore, opportunities abound for operators in the industry on account of the availability of arable lands, improving technology, support initiatives from Government and the growing population of the country.

FINANCIAL PERFORMANCE

This review primarily focuses on the Company's financial and operational performance for the 2023 and 2024 financial years. It also takes into account the Management Report for the period ending 31st May 2025.

- **EARNINGS AND PROFITABILITY PROFILE**

REVENUE TREND (2020-2024)

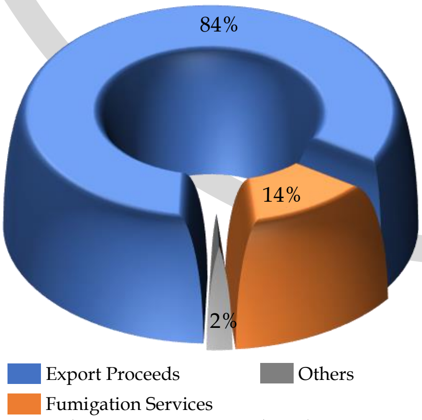


Source: Agro Eknor International Ltd

The Company's Revenue grew by 118% from ₦1.7b (Yr.23) to ₦3.7b (Yr.24). This remarkable growth was driven by a significant increase in Agricultural Exports, Fumigation Services, UK Export Sales and the introduction of new Revenue streams, namely ***Cressolife Product*** and ***Yeidpro Project.***

Exportation of Agricultural Products remained the Company's primary Income source, increasing by 112% from ₦1.4b in the year 2023 to ₦3.0b in the year 2024. This segment contributed 84% of the Total Revenue for the financial year.

COMPOSITION OF REVENUE (2024)



Source: Agro Eknor International Ltd

Income from Fumigation Services also recorded significant growth, rising from ₦92m (Yr.23) to ₦505.3m (Yr. 24) and accounting for 14% of Total Revenue. Additionally, Sales of ***Cressolife*** Product generated ₦11.1m, while Income from ***Yeidpro*** Project totaled ₦2.5 million. UK Export Sales amounted to ₦21.7m in the year ended 31st December 2024.

However, Local Sales declined from ₦143.2m in the year 2023 to ₦56.9m in the financial year.

As at 31st May 2025, the Company generated Revenue totaling ₦3.2b. This performance was driven by contributions from Fumigation Services, Domestic and Export Sales as well as Sales of ***Cressolife*** and ***Madala*** Products.

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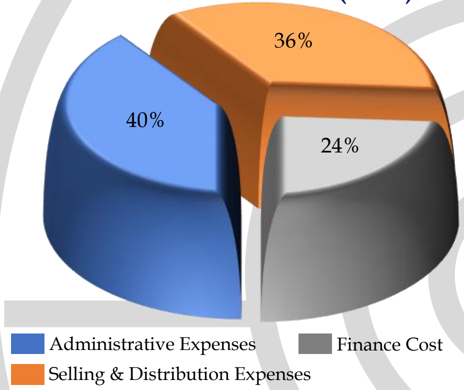
Direct Costs increased by 55%, rising from ₦1.4b (Yr.23) to ₦2.1b (Yr.24). This was primarily driven by the rise in Raw Materials associated with export sales, fumigation/processing and logistics/handling. These components accounted for 97% of Total Direct Costs in the year 2024.

Revenue growth during the year was sufficient to offset the increase in Direct Costs. As a result, Gross Profit rose significantly from ₦308.3m in the year 2023 to ₦1.5b in the year 2024. Gross Profit Margin also improved markedly from 18% (Yr.23) to 42% (Yr.24). As reported in the Management Account ending 31st May 2025, Cost of Sales amounted to ₦1.4b, resulting in a Gross Profit of ₦889.0m.

COMPOSITION OF TOTAL OPERATING EXPENDITURE (2024)



Source: Agro Eknor International Ltd

In addition to the Company's primary Income sources, Earnings were generated from Sales of moulds and by-products from cleaned flowers, as well as gains on excess provisions made in prior years. This category of Income totaled ₦29m in the financial year.

In the year 2024, Operating Expenses amounted to ₦956.9m. These Expenses were incurred from Administrative, Selling and Distribution activities.

The Company incurred a Foreign Exchange Loss of ₦675.8m during the year. Additionally, Finance Costs increased from ₦129.6m (Yr.23) to ₦294.8m (Yr.24). These Costs primarily relate to Interest Charges on Loans from ***Aruwa Capital Management*** and Expenses associated with Preference Shares.

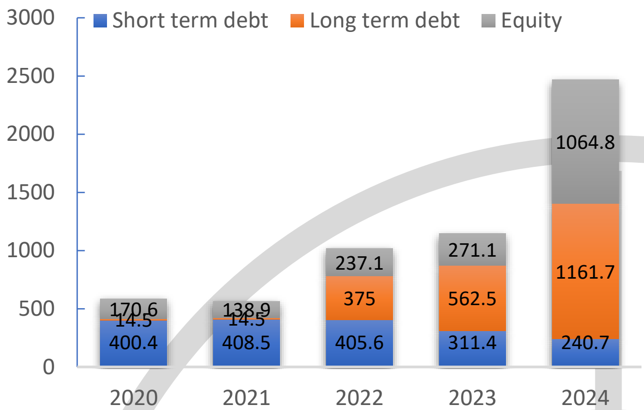
In view of the significant rise in Operating Expenses, Finance Expenses as well as Foreign Exchange Loss, a Pre-Tax Loss of ₦371.1m (Yr.24) was recorded, as against a Profit of ₦15.8m (Yr.23).

• CAPITALIZATION

As at the end of 2024, Share Capital and Preference Shares remained unchanged at ₦10m and ₦3.4m respectively. The Preference Shares were fully subscribed and paid for by ***Aruwa Capital Management.***

Similarly, Share Premium stood at a balance of ₦410.6m in both years 2023 and 2024. However, Deposit for Shares significantly increased from ₦112.8m (Yr.23) to ₦1.3b (Yr.24). This represented additional contributions from shareholders in excess of the Company's authorised and issued Share Capital.

REVENUE TREND (2020-2024)



Source: Agro Eknor International Ltd

On account of accumulated losses, Retained Earnings increased from a negative balance of ₦265.7m (Yr. 23) to ₦666.3m (Yr.24).

Notwithstanding, the Company's Equity position was significantly strengthened by 293%, from ₦271.1m in the year 2023 to ₦1.0b in the year 2024. This was largely driven by the substantial increase in ***Deposit for Shares***.

Total Liabilities amounted to ₦1.4b (Yr.24), representing a 60% increase compared with the preceding year. Liabilities were both Current and Non-Current in the financial year. The increase in Total Liabilities was largely influenced by the rise in Long Term Loan, which grew from ₦562.5m (Yr.23) to ₦1.2b (Yr.24). It constituted 83% of the Total Liabilities as at the year-end 2024.

Funding of operations by Equity was 43% in the year 2024. This implied that 57% of the Company's Total Assets were funded by Liabilities.

• ASSET UTILITY

COMPOSITION OF TOTAL ASSETS (2023-2024)

ITEM	2024 ₦'000	%	2023 ₦'000	%
Non-Current Assets	828,242	34	433,689	38
Current Assets	1,639,062	66	711,408	62
Total Assets	2,467,305	**100**	1,145,097	**100**

Source: Agro Eknor International Ltd

The Company has completed the installation of an Agro-processing facility with the potential to produce over 5,000 tons of dried hibiscus flowers annually.

As at the year ended 31st of December 2024, the Company had a factory installed capacity of 3200 tons. However, the capacity utilization for its products was 1500 tons (Yr.24) as against 1000 tons (Yr.23). This reflected an improvement in utilization from 31% (Yr. 23) to 47% (Yr. 24).

Total Assets for the financial year amounted ₦2.5b. Current Assets constituted the majority of the Total Assets, accounting for approximately 66% of its value in the year 2024. It recorded a significant increase from ₦711.4m (Yr. 23) to ₦1.6b (Yr. 24). This was primarily driven by a rise in Trade and Other Receivables from ₦501m (Yr.23) to

₦1.0b (Yr.24). Other Component of Current Assets included Inventories as well as Cash and Cash Equivalents.

Non-Current Assets also grew from ₦433.7m (Yr.23) to ₦828.2m (Yr.24) and accounted for 34% of Total Assets in the financial year. It comprised Intangible Asset, Property, Plants and Equipment (PPE) and Right of Use Assets. Intangible Asset increased from ₦94.2m (Yr.23) to ₦329m (Yr.24), while PPE grew from ₦339.4m (Yr.23) to ₦436.1m (Yr.24). However, Right of Use Assets amounted to ₦63.1m in the year 2024.

The Company's efficiency in utilizing Assets in generating Revenue marginally grew from 147% (Yr.23) to 148% (Yr.24).

• LIQUIDITY

The Company's Total Liabilities increased by 60% from ₦873.9m in the year 2023 to ₦1.4b in the year 2024. This growth was largely contributed by Long-term Loans, which rose from ₦562.5m (Yr.23) to ₦1.2b (Yr.24), representing 83% of Total Liabilities. The additional funding was obtained to complete its fumigation chamber and support other working capital needs.

Current Liabilities declined by 23% to ₦240.7m in the year 2024, from ₦311.4m in the preceding year. This reduction was primarily driven by the repayment of Short-term Loan during the 2024 financial year. These included an overdraft facility from ***FCMB*** at an Interest rate of 18% as well as a Non-interest-bearing Finance Loan.

Other components of Current Liabilities increased in the financial year. They included Payables and Tax Liabilities. Trade and Other Payables increased from ₦140.3m (Yr.23) to ₦214.3m (Yr.24). Similarly, Current Tax Liabilities grew significantly to ₦26.4m (Yr.24).

As at May 2025, the Company secured two credit facilities from ***FCMB*** – an Export Finance Facility and an Overdraft Facility. The Export Finance Facility, totaling ₦600m was obtained to fund the local procurement and export of hibiscus flowers and other cash crops. The Overdraft Facility (₦400m) was sourced to support working capital needs, including logistics and product processing costs. Both facilities have a one-year tenure.

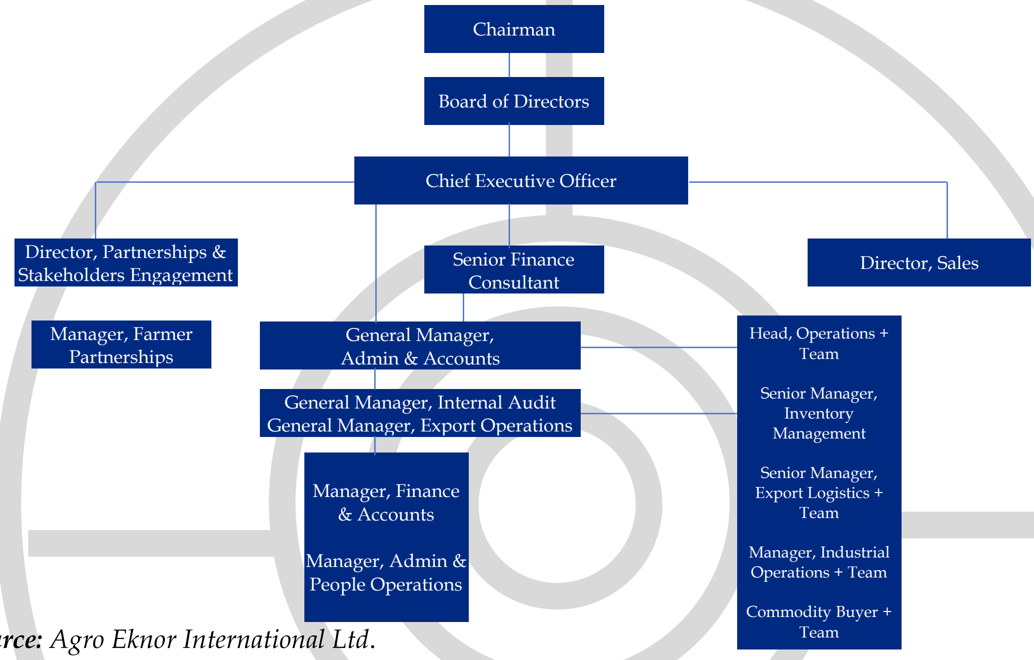
The Company had a Working Capital of ₦1.3b (Yr.24). This translated to a Current Ratio of 681% (Yr. 24) as against 228% (Yr. 23). Despite this good liquidity position, it recorded a negative Operating Cashflow of ₦491.8m, primarily due to a substantial increase in Receivables during the period.

CORPORATE GOVERNANCE & RISK MANAGEMENT

The affairs of the Company are directed by a 6-Man Board consisting of two (2) Non-Executive Directors and four (4) Executive Directors (including the Chairman). However, one of the Non-Executive Directors – Dr. Jide Adedeji resigned in December, 2024.

The Corporate structure of the Company is as presented:

THE CORPORATE ORGANOGRAM



Source: *Agro Eknor International Ltd.*

RISK FACTORS

In the course of our review, we observed 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.

- **CREDIT RISK**

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

Based on our review, the Company's Receivables represented 44% of its Total Assets. As such, any delay or default in payments by its trading partners could have a material impact on the Company's profitability.

- **FOREIGN EXCHANGE RISK**

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

A significant portion of the Company's Revenue is generated from product exports, with Foreign Earnings accounting for 85% of the total as at the year-end 2024. As a result, adverse movements in Exchange rates could negatively impact 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 maintained a Current Ratio of 681% as at the year ended 31st December, 2024.

FUTURE OUTLOOK

The Company has completed the installation of an Agro-processing facility with the capacity to produce over 5,000 tons of dried hibiscus flowers annually. In the Short-term, its focus is on securing additional working capital to fully optimize this infrastructure over the next 24 months, with a goal of expanding processing capacity and export volumes to over 9,000 tons annually.

In the medium term, the Company is leveraging strategic partnerships with ***Know-Local*** and ***Cresso*** as part of its broader plan to become a vertically integrated, diversified Agribusiness. This integrated strategy focuses on hibiscus flowers, hibiscus cordials, oil palm and fonio.

The Company's strategic vision is to become a leading supplier of hibiscus products, edible oils and fonio to markets across China, Latin America and the AfCFTA region—specifically targeting the food and healthcare industries. It intends to achieve this by capitalizing on the versatile applications of its product lines and a robust distribution network.

Discussions are currently underway for a partnership with the Kingdom of Warri to establish a food-waste conversion facility. This facility is expected to produce 1,000 tons of organic fertilizer annually. Six major agricultural companies in Nigeria have already signed on as potential off-takers for the fertilizer.

Furthermore, efforts are ongoing to fully utilize the Company's fumigation and warehousing facilities through partnerships with third-party local aggregators. As part of its expansion plans, the Company aims to onboard an additional 100,000 farmers by mid-2026.

CONCLUSION

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

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

FINANCES

Financial Position as at

	Dec., 2024 ₦	Δ%	Dec., 2023 ₦	Δ%	Dec., 2022 ₦
ASSETS					
Intangible Asset	328,957,190	249.05	94,244,161	71.95	54,810,261
Property, Plant & Equipment	436,142,272	28.49	339,444,883	47.93	229,460,648
Inventory	260,355,181	131.04	112,688,830	(37.55)	180,434,560
Other Assets	273,918,831	1,141.21	22,068,765	1,260.76	1,621,800
Right of Use Asset	63,142,772		0		0
Trade & Other Receivables	1,085,381,084	116.45	501,444,992	72.09	291,380,524
Cash and cash equivalent	19,407,790	(74.19)	75,205,154	(71.09)	260,130,404
Total Assets	**2,467,305,120**	115.47	**1,145,096,785**	12.50	**1,017,838,197**
Total Liabilities	1,402,487,810	60.48	873,927,834	11.94	780,695,420
Equity					
Ordinary Share capital	10,000,000	-	10,000,000	-	10,000,000
Preference Share	3,413,217	-	3,413,217	-	3,413,217
Share Premuim	410,586,783	-	410,586,783	-	410,586,783
Deposit for Shares	1,307,157,306	1,058.59	112,823,415	19.32	94,555,000
Retains Earnings	(666,339,995)	150.83	(265,654,463)	(5.60)	(281,412,223)
Shareholders funds	**1,064,817,311**	292.68	**271,168,952**	14.35	**237,142,777**
Total Liabilities & Equity	**2,467,305,121**	115.47	**1,145,096,786**	12.50	**1,017,838,197**
Profit & Loss Account					
Revenuee	3,663,810,143	117.73	1,682,699,558	359.02	366,588,550
Profit before income tax	(371,110,105)	(2,454.93)	15,758,830	(114.42)	(109,316,960)
Profit for the year	(397,503,531)	(2,622.54)	15,758,042	(114.42)	(109,316,960)

Signed:
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: **18th July, 2025**

For and on behalf of:
DataPro Limited
Ground Floor, Foresight House
By Marina Water Front
163/165 Broad Street, Lagos Island, Lagos.
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Website: www.datapronigeria.net

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 *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 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.