



DataPro



BOND RATING REPORT

UAC OF NIGERIA PLC

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October, 2025

UAC OF NIGERIA PLC

DataPro Rating:

A

Security Type: ₦75Billion Series 1 Senior Unsecured Fixed Rate Bonds

Maturity Profile: 2032

Rating Outlook: Stable

Currency: Naira

Rating Watch: Applicable

Date Issued: 29 Oct., 2025

Valid Till: 28 Oct., 2026

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

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

₦75,000,000,000 7-Year Series 1 Senior Unsecured Fixed Rate Bonds Due 2032 Under the ₦150,000,000,000 Bond Issuance Programme

EXECUTIVE SUMMARY

	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000
Turnover	196,900,638	120,528,463	109,270,399	101,376,839	81,357,960
Pre-Tax-Profit/Loss	25,547,275	12,340,054	(4,365,316)	4,108,373	5,084,981
Shareholders Fund	66,410,002	53,181,592	45,280,211	50,838,306	60,675,504
Non-Current Assets	52,950,068	48,348,202	45,993,607	42,028,845	41,001,587
Total Assets	157,725,799	112,345,471	93,827,611	98,931,756	91,698,190

Rating Explanation

The Long-Term Rating of A indicates **Low Risk**. It shows **Very Good** Financial Strength, Operating Performance and Business Profile when compared to the standard established by **DataPro**. This Issuer, in our opinion, has strong ability to meet its ongoing obligations.

ISSUE QUALITY

- The Issuer's Investment Grade Rating.
- The historical ability of the Issuer to generate Pre-Tax Profit in the last five years (2020 – 2024).
- The Governance Structure around the Bond Payment Account will limit the Issuer's interference in administering Coupon and Principal payment under the Issue.
- The Bond holders have a direct obligation owed to them by the Issuer.

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.

THE ISSUE

The Issue ("The Bond") is a ₦75billion Series 1 Fixed Rate Bonds issued under the ₦150billion Bond Issuance Programme established by *UAC of Nigeria Plc ("the Issuer")*. The Bonds have a tenor of seven (7) years and are scheduled to mature in 2032.

The Bond is constituted under Series 1 Trust Deed executed by the Issuer and *Stanbic IBTC Trustees Limited (the Trustee)*. The Programme issuance was authorized by a resolution of the Issuer's Board dated June 4, 2025. The *Securities and Exchange Commission (SEC)*, is the primary regulator of all parties to the Issue.

The *Issue* is a direct, senior, unsecured, unconditional and unsubordinated obligation of the *Issuer*. The Bonds shall rank *pari passu* among themselves and equally with all other future and existing unsubordinated, senior and unsecured obligations of the Issuer, except for obligations mandatorily preferred by law applying to companies generally.

The Bond shall be issued to Qualified Institutional and High Net Worth Investors in accordance with the provisions of *SEC Rules and Regulations*. The Issue qualifies the Securities in which Trustees, Insurance Companies and Pension Fund Administrators may invest under the *Trustee Investments Act, the Insurance Act and the Pension Reform Act*.

In addition to the Issuer and the Trustee, other Parties to the Issue are: *Stanbic IBTC Capital Limited (Lead Issuing House); Quantum Zenith Capital (Joint Issuing House); FCMB Capital Markets Limited (Joint Issuing House); Chapel Hill Denham (Joint Issuing house); Africa Prudential Limited (Registrar); Templars (Solicitors to the Issuer); Banwo and Ighodalo (Solicitors to the Transaction); Udo Udoma & Belo-Osagie (Solicitor to the Trustees); SIAO Partners (Reporting Accountants); KPMG Professional Services (Auditor) and StanbicIBTC Bank Limited (Receiving Bank)*.

REDEMPTION AND USE OF PROCEEDS

The Principal Amount shall be redeemed in full on the Maturity Date, subject to provisions for optional early redemption. The Issuer reserves the right to redeem the Bond, in whole or in part, at any time after twelve (12) months from the Issue Date, provided that Bondholders are given a minimum of thirty (30) days and a maximum of sixty (60) days prior written notice. In the event of early redemption, the Issuer shall be required to pay Bondholders the outstanding principal and accrued interest up to the redemption date, following the expiration of the notice period.

Coupon on the Bond shall be payable semi-annually in arrears in the 6th and 12th month from the Bond issuance date.

The Trustee shall establish a Payment Account within five (5) Business Days of the Issue Date. The account shall be maintained in the name of the Trustee and held under its custody and administration. Throughout the tenor of the Bond, the Issuer is required to fund the Payment Account no later than five (5) Business Days prior to the next Coupon Payment Date or Final Maturity Date, as applicable, to meet its payment obligations.

The Trustee shall oversee the disbursement of all amounts due in respect of the principal and coupon, and shall ensure the transfer of such funds to the Registrar for onward payment to Bondholders on each Coupon Payment Date.

Proceeds from the ₦75billion Series 1 Bond Issuance will be utilized for the partial refinancing of principal and accrued interest obligations arising from an existing Bridge Facility.

THE ISSUER

UAC of Nigeria PLC ("the Group") is a holding company with origins dating back to 1879, following the merger of four companies. It was officially incorporated in Nigeria on April 22, 1931.

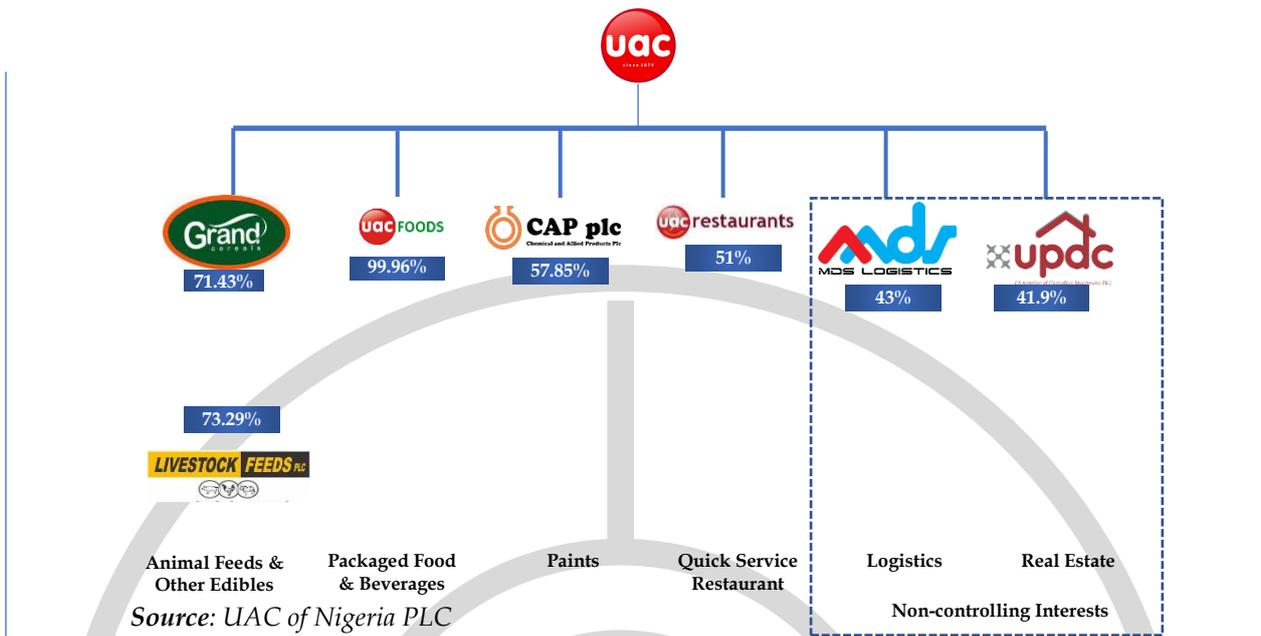
The Group operates across four key business segments: *Edibles and Feed, Packaged Food and Beverages, Paints* and *Quick Service Restaurants*. It also holds minority stakes in a *Logistics Services Company* and a *Real Estate Development firm*.

Its brand portfolio includes well-known names such as *Gala, Debonairs Pizza, Grand, SWAN Spring Water, Funtime, Supreme, Sandtex, Caplux, Dulux, Hempel, Vital Feed, BestMate* and *Aquamax*. Notably, it operates the *Mr. Biggs* and *Debonairs* brands within Nigeria.

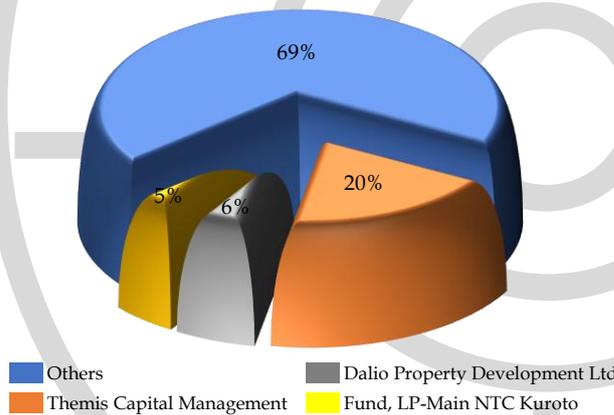
The Group has presence across Nigeria, supported by a workforce of over 4,000 employees. Its operations span eight factories nationwide, 30 warehouses located in 21 states, 236 paint retail outlets across various states and 18 restaurants. Additionally, the Group leverages a robust distribution network comprising over 1000 distributors and several logistics and distribution hubs throughout the country.

The Group comprises five Subsidiaries: *Grand Cereals Limited, UAC Foods Limited, Chemical and Allied Products PLC, UAC Restaurants Limited* and *Livestock Feeds PLC*. It also holds minority interests in the real estate and logistics sectors (*UPDC PLC* and *MDS Logistics Limited*)

THE GROUP STRUCTURE



ANALYSIS OF SHAREHOLDING STRUCTURE



The ownership of the Group is divided among: *Themis Capital Management Limited, Dalio Property Development Limited, Fund LP - Main NTC Kuroto* and other minority Shareholders.

Source: SKLD Integrated Services

Directors’ Profile

The following served on the Board in the year 2025: *Mr. Khalifa Biobaku- Chairman; Mr. Folasope Babasola Aiyesimoju -Group Managing Director; Mrs. Babafunke Adesua Ijaiya Oladipo; Mr. Adebolanle Oluwademilade Badejo; Mr. Karl Olutokun Toriola; Mrs. Suzanne Iroche; Ms. Obi James and Mrs. Amina Muhtar*

The Directors’ profile is as follows:

- Name:** Mr. Khalifa Biobaku
Position: Chairman
Years of Experience: 22 years
Education: •Kebble College, Oxford University

- Job Experience:**
 - London School of Economics
 - Blakeney Management, London
 - Davidson Kempner Partners, London
 - Morgan Stanley
 - Goldman Sachs

Board Membership: Since 2022

2. **Name:** Mr. Folasope Babasola Aiyesimoju

Position: Group Managing Director

Profession: Investment Professional

Years of Experience: 22 years

Education: University of Lagos

- Job Experience:**
- Standard Bank Group
 - Kohlberg Kravis Roberts
 - Themis Capital Management
 - Ocean and Oil Holdings Ltd
 - FoodPro Limited

Board Membership: Since 2018

3. **Name:** Mrs. Babafunke Adesua Ijaiya Oladipo

Position: Group Finance Director

Profession: Finance Professional

Years of Experience: 20 years

Education: University College London

- Job Experience:**
- Goldman Sachs
 - Standard Bank Group

Board Membership: Since 2021

4. **Name:** Mr. Adebolanle Oluwademilade Badejo

Position: Group Investment Director

Profession: Investment Professional

Years of Experience: Over 17 years

- Education:**
- B.Sc. Systems Engineering, University of Virginia
 - MBA, Columbia Business School
 - MBA, London Business School

- Job Experience:**
- Themis Capital Management
 - Standard Bank, Lagos, London and Johannesburg
 - Morgan Stanley, New York

Board Membership: Since 2023

5. **Name:** Mr. Karl Olutokun Toriola

Position: Independent Non-Executive Director

Years of Experience: 27 years

- Education:**
- Obafemi Awolowo University
 - Swansea University

- London Business School
- Harvard Business School
- IMD Business School
- Wharton Business School
- INSEAD
- Job Experience:**
 - MTN Group
 - Vmobile Nigeria
 - L.M. Ericsson Nigeria Limited
 - Zain Nigeria
 - Econet Nigeria
- Board Membership:** Since 2020

6. **Name:** Mrs. Suzanne Iroche
Position: Independent Non-Executive Director
Years of Experience: Over 36 years
Education:
 - University of Lagos
 - Kellogg Graduate School of Management, Northwestern University Illinois Swansea University**Job Experience:**
 - International Merchant Bank
 - Chartered Bank
 - United Bank for Africa, Plc**Board Membership:** Since 2019

7. **Name:** Ms. Obi James
Position: Independent Non-Executive Director
Years of Experience: Over 20 years
Job experience:
 - Worked with Morgan Stanley
 - Bank of America
 - Bloomberg

8. **Name:** Mrs. Amina Muhtar
Position: Independent Non-Executive Director
Education:
 - McGill University, Canada
 - Johns Hopkins University, USA**Job experience:** McKinsey & Company

FINANCIAL PERFORMANCE

• EARNINGS PROFILE

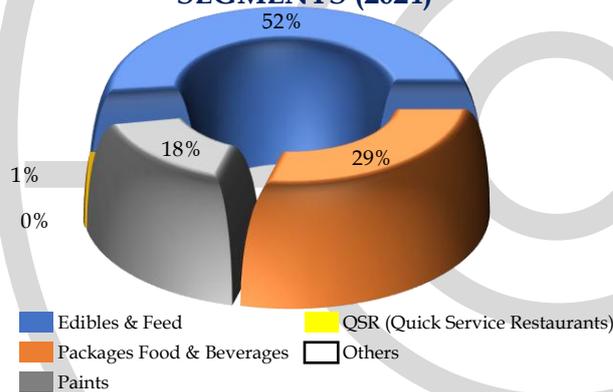
In 2024, the Group generated Revenue across several distinct business segments including Edibles & Feed, Paints, Packaged Food & Beverages, Quick Service Restaurants (QSR), and non-reportable segments made up of the corporate head office.



The Group derived a bulk of its Revenue from the Edibles & Feed segment. Revenue from Edibles & Feed increased from ₦67b to ₦103b and accounted for 54% of the Total Revenue. Similarly, Packaged Food & Beverages and Paints segments recorded growth of 102% and 52% and represented 29% and 18% of the Total Revenue, respectively. The QSR (Quick Service Restaurants) however recorded a decline from ₦3.7b (Yr.23) to ₦2.5b (Yr.24).

As at the year-end 2024, the Group's Gross Revenue including Intergroup Sales increased from ₦124.3b (Yr. 23) to ₦201.7b (Yr.24).

COMPOSITION OF REVENUE BY BUSINESS SEGMENTS (2024)



The distribution of the Group's expenses included: Cost of Sales, Selling and Distribution as well as Administrative Expenses. Direct Cost grew by 52% from ₦99.2b (Yr.23) to ₦150.5b (Yr.24). These comprised: Cost of Raw Materials, Personnel Expenses, Depreciation, Royalty Fees, Rents & Rates, Electricity & Power, Information Technology Charge as well as Insurance. The significant rise in Direct Cost was primarily driven by the increase in the amount expended on Raw materials which grew from ₦85.6b (Yr.23) to ₦133.2b (Yr.24) and constituted 88% of the Total Direct Cost in the year 2024.

The growth in Revenue sufficiently absorbed the increase in Direct Costs. Consequently, Gross Profit grew notably from ₦21.3b (Yr.23) to ₦46.3b (Yr.24), resulting in an improved Gross Profit Margin from 18% (Yr.23) to 24% (Yr.24).

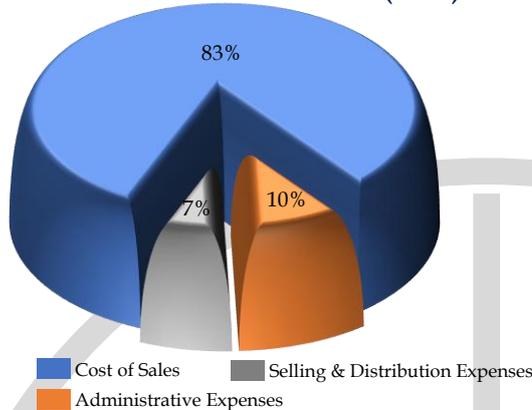
Item	2024 ₦'000	2023 ₦'000
Gross Profit	46,306,367	21,318,611
Operating Expenses	(30,575,457)	(20,234,445)
Other Income	3,277,324	8,869,940
Net Finance Income	5,959,223	2,387,818
Profit Before Tax	25,547,275	12,340,054

Source: UAC of Nigeria PLC

Operating Expenses were classified into Selling and Distribution Expenses as well as Administrative Expenses. These amounted to ₦30.6b, an increase of 51% compared with the preceding year. Administrative Expenses remained the

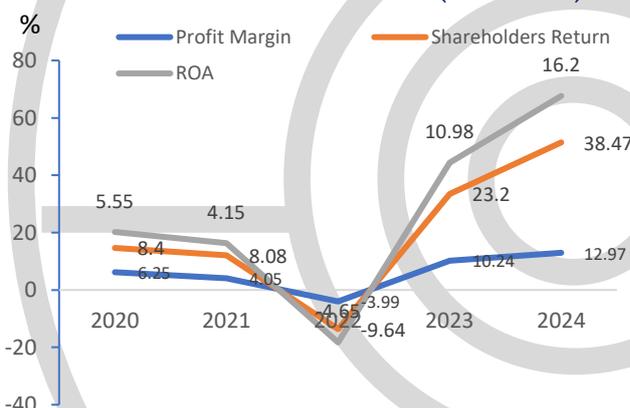
largest component of Operating Expenses, it increased from ₦11.4b (Yr.23) to ₦17.7b (Yr.24) and accounted for 58% of the total amount.

EXPENSES BY FUNCTION (2024)



Source: UAC of Nigeria PLC

PROFITABILITY INDICES (2020-2024)



Source: UAC of Nigeria PLC

Earnings were also generated from Dividend and Other Operating Income. Dividend received increased from ₦52.2m (Yr.23) to ₦96.7m (Yr.24). Other operating income included Profit on Sale of PPE and Investment Properties, Management Fees, Sale of Scrap and other Trading Income. These Income amounted to ₦3.2b in Year ended 2024.

Finance Cost comprised interest expense on bank loans, corporate bond, commercial paper and lease liability as well as amortization of premium on Eurobonds and unwinding of discount on provisions. These aggregated to ₦6.7b (Yr. 24) as against ₦3.6b in the year 2023. The impact of Finance Cost was however moderated by Finance Income which recorded ₦12.6b in the year 2024. Therefore, Net Finance Income amounted to ₦5.9b.

Profitability was enhanced in the year, following the increase in Revenue and moderate increase in Expenses. Profit Before Tax (PBT) increased from ₦12.3b (Yr. 23) to ₦25.5b (Yr. 24). This reflected a 107% increase compared with the prior year. Therefore, the Company’s PBT Margin increased from 10% (Yr. 23) to 13% (Yr. 24).

• CAPITALISATION

The Group’s Equity was strengthened by 25% from ₦53.2b (Yr.23) to ₦66.4b (Yr. 24). This growth was mainly driven by the significant increase in Retained earnings, which rose from ₦33.9b (Yr.23) to ₦46.8b (Yr.24) and accounted for 71% of the Total Equity in the Year-end 2024. Fair Value Reserve also increased from ₦2.3m (Yr.23) to ₦423.6m (Yr.24). However, Ordinary Share Capital, Share Premium, Other Reserve remained unchanged at ₦1.4b, ₦14.6b and ₦91.9m respectively as at the year-ended 2024. Equity Settled Share Based Payment Reserve decreased from ₦586.8m (Yr.23) to ₦521.9m (Yr.24).



Source: UAC of Nigeria PLC

Total Assets stood at ₦157.7b in 2024, representing a 40% increase compared with the prior year. It included Current and Non-Current Assets, however, the overall growth in Total Assets was largely driven by Current Assets. Typical of its operations, Inventories and Cash made up for the bulk of Current Assets and consequently, Total Assets.

The Group's Liabilities recorded a 54% growth to ₦91.3b (Yr.24). This was largely influenced by the rise in Borrowings as well as Trade and other payables. Borrowings totaled ₦41.5b (Yr. 24), higher than ₦27.4b recorded in the prior year. This funded 26% of the Group's Operations, as against 24% funding recorded in the year 2023. Following the significant increase in Liabilities, Equity funding declined from 47% (Yr.23) to 42%.

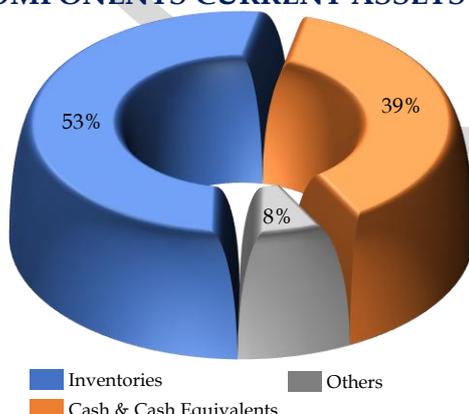
ASSET UTILITY

ITEM	2024 ₦'000	%	2023 ₦'000	%
Current Asset	104,433,853	66	63,466,555	56
Non-Current Asset	52,950,068	33	48,348,202	43
Non-current assets held for sale	341,878	1	530,714	1
Total Asset	157,725,799	100	112,345,471	100

Source: UAC of Nigeria PLC

The Group's Total Assets for the year 2024 amounted to ₦157.7b, comprising both Current and Non-Current Assets. Current Assets constituted majority of the Total Assets and recorded significant increase from ₦63.4b (Yr. 23) to ₦104.4b (Yr.24). The growth was primarily driven by Inventories as well and Cash. They both accounted for 53% and 39% of the Total Current Asset respectively. Other Component of the Current Asset includes; Trade and other receivables as well as Refund assets.

COMPONENTS CURRENT ASSETS (2024)



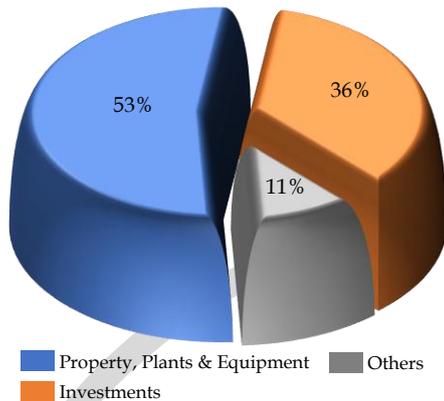
Source: UAC of Nigeria PLC

Refund Assets represented the Group's right to recover the goods expected to be returned by customers.

Non-Current Assets recorded in the year under review included Property, Plants & Equipment (PPE), Investments as well as Debt Instruments at amortized cost.

This recorded 10% increase from ₦48.3b (Yr. 23) to ₦52.9b (Yr. 24).

COMPONENTS OF NON-CURRENT ASSETS



Source: UAC of Nigeria PLC

Property, Plants & Equipment (PPE) was the largest component of the Non-Current Assets. It amounted to ₦28b and accounted for 53% of the Total Non-Current Assets. The Group had Investments in Associates, Equity Instruments, Debt Instruments and Properties. Aggregate Investments stood at ₦18.8b and accounted for 12% of the Asset base as at the year-end 2024.

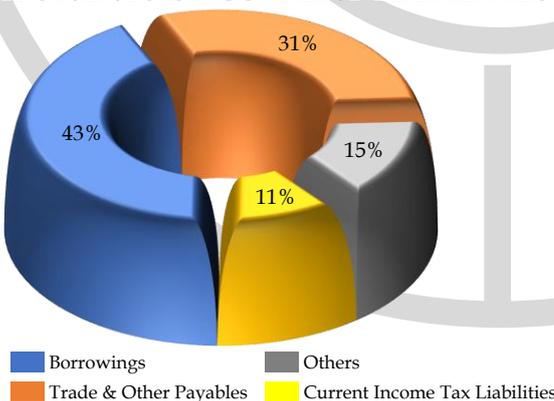
Other Components of Non-Current Asset includes; Right of Use Assets, Intangible Assets and Goodwill, Finance lease receivables as well as Deferred tax asset.

The Group’s efficiency in utilizing Assets in generating Revenue significantly grew from 107% (Yr.23) to 124% (Yr.24). Also, Return on Assets increased from 11% to 16% in the years 2023 and 2024

• **LIQUIDITY**

The Liabilities of the Group were both Current and Non-Current. Current Liabilities accounted for 79% of Total Liabilities in the financial year.

COMPONENTS OF CURRENT LIABILITIES



Source: UAC of Nigeria PLC

Current Liabilities mainly included Payables and Borrowings. Payables amounted to ₦22.5b (Yr.24) and accounted for 31% of Current Liabilities. These were balances due to non-trade vendors and suppliers of utilities, administrative goods as well as accrued professional fees, accrued royalties, accrued consultants’ fees, accrued audit fees and other accrued expenses.

Short-term Borrowings amounted to ₦31.1b and accounted for 43% of the Current Liabilities in the Financial Year.

Current Liabilities increased from ₦52.5b to ₦72b, in the year 2024. Other components included; Contract Liabilities, Current Income Tax Liabilities, Dividend Payable, Government Grants, Lease Liability, Provision as well as Refund Liability.

Non-Current Liabilities amounted to ₦19.4b and represented 21% of the Total Liabilities in the Financial Year. In the year 2024, the Group issued Series 1 Corporate Bond valued at ₦5.9 billion, with a 7-year tenure and a maturity date of October 2031. Short and Long-term Borrowings stood at ₦41.5b (Yr. 24), higher than ₦27.4b recorded in the prior year and funded 26% of the Group's operations, as against 24% funding recorded in the year.

In the year 2024, the Company recorded a Working Capital of ₦32.5b and generated a ₦6.9b Net Operating Cash Flow from its operations. Additionally, its Current Ratio grew from 121% (Yr.23) to 145% (Yr.24), indicating the adequacy of the Current Assets to cover Short-term Liabilities.

REGULATORY ENVIRONMENT

The operations of the Group is regulated in accordance with the provisions of the *Companies and Allied Matters Act (CAP C20) Laws of the Federation of Nigeria, Investment and Securities Act* and the *SEC Code of Corporate Governance for Public Companies*.

RISK FACTORS

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

- **LIQUIDITY RISK**

This is the risk that the Group will be unable to pay its obligations as and when due.

Based on our review, the Group recorded a Current Ratio of 145% as at the year-end 2024.

- **MARKET RISK**

This is the risk that changes in market prices, such as Foreign Exchange and Interest Rates will affect the Group's income or the value of its holdings of financial instruments.

The Group is exposed to Foreign Exchange risks arising from the importation of some of its required raw materials for operation. The Group also incurred Interest Bearing Borrowings. Therefore, adverse movement in Interest and Foreign Exchange Rate could impair profitability.

- **CREDIT RISK**

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

The Group's exposure to credit risk was through its Cash, Trade Receivables and Investment Asset. The inability of the primary obligors to honor their obligations may affect the capacity of the Group to generate income.

POLITICAL ENVIRONMENT

Nigeria is a multi-ethnic and culturally diverse federation of 36 autonomous states and the Federal Capital Territory. The ruling All Progressive Congress (APC) which controls the Executive Arm of Government also holds majority seats at both the Senate and Houses of Representative.

President Bola Ahmed Tinubu was sworn into office on May 29, 2023, having won the Presidential election. Nigeria continues to face many social and economic challenges which include insecurity such as banditry and kidnappings, especially in the northwest region, continued insurgency by terrorist groups in the north-east, and separatist agitations in the south-east. There are expressions of commitment to turn around the economy and ensure security across the country. Civil society and the media are equally vibrant within the political space to sustain advocacy for reforms and actions towards better economic and social outcomes for citizens.

Nigeria's political landscape is currently rife with many distractions, diverting attention from the nation's pressing governance challenges. Among these distractions is the early political maneuvering for the 2027 elections. The surge of endorsements urging the current President to run for a yet-to-be-scheduled 2027 presidential election has further intensified political tensions and shifted focus away from critical national issues. Rather than addressing urgent concerns such as insecurity, inflation, unemployment, and the deteriorating economy, political actors appear more preoccupied with consolidating power and securing future electoral advantages. This premature politicking risks undermining governance, deepening public disillusionment, and slowing the progress needed to tackle Nigeria's mounting socio-economic challenges.

ECONOMIC ENVIRONMENT

Nigeria's economy has undergone notable structural transformation, influenced by global economic shifts, technological progress and evolving consumer behavior. Reflecting these changes, the *National Bureau of Statistics (NBS)* recently rebased the country's Gross Domestic Product (GDP), updating the base year from 2010 to 2019. Following this adjustment, nominal GDP for 2024 was estimated at ₦372.82 trillion, positioning Nigeria as the fourth-largest economy in Africa.

The country's real GDP expanded by 4.23% year-on-year in Q2 2025, an improvement on the 3.48% growth recorded in Q2 2024. In terms of share of the GDP, the Industrial sector contributed more to the aggregate GDP in the second quarter of 2025 at 17.31% compared to the corresponding quarter of 2024 at 16.79%.

According to the *National Bureau of Statistics (NBS)* the Manufacturing Sector comprises of thirteen activities: Oil Refining, Cement, Food, Beverages and Tobacco, Textile, Apparel and Footwear, Wood and Wood Products, Pulp Paper and Paper Products, Chemical and Pharmaceutical Products, Non-Metallic Products, Plastic and Rubber Products, Electrical and Electronic, Basic Metal and Iron and Steel, Motor Vehicles and Assembly and Other Manufacturing.

Real GDP growth in the Manufacturing Sector in the second quarter of 2025 was 1.60% (year-on-year), higher than Q2 2024 and lower than Q1 2025 by 0.47% and 0.09% respectively. The growth rate of the Sector on a quarter-on-quarter basis stood at 15.81%. The Real contribution to GDP in the 2025 second quarter was 7.81%. This was lower than the 8.01% recorded in the second quarter of 2024 and lesser than the 9.62% recorded in the first quarter of 2025.

Manufacturers in Nigeria are faced with lack of basic infrastructure, poor electricity supply, insecurity, inflation, inconsistent government policy and inability to access funds for business expansion. There had been several incentives to boost manufacturing in Nigeria. However, the Sector remains highly underperforming as manufactured goods have constituted the biggest imports in Nigeria since the 1980s.

In real terms, the Trade Sector's year-on-year growth stood at 1.29% in the second quarter of 2025. This was lower than Q2 2024 and Q1 2025 by 0.53% and 0.49% respectively. Quarter-on-quarter growth stood at 4.18%. Trade's contribution to GDP was 18.28%, lower than the 18.81% it represented in the previous year and higher than the 18.21% recorded in the first quarter of 2025.

Recent monetary reforms have played a critical role in stabilizing investor confidence. The unification of the Naira exchange rate and the CBN's clearance of a \$7 billion foreign exchange backlog have been key steps. As at October 27, 2025, the Naira was trading at ₦1,452.79/\$1 in the official market and ₦1,500/\$1 in the parallel market. Portfolio inflows into Nigeria's Bond and Equity markets increased by 15% in May 2025, helping to boost domestic forex liquidity.

Foreign exchange inflows also reached a significant milestone. The CBN reported that foreign exchange inflows from domestic sources hit a six-year high, reaching \$5.96b in May 2025, a 62% surge from \$3.67b in April. Domestic sources including exporters, importers, non-bank corporate and individuals contributed 83.2% of the total, the highest score since 2019.

The Monetary Policy Committee (MPC) adopted a more accommodative stance at its latest meeting, marking the first rate cut since the COVID-19 pandemic in 2020. The Monetary Policy Rate (MPR) was reduced by 50 basis points to 27.0%, while the Cash Reserve Ratio (CRR) for deposit money banks was lowered to 45.0% from 50.0%. The asymmetric corridor was also narrowed to +250/-250bps around the MPR, while the Liquidity Ratio and CRR for merchant banks were maintained at 30.0% and 16.0%,

respectively. These measures align with recent macroeconomic trends, as inflation slowed for the sixth consecutive month to 18.02% in September 2025.

In view of high cost of inputs occasioned by spiraling energy and borrowing cost including hyper-inflation, operators are dealing with very challenging business environment. Consequently, critical success factor is dependent largely on ability of operators to pass the burden of rising cost to the consumers.

ISSUE QUALITY

- The Issuer's Investment Grade Rating.
- The historical ability of the Issuer to generate Pre-Tax Profit in the last five years (2020 - 2024).
- The Governance Structure around the Bond Issuance Programme will limit the Issuer's interference in administering Coupon and Principal payment under the Issue.
- The Bond holders have a direct obligation to them by the Issuer.

CONCLUSION

We have reviewed the documents relating to the *Issue*. The payment of obligations under the Issue is dependent on the Issuer's cashflow. In particular, attention was paid to the Governance embedded into the management of the Payment Account.

Consequently, we assigned a Rating of "A"

Signed: 
Name: Oladele Adeoye
Designation: Chief Rating Officer
Date: 29th October, 2025

For and on behalf of:
DataPro Limited
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By Marina Water Front
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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.	<i>(Superior)</i> Assigned to issuers which have superior financial strength, operating performances and profile when compared to the standards established by <i>DataPro Limited</i> . These issuers, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	<i>(Excellent)</i> Assigned to issuers which have excellent financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These issuers, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	<i>(Very Good)</i> Assigned to issuers which have very good financial strength, operating performance And profile when compared to the standards established by <i>DataPro Limited</i> . These issuers, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	<i>(Fair)</i> Assigned to issuers which have fair financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These issuers, 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	<i>(Marginal)</i> Assigned to issuers which have, marginal financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These issuers, 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	<i>(Weak)</i> Assigned to issuers which have, weak financial strength, operating performance and profile when compared to the standard established by <i>DataPro Limited</i> . These issuers, 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	<i>(Poor)</i> Assigned to issuers, which have poor financial strength, operating performance and profile when compared to the standards established <i>DataPro Limited</i> . These issuers, 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	<i>(Very Poor)</i> Assigned to issuers, which have very poor financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These issuers, 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.