KASAPREKO

(Incorporated in Ghana on 9 March 1987 with registration number C-31 575 as a private company limited by shares)
(Re-registered on 3 January 2019 with registration number CS001362019)
(Converted to a public company limited by shares on 9 June 2023)
(Issued with a certificate of incorporation and new registration number PL000290823 on 9 August 2023)

PROSPECTUS

3 November 2023

RELATING TO THE OFFER AND LISTING OF NOTES (UNDER A GHS 600,000,000 NOTE ISSUANCE PROGRAMME) ON THE GHANA FIXED INCOME MARKET OF THE GHANA STOCK EXCHANGE

JOINT LEAD ARRANGER & ESCROW AGENT

CBG CONSOLIDATED BANK GHANA

JOINT LEAD ARRANGER & SPONSORING BROKER

Databank Leadership

NOTE TRUSTEE & PAYING BANK

standard chartered

DSR ACCOUNT BANK

CBG CONSOLIDATED BANK GHANA

REPORTING ACCOUNTANT

KPMG

LEGAL ADVISERS

BENTSI-ENCHILL LETSA & ANKOMAH

CALCULATION AGENT, TRANSFER AGENT & REGISTRAR

CENTRAL SECURITIES DEPOSITORY
You invest, we protect

IMPORTANT INFORMATION AND DISCLAIMERS

THIS PROSPECTUS CONTAINS IMPORTANT INFORMATION ABOUT THE ISSUER AND THE NOTES ISSUED UNDER THIS PROGRAMME. PROSPECTIVE INVESTORS SHOULD CAREFULLY READ THIS DOCUMENT AS WELL AS CONSULT THEIR PROFESSIONAL INVESTMENT ADVISERS AND DEALERS ABOUT THE SOUNDNESS OF THEIR CHOICE TO INVEST IN THE NOTES ISSUED UNDER THIS PROGRAMME PRIOR TO MAKING A PURCHASE

Kasapreko Company PLC (the **Issuer** or the **Company**) is a public company limited by shares and incorporated under the Companies Act (as defined) and a manufacturer of alcoholic and non-alcoholic drinks.

The Issuer has established this note issuance programme to raise an aggregate amount of up to GHS 600,000,000 (the **Programme**) for the purpose set out in Section 2.3 below. Under the Programme, the Issuer may, from time to time, issue Notes (as defined) denominated in any currency as specified in an Applicable Pricing Supplement (as defined) and subject to compliance with Applicable Laws. The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed the equivalent of GHS 600,000,000.

The Applicable Pricing Supplement which pertains to the Notes of such Series (as defined) or Tranche (as defined) shall contain the final offer price, aggregate principal amount and interest (if any) payable in respect of such Notes and all other terms and conditions not contained herein which are applicable to each Series and each Tranche. Each Applicable Pricing Supplement shall be subject to the approval of the SEC (as defined).

This prospectus (the **Prospectus**) provides, among others, the terms and conditions of the Notes and the risk factors relating to the Notes and the Issuer.

The Prospectus has been reviewed and approved by the SEC in accordance with section 3 of the Securities Industry Act (as defined) and the SEC Regulations (as defined). In its review, the SEC examined the contents of this Prospectus to ensure that adequate disclosures have been made. To ascertain the financial soundness or value of the Notes, investors are advised to consult a dealer, investment adviser or other professional for appropriate advice.

Provisional approval has been obtained from the GSE (as defined) for permission to admit (for listing) and trade the Notes on the Ghana Fixed Income Market of the GSE (GFIM). Such approval is granted subject to the Issuer fulfilling all listing requirements.

A copy of this Prospectus has also been delivered to the ORC (as defined) for filing as required under section 308(6) of the Companies Act. The ORC has not checked, will not check, and accepts no responsibility for the accuracy of any statements made, the financial soundness of the Issuer or the value of the Notes.

Neither the GSE nor the ORC assumes any responsibility for the correctness of any statements made, opinions expressed or reports contained in this Prospectus. Neither the GSE nor the ORC has verified the accuracy and truth of the contents of this Prospectus or any other documents submitted to it, and the GSE and the ORC will not be liable for any claim of any kind whatsoever. Approval of the issue and/or admission to trading of the Notes by the GSE is not to be taken as an indication of the merits of the Issuer or of any issue of the Notes.

The contents of this Prospectus do not constitute, and are not to be construed as, legal, business or tax advice. Each investor should consult his/her/its own independent legal adviser, financial adviser or tax adviser for legal, financial and/or tax advice in relation to the purchase of the Notes.

Prospective investors should also pay particular attention to the factors described under Section 6 (*Risks*) in this Prospectus.

A. GENERAL INFORMATION

The Issuer accepts responsibility for the information contained in this Prospectus and the Applicable Pricing Supplement for each Tranche or Series issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts as at the date hereof and does not omit anything likely to affect the import of such information.

To the best of the knowledge and belief of the Arrangers (as defined), the Sponsoring Broker (as defined), the Note Trustee (as defined), the Reporting Accountants (as defined) and the Legal Advisers (as defined) (or any of their respective directors, Affiliates, advisers or agents), the Prospectus constitutes full and fair disclosure of all material facts about the Programme and the Issuer.

The distribution of this Prospectus and the offer or sale of the Notes in certain jurisdictions may be restricted by law. Neither the Issuer nor the Arrangers nor the Dealers (as defined) represents that this Prospectus may be lawfully distributed, or that any of the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit an offering of any of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions.

This Prospectus does not constitute an offer and may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful. The Issuer and the Arrangers accept no responsibility for any violation by any person of any such restrictions.

Before deciding whether to subscribe for the Notes, an investor should consider whether the Notes are a suitable investment. Investors should consult suitable professional advisers and rely exclusively on the information contained in this Prospectus and the Programme Documents (which have been made available to investors for inspection) when making a decision as to whether to purchase the Notes. No person is authorised to give any information or make any representation not contained in this Prospectus or any Applicable Pricing Supplement in connection with the Programme, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Arrangers.

The information contained in this Prospectus is accurate only as of the date of the Prospectus, regardless of the time of delivery of this Prospectus or any offering or sale of the Notes. In the event that this Prospectus is delivered to or comes into the possession of any investor at any time after the date hereof, it is for, and the responsibility of, the investor to ascertain whether any supplement or amendment of the information herein contained has been made or issued, or whether updated information is available. Such updated information can be obtained from the registered offices of the Issuer and the Note Trustee at all times. Reliance on this Prospectus at any time subsequent to the date hereof without reference to any such updated information subsequent to the date of the Prospectus shall be at the investor's risk.

This Prospectus is to be read in conjunction with all documents specifically stated to be incorporated or referred to herein, and should be read and understood on the basis that such other documents are incorporated in and form part of this Prospectus under Section 4 (*Programme Documents*) hereof.

All payments in respect of the Notes will be subject to deduction for, or on account of, taxes in Ghana, as described in Condition 8 of the Conditions (as defined).

B. SUPPLEMENTS TO THE PROSPECTUS

In the event of any occurrence of a significant factor after the issuance of the Prospectus or material mistake or inaccuracy relating to the information included in the Prospectus, the Issuer may prepare a supplement to this Prospectus to address such significant factor or material inaccuracy. The Issuer may also publish a new prospectus for use in connection with any subsequent issue of Notes. Such supplement or new prospectus will be subject to the approval of the SEC.

C. PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, the financial information regarding the Issuer set out in this Prospectus has been derived from the financial forecasts set out under Section 14 (*Summary of Financial Reports and Forecasts*) and Appendix A (*Reporting Accountants Report*) of this Prospectus and reviewed by the Reporting Accountants (as defined).

D. ROUNDING

Some numerical figures included in this Prospectus may have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that precede them.

E. FORWARD-LOOKING STATEMENTS

This Prospectus includes "forward-looking statements" that reflect the Issuer's intentions, beliefs or current expectations and projections about its future results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which it operates. These forward-looking statements are based on numerous assumptions regarding the Issuer's future business and the environment in which it expects to operate in the future. Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors that could cause the Issuer's actual results, operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, forward-looking statements contained in this Prospectus.

The forward-looking statements speak only as of the date of this Prospectus. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. An investor should not place undue reliance on any forward-looking statements, and are cautioned that any forward-looking statements are not guarantees of future results, performance or achievements of the Issuer.

F. TRANSACTION ADVISERS

Databank Brokerage LTD (**Databank**) is acting as the Joint Lead Arranger (as defined) and the Sponsoring Broker for the Programme. Databank consents to act in the specified capacity and to its name being stated in this Prospectus. Neither Databank nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

Consolidated Bank Ghana LTD (**CBG**) is acting as Joint Lead Arranger, Escrow Agent (as defined) and DSR Account Bank (as defined) for the Programme. CBG consents to act in the specified capacities and to its name being stated in this Prospectus. Neither CBG nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

Standard Chartered Bank Ghana PLC (**SCB**) is acting as the Note Trustee and the Paying Bank (as defined) for the Programme. SCB consents to act in the specified capacities and to its name being stated in this Prospectus. Neither SCB nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

Central Securities Depository (GH) LTD (**CSD**) is acting as Registrar (as defined), Transfer Agent (as defined) and Calculation Agent (as defined) in respect of the Programme. CSD consents to act in the specified capacities and to its name being stated in this Prospectus. Neither CSD nor any of its employees or principals has any material direct or indirect economic or financial interest in the Issuer.

KPMG is acting as Reporting Accountant to the Issuer in respect of the Programme. KPMG consents to act in the specified capacity and to its name being stated in this Prospectus and confirms that it has not withdrawn its consent to any statement or report prepared by it being included in this Prospectus (in the form and context in which it is included). As indicated above, KPMG has reviewed the financial forecasts set out under Section 14 (*Summary of Financial Reports and Forecasts*) and Appendix A (*Reporting Accountants Report*) of this Prospectus. Neither KPMG nor any of its partners, principals or employees has any material direct or indirect economic or financial interest in the Issuer.

Bentsi-Enchill, Letsa & Ankomah (**BELA**) is acting as Legal Advisers (as defined) to the Issuer in respect of the Programme. BELA consents to act in the specified capacity and to its name being stated in this Prospectus and confirms that it has not withdrawn its consent to any statement or report prepared by it being included in this Prospectus (in the form and context in which it is included). BELA has prepared the Legal Compliance Letter (as defined below) set out under Appendix B (*Legal Compliance Letter*) of this Prospectus. Neither BELA nor any of its employees or partners has any material direct or indirect economic or financial interest in the Issuer.

G. DIRECTORS' RESPONSIBILITY STATEMENT

The Issuer and the Issuer Board (as defined) accept responsibility for the information contained in this Prospectus.

This Prospectus has been reviewed and approved by the Issuer Board, who, collectively and individually, accept full responsibility for the accuracy of the information given and, after making all reasonable inquiries and to the best of their knowledge and belief, confirm that there are no facts the omission of which would make any statement in the document referred to above misleading. The financial forecast of the Issuer contained in this Prospectus has been reviewed and approved by the Issuer Board after making all reasonable inquiries.

No Director (as defined) has been involved in any of the following events: (a) a petition under bankruptcy or insolvency laws in any jurisdiction filed against such person or any partnership in which he/she is/was a partner or any corporation of which he/she is/was a director or chief executive officer (b) conviction of such person for fraud, misappropriation or breach of trust or any other similar offence and (c) such person being the subject of any order, judgement or ruling of any court of competent jurisdiction or administrative body preventing him/her from acting as an investment adviser, dealer's representative, investment representative, a director of a financial institution or engaging in any type of business or professional activity.

Neither the Directors nor the promoter of the Issuer intends to take part in the offer under the Programme. The Issuer Board warrants that no takeover offer has been made in respect of the shares of the Issuer over the past or current financial year.

Signed for and on behalf of the Issuer on 3 November 2023

Samuel Adetola	**Richard Adjei**
Chairman/Director	Director

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CORPORATE INFORMATION OF THE ISSUER

Issuer	**Kasapreko Company PLC** D.T.D Number 64, Off Spintex Road, Accra, Ghana Tel: +233(0)269-842-195 Contact: Mr. Richard Adjei Email: radjei@kasapreko.com website: www.kasapreko.com
Directors	Mr. Samuel Adetola *Chairman, Non-executive Director*) Mr. Richard Adjei (*Managing Director*) Mr. Isaac Adjei (*Executive Director*) Ms. Emelia Adjei (*Non-executive Director*) Mrs. Eunice Adjei-Bonsu (*Non-executive Director*) Dr. Kwabena Adjei (*Non-executive Director*) Dr. Kwabena Agyekum (*Non-executive Director*) Mrs. Matilda Asante-Asiedu (*Non-executive Director*) Dr. Daniel Seddoh (*Non-executive Director*)
Company Secretary	**Accra Nominees Limited** 2nd Floor Cedar House 13, Samora Machel Road, Asylum Down Accra, Ghana Tel: +233(0)244-318-141 Contact: Annie Chinbuah Email: accranominees@africaonline.com.gh
Auditors	**Ernst and Young (Ghana) Limited** 60 Rangoon Lane, Cantonments City Accra, Ghana Tel: +233(0)244-811-822 / +233(0)501-503-000 Contact: Kwadjo Yeboah / Ransford Sackey Email: kwadjo.yeboah@gh.ey.com/ ransford.sackey@gh.ey.com

CONTACT DETAILS OF THE TRANSACTION ADVISERS & PARTIES

Joint Lead Arranger & Sponsoring Broker	**Databank Brokerage LTD** 61 Barnes Road, Adabraka Accra, Ghana Tel: +23(0)302-610-610 Contacts: Armah I. J. Akotey & Godfred Yankson Email: advisory@databankgroup.com
Joint Lead Arranger, Escrow Account Bank & DSR Account Bank	**Consolidated Bank Ghana LTD** First Floor, Manet Tower 3, Airport City Accra, Ghana Tel: +233(0)302-216-000 Contact: Emmanuel Boakye Ogyem, CFA, Yvonne Oppong-Ayisi, Isaac Kwaku Mensah & Isaac Amissah Email: syndicationsandcapitalmarketsdepartment@cbg.com.gh
Note Trustee & Paying Bank	**Standard Chartered Bank Ghana PLC** Standard Chartered Bank Building 87 Independence Avenue Accra, Ghana Tel: +233(0)302-633-569 Contact: Beverly Frimpong, Xorlali Torsu, Edmund Brite-Oppong, Jerry Gavu & Amtul Jameel Siita Email: SCBondtrustee@sc.com
Legal Advisers	**Bentsi-Enchill, Letsa & Ankomah** 4 Momotse Avenue, Adabraka, Accra, Ghana Tel: +233-(0)302-208-888 Contact: Seth Asante, Frank Akowuah, Sophia Berdie, Aniela Allotey & Akua Serwaa Agyapong Email: BELAprojectcrown@bentsienchill.com
Calculation Agent, Registrar & Transfer Agent	**Central Securities Depository (GH) Limited** 4th Floor, Cedi House, Accra, Ghana Tel: +23(0)302-689-313 Contact: Kwame Addai Boa-Amponsem Email: kwame.boa-amponsem@csd.com.gh
Reporting Accountants	**KPMG** Marlin House, 13 Yiyiwa Drive, Abelemkpe Accra, Ghana Tel: +23(0)302-770-454 Contact: Nathaniel Harlley Email: nharlley@kpmg.com

DEFINITIONS

Unless inconsistent with the context or separately defined in this Prospectus or an Applicable Pricing Supplement, the following expressions used in this document and which form a key part of the Conditions, shall have the following meanings ascribed to them in this Prospectus and any Applicable Pricing Supplement of any subsequent Series or Tranches issued under this Programme:

Term	Definition
Affiliates	means, in relation to a corporate body, its subsidiary, its holding company, or any other subsidiary or holding company of its holding company, and **Affiliate** shall be construed accordingly
Agency Agreement	means the agency agreement dated on or about the date of this Prospectus entered between the Issuer, the Paying Bank, the Note Trustee, and the CSD, in relation to the Notes (and as amended, restated and/or supplemented from time to time)
AML Laws	means the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Money Laundering Regulations, 2008 (L.I. 1925) and the Anti-Terrorism Act, 2008 (Act 762) (as amended by the Anti-Terrorism Amendment Act, 2012 (Act 842) and the Anti-Terrorism Amendment Act, 2014 (Act 875) or any statutory modification or re-enactment thereof (as well as any related directives, guidelines or notices issued by the SEC)
Applicable Law	means: (a) the constitution and/or any statute, law, regulation or ordinance of Ghana; or (b) any judgment, order, determination or Consent of a Competent Authority or a directive, rule, guideline, requirement (including financial reporting requirements) or other restriction issued by a Competent Authority, that governs or applies to the Programme, the Conditions and the Notes or is (or becomes) binding on a relevant person (including the Issuer), and **Applicable Laws** shall be construed accordingly
Applicable Pricing Supplement	means the pricing supplement issued in relation to each Series or Tranche (substantially in the form set out in Appendix F (*Form of Applicable Pricing Supplement*) to this Prospectus) as a supplement to this Prospectus, giving details of that particular Series or Tranche and the Conditions applicable to each Note in that Series or Tranche in so far as such terms and conditions are different from these Conditions
Arrangers	means the Joint Lead Arrangers which are acting as arrangers and/or managers for the Programme, and **Arranger** shall be construed accordingly
Auditors	means Ernst & Young, Chartered Accountants, the statutory auditors of the Issuer as at the date of the Prospectus
BELA	means Bentsi-Enchill, Letsa & Ankomah, a firm of legal practitioners licensed by the General Legal Council of Ghana and operating in Ghana
Book Closure Period	means 3 Business Days prior to each date upon which a payment of Interest, Instalment Amount or Principal Amount is due, as set out in the Applicable Pricing Supplement
Broken Amount	means the amount of any initial or final Interest which does not correspond to the Fixed Coupon Amount and the Interest Payment Dates to which they relate, calculated in respect of a Fixed Rate Note, as provided for by the Applicable

Term	Definition
	Pricing Supplement
Business Day	means a day (other than a Saturday or Sunday or official public holiday) on which banks, the GSE and the CSD are open for general business in Ghana, and **Business Days** shall be construed accordingly
Business Day Convention	means each of the Floating Rate Business Day Convention, the Following Business Day Convention, the Modified Following Business Day Convention and the Preceding Business Day Convention, which may be applicable to the calculation of interest and, if applicable, as set out in the Applicable Pricing Supplement
Calculation Agent	(unless otherwise set out in an Applicable Pricing Supplement) means the CSD
Call Option	means the call option on the Notes, which may be provided to the Issuer and exercised in accordance with Condition 6.4 of the Conditions, and as set out in the Applicable Pricing Supplement
Central Securities Depository or CSD	means the Central Securities Depository (GH) LTD, a private company limited by shares and duly incorporated under laws of Ghana (or its nominee) operating as a central securities depository where the Noteholders will be credited with the Notes, or any additional or alternate depository approved by the Issuer
Companies Act	means the Companies Act of Ghana, 2019 (Act 992) or any statutory modification or re-enactment thereof
Competent Authority	means: (a) any national or local governmental department, commission, board, bureau, agency, stock exchange, authority or instrumentality of a jurisdiction (or any political subdivision thereof) applicable to the relevant person or its operations, as applicable; or (b) any person exercising executive, legislative, judicial, arbitral, regulatory or central bank (or any person that exercises the functions of the central bank) or administrative functions of (or pertaining to) any of the entities listed under (a) above, having jurisdiction over the relevant person;
Conditions	means the terms and conditions set out under Section 11 (*Conditions*) and in accordance with which Notes shall be issued in terms of the Programme, which terms and conditions may be amended by an Applicable Pricing Supplement
Consent	means any registration, declaration, filing, consent, licence, right, approval, permit, certificate, authorisation, and/or mandate (or any waiver or exemption thereof) obtained from, or provided by, a Competent Authority, whether granted by means of an explicit act or due to the absence of an answer within a defined time limit
Currency	means GHS or any foreign currency as may be specified in the Applicable Pricing Supplement. The primary currency of the Notes shall be GHS. The Issuer may, however, issue Notes denominated in any foreign currency subject to the receipt of all necessary regulatory approvals from the Bank of Ghana and compliance with conditions under the foreign exchange laws of Ghana
Day Count Fraction	has the meaning provided for in Condition 5.5.2

Term	Definition
Dealers	(unless otherwise set out in an Applicable Pricing Supplement) means the Arrangers, as well as any other dealer that may be appointed under the Programme, from time to time, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer's right to terminate the appointment of any dealer, and **Dealer** shall be construed accordingly
Debt Service Amount	means (for any DSR Funding Period) the aggregate amount, at least, equal to the next due Note Repayment
Default Interest	means the default interest, at the rate of 2% *per annum* above the relevant Interest Rate, payable by the Issuer if the whole or any part of any due Note Repayment is not paid for more than 5 Business Days from the relevant Note Repayment Date, and applicable from the relevant Note Repayment Date until the date of actual payment by the Issuer to the Trust Account
Directors	mean the directors of the Issuer from time to time, and **Director** means any of them (as applicable in the relevant context)
DSR Account	means the GHS denominated debt service reserve account set up with the DSR Account Bank in the name of the Issuer and: (a) into which shall be paid all the relevant Debt Service Amount from the Operations Account; and (b) from which transfers shall be made by the DSR Account Bank into the Trust Account in respect of Note Repayments, and which account shall be managed under the terms of the Issuer Account Agreement
DSR Account Bank	unless otherwise set out in an Applicable Pricing Supplement, means CBG which is acting as the account holding bank in respect of the DSR Account (or such other person as may be appointed in accordance with the Issuer Account Agreement)
DSR Funding Period	means each period of 120 Business Days ending on a Note Repayment Date
Early Redemption	means the early redemption of a Note prior to its due date
Early Redemption Amount	means the amount payable upon the Early Redemption of a Note
Encumbrance	means any mortgage, charge, lien, pledge, hypothecation, assignment by way of security, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor but excluding statutory preferences and any security interest arising by operation of law
EPA	means the Environmental Protection Agency of Ghana
EPA Act	means the Environmental Protection Agency Act of Ghana, 1994 (Act 490) or any statutory modification or re-enactment thereof
EPA Laws	means the EPA Act and EPA Regulations
EPA Regulations	means the Environmental Assessment Regulations of Ghana, 1999 (L.I. 1652) or any statutory modification or re-enactment thereof
Escrow Account	means each account set up with the Escrow Agent where all amounts raised from each Series or Tranche will be deposited until transferred to the Operations

Term	Definition
	Account
Escrow Account Agreement	means the escrow account agreement dated on or around the date of this Prospectus and entered between the Issuer, the Arrangers and the Escrow Agent, in relation to the Escrow Account (as amended, restated and/or supplemented from time to time)
Escrow Agent	(unless otherwise set out in an Applicable Pricing Supplement) means CBG which is acting as the account holding bank for the Escrow Account
Event of Default	means any event contemplated in Condition 17 below, and **Events of Default** shall be construed accordingly
Exercise Notice	means the formal notification by the Issuer of the exercise of a Call Option
FOS Act	means the Factories, Offices, and Shops Act, 1970 (Act 328) or any statutory modification or re-enactment thereof
FDA	means the Food and Drugs Authority of Ghana
Final Redemption	means the Final Redemption of a Note on the Maturity Date
Final Redemption Amount	means the Principal Amount of a Note payable in respect of each Note, upon Final Redemption thereof
Financial Indebtedness	means any obligation of the Issuer (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent for or in respect of: (a) Indebtedness for Borrowed Money; or (b) bonds, standby letters of credit, guarantees or other similar instruments issued in connection with the performance of contracts
Fixed Coupon Amount	means the amount of Interest in respect of a Fixed Rate Note (as set out in the Applicable Pricing Supplement)
Fixed Interest Period	means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date
Fixed Rate Notes	means Notes entitled to a fixed rate of Interest (as set out in the Applicable Pricing Supplement)
Floating Rate Notes	means Notes entitled to a floating rate of Interest (as set out in the Applicable Pricing Supplement)
Floating Rate Business Day Convention	means a Business Day Convention specified in Condition 5.2.2 below
Following Business Day Convention	means a Business Day Convention specified in Condition 5.2.2 below
Foreign Exchange Act	means the Foreign Exchange Act of Ghana, 2006 (Act 723) or any statutory modification or re-enactment thereof
GFIM	means the Ghana Fixed Income Market operated by the GSE
Ghana	means the Republic of Ghana

Term	Definition
GHS	means the Ghana Cedi, the official currency of Ghana or any successor currency
Global Note Certificate	means a certificate evidencing title to the issued Notes under the Programme and issued to the Note Trustee as nominee for the Noteholders
Government	means the government of Ghana as constituted from time to time
GNFS	means the Ghana National Fire Service
GSA	means the Ghana Standards Authority
GSE	means the Ghana Stock Exchange
IFRS	means International Financial Reporting Standards
Income Tax Act	means the Income Tax Act of Ghana, 2015 (Act 896) (as amended) or any statutory modification or re-enactment thereof
Indebtedness for Borrowed Money	means any indebtedness of the Issuer for or in respect of: (a) monies borrowed; (b) amounts raised by acceptance under any credit facility; (c) amounts raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or similar instruments; (d) amounts raised pursuant to any issue of shares of any person, which are expressed to be redeemable; (e) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with generally accepted accounting standards in the jurisdiction of incorporation of the lessee, be treated as finance or capital leases; (f) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred primarily as a means of raising finance or financing the acquisition of the relevant asset or service; and/or (g) amounts raised under any other transaction (including any forward sale or purchase agreement and the sale of receivables on a "with recourse" basis) having the commercial effect of a borrowing
Instalment Amount	means the amount of the relevant portion of the Principal Amount payable on a Note on an Instalment Date (as set out in the Applicable Pricing Supplement)
Instalment Date	means the date for the payment of an Instalment Amount (as set out in the Applicable Pricing Supplement)
Interest	means the amount of interest payable on a Note (as set out in the Applicable Pricing Supplement and Condition 5)
Interest Commencement Date	means the date that Interest shall commence to accrue or be calculated (as set out in the Applicable Pricing Supplement)
Interest Determination Date	means the date upon which Interest and the Interest Rate is calculated for a specified Interest Period and as set out in the Applicable Pricing Supplement

Term	Definition
Interest Period	means (in relation to a Tranche or Series of Notes) each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date, as specified in the Applicable Pricing Supplement
Interest Payment Date	means the date for the payment of Interest (as set out in the Applicable Pricing Supplement) or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or (in the case of the first Interest Payment Date) commencing on the Interest Commencement Date
Interest Rate	means the rate of Interest (as set out in the Applicable Pricing Supplement and Condition 5)
Issue Date	(in relation to each Tranche or Series) means the date specified as such (as set out in the Applicable Pricing Supplement)
Issue Price	means the price at which the Notes may be issued, either on a fully paid or partly paid basis (as specified in the Applicable Pricing Supplement). The price and amount to be issued under any Series or Tranche will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions
Issuer	means Kasapreko Company PLC, which is issuing the Notes under the Programme
Issuer Account Agreement	means the account agreement dated on or about the date of this Prospectus and entered into between the Issuer, the Note Trustee and the DSR Account Bank in respect of the opening and maintenance of the DSR Account (as amended, restated and/or supplemented from time to time)
Issuer Board	means the board of directors of the Issuer
Issuer Constitution	means the registered constitution of the Issuer dated 9 June 2023 (as amended from time to time)
Joint Lead Arrangers	(unless otherwise set out in an Applicable Pricing Supplement) means each of Databank and CBG, which are acting as joint lead arrangers in relation to the Programme
Joint Series Meeting	means a meeting of Noteholders of 2 or more Series affected by the subject matter of such meeting, and **Joint Series Meetings** shall be construed accordingly
Joint Tranche Meeting	means a meeting of Noteholders of 2 or more Tranches affected by the subject matter of such meeting, and **Joint Tranche Meetings** shall be construed accordingly
Last Day to Register	means 5pm on the last Business Day before the first day of a Book Closure Period
Legal Advisers	means BELA
Legal Compliance Letter	means the legal compliance letter prepared and issued by BELA in relation to compliance of the Programme with Ghanaian law requirements, and which is set out under Appendix B (*Legal Compliance Letter*)
Maturity Date	means, in respect of a Series or Tranche, the date upon which the Notes are to be finally redeemed and all amounts due on the Notes are to be repaid by the Issuer and as set out in the Applicable Pricing Supplement

Term	Definition
Maximum Interest Rate	means the maximum rate of Interest that may be payable on a Floating Rate Note, as agreed by the Issuer, Arrangers and Dealer (if any) and as set out in the Applicable Pricing Supplement
Meeting	means a meeting of Noteholders convened and held physically or electronically and which may be a Series Meeting, Tranche Meeting, Joint Series Meeting or a Joint Tranche Meeting, and **Meetings** shall be construed accordingly
Minimum Interest Rate	means the minimum rate of Interest that may be payable on a Floating Rate Note, as agreed by the Issuer, Arrangers and Dealer (if any) and as set out in the Applicable Pricing Supplement
Modified Following Business Day Convention	means a Business Day Convention specified in Condition 5.2.2 below
Note	means a Note issued under an Applicable Pricing Supplement to this Programme, and **Notes** shall be construed accordingly
Noteholders	means all holders of Notes under all Series or Tranches, from time to time, and recorded as such in the Register, and **Noteholder** shall be construed accordingly
Note Repayment	means the Interest, Instalment Amount, Redemption Amount or other amounts payable on any outstanding Notes (and as set out in the Conditions or an Applicable Pricing Supplement), and **Note Repayments** shall be construed accordingly
Note Repayment Date	means an Interest Payment Date, Instalment Date or a Redemption Date (and as set out in the Conditions or an Applicable Pricing Supplement), and **Note Repayment Dates** shall be construed accordingly
Note Trustee	means SCB (or such other person as may be appointed in accordance with the Trust Deed and specified in the Applicable Pricing Supplement as the Note Trustee) which is acting as the trustee for the Noteholders
Optional Redemption	means the redemption of a Note upon exercise of the Call Option, as specified in the Applicable Pricing Supplement
Optional Redemption Amount	means the amount payable upon exercise of the Call Option (as specified in the Applicable Pricing Supplement)
Optional Redemption Date	means the date for redemption of Notes (as specified in the Exercise Notice)
ORC	means the Office of the Registrar of Companies established pursuant to the Companies Act and which is responsible for the registration of, among others, public offer documents in accordance with the provisions of the Companies Act
Ordinary Resolution	means a resolution passed at a Series Meeting, Tranche Meeting, Joint Series Meeting or Joint Tranche Meeting (as the case may be) duly convened and held in accordance with Condition 10.1 and the Trust Deed) by the affirmative vote of, at least, 51% of the outstanding aggregate of the total Principal Amount of the relevant Tranche Notes, Series Notes or all Notes (as the case may be)
Paying Bank	(unless otherwise set out in an Applicable Pricing Supplement) means SCB, which is acting as the paying bank/agent for the Programme
Person	means any natural person, corporation, company, partnership, firm, voluntary association, joint venture, trust, unincorporated organization or any other Person

Term	Definition
	(whether acting in an individual, fiduciary or other capacity) and, where applicable, that Person's legal and personal representatives, successors and permitted assigns
Preceding Business Day Convention	means a Business Day Convention specified in Condition 5.2.2 below
Principal Amount	means the face value of the Notes
Programme	means the GHS 600,000,000 note issuance programme established by the Issuer (and as amended from time to time), under which the Issuer may, from time to time, issue Notes denominated in the Currency and having such maturity as may be set out in the Applicable Pricing Supplement
Programme Documents	means this Prospectus, each Applicable Pricing Supplement, the Trust Deed, the Agency Agreement, the Escrow Account Agreement, the Issuer Account Agreement and any other document designated as such, and **Programme Document** shall be construed accordingly
Prospectus	means this prospectus issued by the Issuer on the date stated hereon (as amended, restated and/or supplemented from time to time)
Public Health Act	means the Public Health Act of Ghana 2012 (Act 851) or any statutory modification or re-enactment thereof
Redemption	means Redemption by Instalments, Final Redemption or Early Redemption (as the case may be)
Redemption Amount	means the Instalment Amount, the Early Redemption Amount or the Final Redemption Amount (as set out in the Applicable Pricing Supplement)
Redemption by Instalments	means the redemption of a Note by instalments prior to its due date
Redemption Date	means the date upon which the Issuer undertakes a Redemption (as set out in the Applicable Pricing Supplement)
Reference Rate	means the benchmark interest rate so specified in the Applicable Pricing Supplement for each Series or Tranche of Floating Rate Notes to be issued under the Programme
Register	means the register of the Noteholders maintained by the CSD in electronic form
Registrar	(unless otherwise set out in an Applicable Pricing Supplement) means the CSD appointed as registrar for the Programme under the Agency Agreement
Relevant Time	means the time on the Interest Determination Date, (if any) specified in the Applicable Pricing Supplement for calculating the Interest Rate and Interest Payable on a Note
Reporting Accountants	means KPMG, which are acting as the reporting accountants for the Programme
SEC	means the Securities and Exchange Commission of Ghana
Securities Industry Act	means the Securities Industry Act of Ghana, 2016 (Act 929) or any statutory modification or re-enactment thereof
SEC Corporate Governance Code	means the Corporate Governance Code for Listed Companies issued by the SEC in 2020 (SEC/CD/001/10/2020)

Term	Definition
SEC Regulations	means the Securities and Exchange Commission Regulations, 2003 (L.I. 1728) or any statutory modification or re-enactment thereof
Selected Operations Account	means the GHS denominated operations account of the Issuer held with CBG and designated as "*Kasapreko Company Limited*" with account number "*1790588100001*", and which will be used to fund the DSR Account in accordance with the Issuer Account Agreement and as summarised under "*Issuer account structure*" of Section 3 (*Summary of the Programme*) below
Senior Notes	means Notes which constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and have been designated as such in the Applicable Pricing Supplement
Series	means a series of Notes having one or more Issue Dates and identical terms as to the Maturity Date, Interest and Redemption (except that, among Series, the Issue Dates, Issue Price, Interest Commencement Dates, Interest Payment Dates and amounts of the first interest payment and related matters may differ)
Series Noteholders	means all holders of Notes under a particular Series, from time to time, and recorded as such in the Register and **Series Noteholder** shall be construed accordingly
Series Notes	means the Notes under a particular Series
Series Meeting	means a meeting of Noteholders of a particular Series and **Series Meetings** shall be construed accordingly
Special Resolution	means a resolution passed at a Series Meeting, Tranche Meeting, Joint Series Meeting or a Joint Tranche Meeting (as the case may be) duly convened and held in accordance with Condition 10.1 and the Trust Deed) by the affirmative vote of, at least, 75% of the outstanding aggregate of the total Principal Amount of the relevant Tranche Notes, the relevant Series Notes or all Notes (as the case may be)
Sponsoring Broker	(unless otherwise set out in an Applicable Pricing Supplement) means Databank, which is acting as the sponsoring broker for the Programme
Standards Authority Act	means the Ghana Standards Authority Act, 2022 (Act 1078) or any statutory modification or re-enactment thereof
Standards Certification Rules	means the Ghana Standards (Certification Mark) Rules, 1970 (LI 662) or any statutory modification or re-enactment thereof
Standards Labelling Rules	means the Ghana Standards Board (Food, Drugs and Other Goods) General Labelling Rules, 1992 (LI 1541) or any statutory modification or re-enactment thereof
Standards Laws	means the Standards Authority Act, the Standards Certification Rules and the Standard Labelling Rules
Taxes	has the meaning provided for in Condition 8 below
Tranche	means a tranche of a Series which are identical in all respects (except for Issue Date, Issue Price, Tranche amount, Interest Commencement Date and amount of first Interest Payment)
Tranche Noteholders	means all holders of Notes under a particular Tranche, from time to time, and recorded as such in the Register, and **Tranche Noteholder** shall be construed accordingly

Term	Definition
Tranche Meeting	means a meeting of Noteholders of a particular Tranche, and **Tranche Meetings** shall be construed accordingly
Tranche Notes	means the Notes under a particular Tranche
Transfer Agent	unless otherwise set out in an Applicable Pricing Supplement, means the CSD, which is acting as the transfer agent for the Programme under the Agency Agreement
Transfer Form	has the meaning provided for in Condition 2.4.1
Trust Account	means the segregated cash account set up by the Paying Bank as banker for the receipt of all Note Repayment funds from the Issuer and for disbursements of all Note Repayments to the relevant Noteholders
Trust Deed	means the trust deed dated on or about the date of this Prospectus and entered into between the Issuer and the Note Trustee (as amended, restated and/or supplemented from time to time)
USD	means United States Dollars, the official currency of the United States of America
Written Resolution	means a resolution in writing signed or confirmed in writing by (or on behalf of) Series Noteholders, Tranche Noteholders or all Noteholders (as the case may be) of, at least, 75% of the outstanding aggregate of the total Principal Amount of the relevant Tranche Notes, relevant Series Notes or all Notes (as the case may be)

1. OVERVIEW OF THE TRANSACTIONS UNDER THE PROGRAMME

1.1 SUMMARY OF THE PROGRAMME

1.1.1 Establishment of the Programme

The Issuer has established the Programme to raise debt financing of up to GHS 600,000,000 for the purpose set out in Section 1.1.2 below and based on the authorisation set out under Section 2.1 (*Legal Basis for Programme*) below.

The Notes will be issued in one or more Series or Tranches by the Issuer under the Programme. The Notes will be Senior Notes and shall be either Floating Rate or Fixed Rate (as indicated in the Applicable Pricing Supplement). The Notes will be admitted to trade on GFIM or any other stock exchange as may be specified in an Applicable Pricing Supplement.

All Notes in a Series shall have the same maturity date and identical terms (except that the Issue Dates, Issue Price, Interest Commencement Date, amounts of the first Interest Payment, and related matters may be different). Notes in each Series may be issued in one or more Tranches. The terms of each Tranche (save for the Issue Date, Issue Price, Tranche amount, Interest Commencement Date and amount of first Interest Payment) shall be identical in all respects. The details applicable to each Series and Tranche will be specified in the Applicable Pricing Supplement, which shall be submitted to the SEC for approval.

1.1.2 Use of proceeds

The Issuer has entered into the Escrow Account Agreement with the Escrow Agent for the purpose of setting up and operating the Escrow Account for the deposit of all amounts raised from each Series or Tranche until the funds are transferred into the relevant operations account of the Issuer following the approval of the SEC and the satisfaction of all conditions precedent set out in the Trust Deed.

The Issuer shall utilise the proceeds from each Series or Tranche in the manner set out under Section 2.3 (*Use of Proceeds*) below.

1.1.3 Conditions of the Notes

Section 11 (*Conditions*) below contains the terms and conditions of the Notes, which are governed by Ghanaian law. The Conditions include key terms such as the status of the Notes, mechanisms for payments under the Notes, Redemption, taxation, financial covenants, Events of Default and enforcement of the Notes.

The final Issue Price, aggregate Principal Amount and Interest and any other terms and conditions not contained in the Conditions (which are applicable to any Series or Tranche) will be agreed between the Issuer, the Arrangers and, if applicable, the relevant Dealer(s) at the time of issuance in accordance with prevailing market conditions, and will be set out in the Applicable Pricing Supplement issued in respect of the Series or Tranche.

1.1.4 The Note Trustee

The Issuer has appointed the Note Trustee, under the Trust Deed, as trustee for the protection and enforcement of the rights of the Noteholders under the

Conditions. Under certain circumstances, the Note Trustee can be required (subject to it being indemnified and/or secured to its satisfaction) by a Special Resolution or a Written Resolution to exercise its powers under the Trust Deed or if so requested in writing by Noteholders holding, at least, 51% in aggregate of the Principal Amount of the relevant Tranche Notes, the relevant Series Notes or all Notes then outstanding.

1.1.5 Sale and Subscription for the Notes

Section 12 (*Subscription and Sale Information*) below sets out the details on, among others, the sale of the Notes, the application procedure and payment for the Notes, and the trading and settlement procedures for the Notes. Also see Appendix E (*Form of Application Form*).

1.1.6 Repayments under the Notes

All the payment terms of the Notes are contained in Section 11 (*Conditions*) below and the Applicable Pricing Supplement. Also see "*Repayment*" under Section 3 (*Summary of The Programme*) below.

The Paying Bank is responsible for processing and effecting all payments under the Notes in accordance with Condition 7 (*Payments*) and the terms of the Agency Agreement, which is governed by Ghanaian law. The Calculation Agent is also responsible for calculating any Interest payable under the Notes and any Interest Rate for the Floating Rate Notes in accordance with Condition 5 (*Interest*) and the terms of the Agency Agreement.

1.2 PROGRAMME DOCUMENTS

The Notes are subject to the provisions of the Programme Documents. The Noteholders are bound by, and are deemed to have knowledge of, all the provisions of the Programme Documents. Copies of all the Programme Documents will be available for inspection during usual business hours at the offices of the Note Trustee and (where possible) on the website of the Issuer at www.kasapreko.com.

2. LEGAL BASIS AND RATIONALE FOR THE PROGRAMME

2.1 LEGAL BASIS FOR THE PROGRAMME

The Programme and the admission of Notes to trading on the GFIM have been approved by the Issuer Board by a written resolution passed on 9 June2023.

The shareholders of the Issuer have also approved the Programme and the admission of Notes to trading on GFIM by written resolutions passed on 9 June 2023.

2.2 RATIONALE FOR THE PROGRAMME

The Issuer has established the Programme to raise debt financing of up to GHS 600,000,000 for the purpose set out in Section 2.3 (*Use of proceeds*) below.

2.3 USE OF PROCEEDS

Notes will be issued in Series or Tranches for the following over the duration of the Programme:

Table 1: Use of Proceeds

Use of net proceeds	Proportion of net proceeds
Pay down or refinance any indebtedness from existing obligations prior to the establishment of this Programme	33.33%
Finance working capital	25.00%
Finance capital expenditure	41.67%

The proceeds from each Series or Tranche shall be in the Escrow Accounts until all conditions precedent (set out in the Trust Deed) have been satisfied by the Issuer, whereupon the Escrow Agent shall transfer the funds into the operations account(s) of the Issuer.

2.4 PROGRAMME EXPENSES

The expenses related to the Programme are as follows:

Table 2: Estimated Programme Expenses

No.	Item	Amount in GHS	% of Programme
1	*Advisory fees*		
1.1	Arrangers' fee	11,400,000	1.900
1.2	Reporting Accountant fee	200,000	0.033
1.3	Legal Advisers' fee	600,000	0.100
1.4	Note trustee fee	20,000	0.003
	Sub-total	**12,220,000**	**2.036**
2	*Regulatory fees*		
2.1	SEC application fee	348,000	0.058
2.2	GSE application fee	60,000	0.010
	Sub-total	**408,000**	**0.068**
3	*Other costs*		
3.1	Roadshow, printing & miscellaneous	120,000	0.020
	Sub-total	**120,000**	**0.020**
	GRAND TOTAL	**12,748,000**	**2.124**

3. SUMMARY OF THE PROGRAMME

The following is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any particular Series or Tranche under an Applicable Pricing Supplement:

Matter	Summary description
Issuer	Kasapreko Company PLC, a manufacturer of alcoholic and non-alcoholic drinks, which is issuing the Notes under the Programme. The Issuer is a public company limited by shares with company registration number PL000290823
Use of proceeds	The Issuer shall use the net proceeds from any Series or Tranche in the manner set out under Section 2.3 (*Use of Proceeds*) above
Risk factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme. These are set out under Section 6 (*Risks*) below and include risks related to the Issuer, its business and the Ghanaian economy
Programme size	Up to GHS 600,000,000 aggregate Principal Amount of Notes outstanding at any one time. The Issuer may increase this aggregate nominal amount of the Notes that may be issued under this Programme, subject to the approval of the SEC Subject to any Applicable Laws and the relevant corporate approvals, the Issuer may, without consent of the Noteholders, increase the aggregate nominal amount of the Notes that may be issued under the Programme by issuing a supplementary prospectus thereof to holders in accordance with the Conditions Upon the issuance of such a supplementary prospectus, all references in the Prospectus or any other agreement, deed or document in relation to the Programme to the aggregate amount of the Notes, shall be and shall be deemed to be references to the increased aggregate nominal amount
Note proceeds flow structure	The flow of funds in relation to any Series or Tranche will be as follows: (i) Noteholders pay the relevant consideration for the Notes into the Escrow Account and the CSD credits the relevant amount of Notes to the CSD accounts of the relevant Noteholders (ii) after all conditions precedent to disbursement (set out under the Trust Deed) have been met by the Issuer and the SEC has approved the release of funds in the Escrow Account, the funds in the Escrow Account will (on the instructions of the Issuer) be transferred to an operations account of the Issuer
Issuer Account structure	As long as any of the Notes remains outstanding, the Issuer shall keep and maintain the DSR Account in accordance with the Issuer Account Agreement. The summary of the flows into (and from) the DSR Account is as follows: (i) during the DSR Funding Period, the DSR Account will be funded from the Selected Operations Account to satisfy the relevant Debt Service Amount, and (unless otherwise indicated in an Applicable Pricing Supplement) in the following manner: (A) **by the 20th Business Day of the DSR Funding Period** – an amount equal to the aggregate of the first instalment of the Debt Service Amount, comprising at least 10% of the relevant Interest, 20% of

Matter	Summary description
	the relevant Instalment Amount, and 20% of any other amounts under the next due relevant Note Repayment (B) **by the 40th Business Day of the DSR Funding Period** – an amount equal to the aggregate of the second instalment of the Debt Service Amount, comprising at least 10% of the Interest, 20% of the relevant Instalment Amount, and 20% of any other amounts under the next due relevant Note Repayment (C) **by the 60th Business Day of the DSR Funding Period** – an amount equal to the aggregate of the third instalment of the Debt Service Amount, comprising at least 20% of the relevant Interest, 20% of the relevant Instalment Amount, and 20% of any other amounts under the next due relevant Note Repayment (D) **by the 80th Business Day of the DSR Funding Period** – an amount equal to the aggregate of the fourth instalment of the Debt Service Amount, comprising at least 30% of the relevant Interest 20% of the relevant Instalment Amount, and 20% of any other amounts under the next due relevant Note Repayment (E) **by the 100th Business Day of the DSR Funding Period** – an amount equal to the aggregate of the fifth instalment of the Debt Service Amount, comprising at least 30% of the relevant Interest, 20% of the relevant Instalment Amount, and 20% of any other amounts under the next due relevant Note Repayment the credit balance of the DSR Account shall include interest (charged and credited in accordance with the Issuer Account Agreement) on the funds in the account (ii) by the 5th Business Day before any Note Repayment Date, funds in the DSR Account (equivalent to the relevant Debt Service Amount) will be transferred to the Trust Account for onward payments by the Paying Bank to Noteholders in respect of due Note Repayments. See "*Repayments*" below
Repayments	(i) Note Repayments will be made on the relevant Note Repayment Dates (ii) The disbursements for Note Repayments will be made from the DSR Account by the DSR Account Bank to the Trust Account by the 5th Business Day before any Note Repayment Date. The Paying Bank will then make onward disbursements to Noteholders in accordance with Condition 7 (*Payments*)
Issue Price	Notes may be issued at an issue price on a fully paid basis or discounted basis as specified in the Applicable Pricing Supplement. The price and amount to be issued by the Issuer, at any time, will be determined by the Issuer and the relevant transaction parties at the time of issue in accordance with prevailing market conditions at time of issue
Currency of Notes	GHS or any foreign currency as may be specified in the Applicable Pricing Supplement. The primary currency of the Notes shall be GHS. The Issuer may, however, issue Notes denominated in any foreign currency subject to the receipt of all necessary regulatory approvals from the Bank of Ghana and compliance with conditions under the foreign exchange laws of Ghana Each Series or Tranche denominated in a currency subject to certain Applicable Laws will only be issued in circumstances which comply with such Applicable Laws from time to time

Matter	Summary description
Denomination of Notes	The Notes may be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the Applicable Pricing Supplement or such other minimum denomination of each as may be allowed or required from time to time by the SEC or any Applicable Laws
Status of Notes	The Notes may be Senior Notes and may be either Fixed Rate Notes or Floating Rate Notes (as indicated in the Applicable Pricing Supplement). See Condition 3 of the Conditions
Fixed Rate Notes	Fixed interest will be payable on such date or dates as specified in the Applicable Pricing Supplement and, on Redemption, and will be calculated on the basis of such Day Count Fraction as specified in the Applicable Pricing Supplement
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined on the basis of a Reference Rate or benchmark and as adjusted for any applicable margin, or as may be agreed among the Issuer, the Arrangers and the relevant parties and specified in the Applicable Pricing Supplement The margin (if any) relating to such floating rate will be specified in the Applicable Pricing Supplement for each Series or Tranche of Floating Rate Notes. Floating Rate Notes may also have a Maximum Interest Rate, a Minimum Interest Rate or both Interest on Floating Rate Notes in respect of each Interest Period will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as specified in the Applicable Pricing Supplement
Form and delivery of Notes	The Notes shall be in registered form and held electronically on the Central Securities Depository
Register	The Register will be maintained electronically in a book-entry form on the Central Securities Depository system The Register will be held and updated by the CSD, which shall record each Series and Tranche, the number of Notes in each Series and Tranche held by each Noteholder and the names and addresses and bank account details of each Noteholder
Distribution of Notes	Subject to Applicable Laws, the Notes will be distributed by way of private placement or public offer and, in each case, on a syndicated or non-syndicated basis
Selling restrictions	The Notes will be marketed and sold in Ghana. Notes that may be marketed and/or sold outside of Ghana will be specified in the Applicable Pricing Supplement and the Issuer and the Dealers shall comply with the Applicable Laws. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of offering material, see Section 12 (*Subscription and Sale Information*) below
Admission to GFIM	Notes issued under the Programme will be admitted to trading on the GFIM Trading in the Notes is subject to the trading, clearing and settlement rules and procedures of the GFIM
Rating	The Notes have not been rated. Details of any subsequent ratings applicable to a particular Series or Tranche will be set out in the Applicable Pricing Supplement Credit ratings assigned to Notes do not necessarily mean that the Notes are a suitable investment. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any

Matter	Summary description
	time by the rating agency. Similar ratings on different types of Notes do not necessarily mean the same thing. The ratings do not address the marketability of any Notes or any market price. Any change in the credit ratings of Notes or the Issuer, could adversely affect the prices that a subsequent purchaser will be willing to pay for the Notes. The significance of each rating should be analysed independently from any other rating
Negative pledge	See Condition 4 of the Conditions
Book Closure Period	The Register will be closed 3 Business Days prior to each Interest Payment Date each year until the Redemption Date or for such other periods as the Issuer may determine, subject to the prior approval of the SEC
Last day to register	5pm on the last Business Day before the first day of a Book Closure Period
Interest Payment Date	The date of payment of interest on a Note (as set out in the Applicable Pricing Supplement)
Interest Periods	May be monthly, quarterly, semi-annually or such other periods deemed appropriate and as set out in Applicable Pricing Supplement
Interest Rates	This will be as indicated in the Applicable Pricing Supplement
Redemption	The Notes shall be subject to Early Redemption or Optional Redemption and, as stated in the Applicable Pricing Supplement, be redeemed in whole or in part, at the Principal Amount thereof plus accrued Interest, if any, at the relevant Maturity Date
Taxation	The Issuer is a Ghana resident for tax purposes. All payments of Principal Amounts, Instalment Amounts, and Interest in respect of the Notes will be made in compliance with income tax laws of Ghana. Currently, the Issuer is required by the Income Tax Act to withhold tax at the rate of 8% on all interest payments to Noteholders, except where the Noteholders are exempted by Applicable Law. Noteholders are advised to seek professional tax advice concerning their specific tax obligations relating to investing in the Notes
Events of Default	Events of Default in respect of the Notes include, but are not limited to, the events set out in Condition 17 of the Conditions
Maturity	The maturity of the Notes shall be specified in the Applicable Pricing Supplement in accordance with such minimum or maximum maturities as may be allowed or required from time to time by the SEC (or equivalent body) or any Applicable Laws
Programme expiry	The Programme will expire 5 years from the date of this Prospectus. All Notes issued prior to the expiry of the Programme will be valid and remain contractual obligations of the Issuer after expiration
Note Trustee	SCB
DSR Account Bank	CBG
Escrow Agent	CBG
Paying Bank	SCB
Calculation Agent	CSD
Costs and expenses of the Programme	The total cost and expense of the Programme is not expected to exceed 5% of the total proceeds of the Notes. The cost of the Programme is summarised under Section 2.4 (*Programme Expenses*) above

4. PROGRAMME DOCUMENTS

4.1 INCORPORATED DOCUMENTS

The following documents are incorporated by reference and form part of the Prospectus. The content of these documents shall, where appropriate, modify and supersede the contents of this Prospectus:

(a) all supplements to the Prospectus circulated by the Issuer from time to time;

(b) the Trust Deed;

(c) the Agency Agreement;

(d) the Escrow Account Agreement;

(e) the Issuer Account Agreement;

(f) each Applicable Pricing Supplement relating to any Series or Tranche issued under this Prospectus;

(g) the Reporting Accountant's report; and

(h) the audited annual financial statements (and notes thereto) of the Issuer and any interim quarterly financial statements (whether audited or unaudited) of the Issuer.

4.2 DOCUMENTS AVAILABLE FOR INSPECTION

As long as any Notes are outstanding, certified copies of the following documents will be available for inspection by Noteholders, on request, at the principal place of business of the Issuer or the offices of the Note Trustee on Business Days and during normal business hours:

(a) the certificate of incorporation of the Issuer;

(b) the Issuer Constitution;

(c) the board and shareholder resolutions of the Issuer approving the Programme;

(d) the Prospectus;

(e) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements of the Issuer, together with any audit or review reports prepared in connection therewith;

(f) the Legal Compliance Letter;

(g) the Global Note Certificate for each Series or Tranche held by the Note Trustee on behalf of Noteholders; and/or

(h) any document listed under Section 4.1 (*Incorporated Documents*) above.

5. FORM OF THE NOTES

The details of the form of the Notes shall be as follows:

(a) the Notes shall be held electronically on the CSD;

(b) all Noteholders will be required to open and maintain CSD accounts prior to a purchase under this Programme, if they do not own one already, to which all purchases will be credited upon allotment;

(c) the Register will be maintained electronically in book-entry form on the CSD and no certificates will be issued to individual Noteholders;

(d) the CSD shall maintain a Register, which shows a record of Noteholders' respective electronic book entries in the CSD system, the particulars of Noteholders and their respective holdings;

(e) entry on the Register shall represent proof of ownership of the rights in a Note;

(f) the Issuer shall issue a single Global Note Certificate to the Note Trustee (in respect of each Series or Tranche), who will hold the Global Note Certificate as a nominee for the Noteholders; and

(g) if Notes are transferred subsequent to issue, rights of ownership will be transferred *via* entries in the Register, per the CSD securities transfer rules.

6. RISKS

Prior to making an investment decision, prospective purchasers of the Notes should carefully consider (in consultation with relevant advisors), along with the information referred to in this Prospectus, the following risk factors (which are not meant to be exhaustive) associated with an investment in Ghana, the Issuer and the Notes.

6.1 RISKS RELATING TO GHANA

6.1.1 Economic instability risk

Ghana, as an emerging economy, is subject to constant macroeconomic instabilities occasioned by both internal and exogenous factors. Due to the lingering adverse effects of the COVID-19 pandemic, high depreciation of the GHS and also fallouts from the Russia-Ukraine war, the sustainability of Ghana's public debt has been immensely affected. Despite the heightened debt levels, the Government remains committed to ensuring that public debt is brought to sustainable levels over the medium to long-term and is implementing a domestic debt exchange programme to address these challenges. Investors in the Notes should be cognisant of the potential impact of adverse changes in the macroeconomic framework that may negatively impact the operations of the Issuer, adversely affecting the Issuer's ability to meet its obligations to the Noteholders.

6.1.2 Political instability risk

There have been several peaceful and uneventful changes of government since 1992 when the country adopted multi-party democracy as a system of government. Ghana's democratic institutions have also been strengthened through each turnover of political administration, resulting in a more mature democracy. That notwithstanding, any significant adverse changes in policies or policy continuity, (including a rejection or reversal of reform policies favouring privatisation, industrial restructuring, administrative and regulatory reform and economic management reforms) may have negative effects on the economy, and potentially impact the Issuer's ability to meet its obligations to the Noteholders.

6.1.3 High commodity dependence risk

Ghana commenced commercial crude oil production from the Jubilee field in 2011. Since then, there has been an increase in the contribution of crude oil and gas to Ghana's export earnings, fiscal budget and GDP. The growing volume of crude oil output (together with the uptick in oil prices) has augmented trade receipts from cocoa and gold exports to yield trade surplus for the third consecutive year in 2021, although at a diminishing rate. While the Ghanaian economy is relatively diversified, its foreign exchange earning potential is largely dependent on 3 major export commodities, namely gold, cocoa and crude Oil. As at October 2022, gold, crude oil and cocoa accounted for 82% of Ghana's trade receipts. These commodities are, however, highly susceptible to extreme volatility from external market dynamics, geopolitics, global growth conditions and weather dynamics particularly in the case of cocoa. Ghana's external sector is thus highly vulnerable to commodity price and output shocks with potential exchange rate risks to any offshore Noteholders.

6.1.4 Budget fiscal risk

Ghana is facing elevated fiscal risks given the budget rigidities, potential increase in spending ahead of the 2024 general elections and the loss of access to international capital markets. Ghana's domestic revenue performance remains sluggish when compared to its peers, with tax revenue accounting for 12.6% of GDP in 2022. The Government announced some expenditure cutting measures in the 2023 national budget, including a 30% cut in budgeted discretionary expenditures and salaries of the President and his cabinet. These measures, together with the proposed Domestic Debt Exchange Programme (**DDEP**) are expected to help curb the current budget deficit (7.4% of GDP vs a projected budget deficit of 6.2% in 2022) and restore macroeconomic stability. However, there is an inherent fiscal risk that does not go away with these measures and the deteriorating key macroeconomic indicators are likely to negatively impact market conditions, adversely affecting the Issuer's ability to meet its obligations to the Noteholders.

6.2 RISKS RELATING TO THE ISSUER

6.2.1 Cost inflation risk

The Issuer's operations are subject to market prices of its inputs which are subject to inflation over time and changes in the tariffs of utilities such as electricity and water as approved by the Public Utilities Regulatory Commission. These costs may increase over time due to price inflation and erode the Issuer's profitability. Significant cost inflation coupled with a failure by the Issuer to reasonably forecast such inflation may adversely affect the Issuer's financial condition.

Through other industry associations, the Issuer engages the regulatory bodies through advocacy on tariff adjustments and their impact on business operations. As much as practicable, cost inflation which increases the cost of production, is shared with or transferred to customers through price increases to reduce the negative impact on the Issuer's profitability. The Issuer also implements material sourcing, planning and supplier engagement strategies to minimise the negative impact of price increases on the business.

6.2.2 Foreign exchange risk/depreciation of the GHS risk

The marked depreciation of the GHS against the major foreign currencies impacts production costs, given that some of the raw materials used in manufacturing the Issuer's products are imported. This could be aggravated by the accessibility or availability of foreign currency to pay suppliers on the agreed terms.

Nonetheless, the Issuer can minimise the impact of forex risk on its operations, utilising solutions with its banks and multiple suppliers in the global supply chain. In addition, the Issuer makes a deliberate effort to source some of the inputs of its manufacturing process domestically.

6.2.3 Consumer preference change risk

Consumers' tastes and preferences change rapidly. The Issuer continually researches to keep up with these changes to meet market expectations. The Issuer evaluates its brand portfolio to ensure it aligns with the consumption patterns of the market. If the Issuer fails to research and promptly identify changes in consumption patterns, it can result in a decline in market share, lower growth rates, and reduced profitability. This, in turn, can affect the Issuer's ability to fulfil its financial obligations.

The Issuer introduces strategic brands and pack sizes to address any gaps in their portfolio caused by changing consumer preferences. It also enhances brand awareness for important brands in its portfolio through strategic communications.

6.2.4 Loss of supplier risk

The Issuer relies on third-party suppliers who are important to its business operations. Any disruptions or adverse events that impact the Issuer's relationship with major suppliers could negatively impact its business operations and overall strategy. If any of these vital relationships are terminated, or a key supplier fails to deliver essential services or equipment, and the Issuer cannot secure suitable alternative arrangements on time or reasonable terms, it may face considerable additional costs or be unable to provide certain services to its customers. Consequently, this could affect the Issuer’s business, financial condition, operating results, and prospects.

To mitigate these risks, the Issuer actively maintains good relationships with its major suppliers, ensuring their compliance with contractual terms and other conditions. Additionally, the Issuer is working on developing alternative suppliers, both locally and internationally, as part of its business continuity measures. Further, the Issuer invests in capacity building for its suppliers to support them in delivering the necessary goods and services to operate smoothly.

6.2.5 Licensing regime risk

Competent Authorities such as the Foods and Drugs Authority and Ghana Standards Authority regulate the Issuer’s operations. Changes to the Issuer’s regulatory compliance regime may adversely affect the Issuer’s business. If the Issuer’s Consents are revoked or suspended, this would adversely affect the Issuer’s business and financial condition or operating results.

To mitigate this risk, the Issuer conducts regular assessments of relevant legal and regulatory requirements, documenting them in a legal register. This register is continuously tracked and monitored to ensure complete compliance.

6.2.6 Changes in tax law and interpretation risk

The Issuer is liable to pay taxes under Ghanaian tax law. If the Government raises tax rates or imposes new taxes, it would negatively impact the Issuer's profitability. Changes or interpretations of tax legislation could also affect the Issuer's financial conditions and operating results in the future. For instance, the approved increases and introduction of new excise duties on certain goods manufactured by the Issuer, and the 5% Growth and Sustainability Levy, will lead to higher operational costs and negatively impact the Issuer's profitability. To mitigate this risk, the Issuer proactively implements tax planning measures with the guidance of its tax advisers.

6.2.7 Litigation risk

The Issuer faces risks associated with litigation and regulatory proceedings that may arise in the future. Litigation and regulatory proceedings involving the Issuer can negatively impact its reputation. Additionally, these proceedings are inherently unpredictable, and any legal or regulatory cases the Issuer becomes involved in (or the settlement thereof) could significantly affect its business, financial condition, operating results, and prospects.

The Issuer prioritises compliance with legal and regulatory requirements to prevent sanctions and legal disputes. This is achieved through meticulous tracking in a legal register, which includes monitoring aspects such as product quality and labour-related issues. The Issuer seeks legal counsel when necessary and takes proactive measures to address potential liabilities arising from litigation or regulatory proceedings by making appropriate provisions.

6.2.8 Labour unrest or agitation risk

Prolonged staff agitation or unrest could negatively impact the operations or production of the Issuer, leading to unfavourable financial performance. This risk is considered low given the Issuer implements a policy to ensure staff welfare and productivity and continuous engagement with unionised and non-unionised staff.

6.2.9 Accounts receivable/counterparty credit risk

The Issuer's business strategy involves providing products to customers or key distributors on credit, which entails assuming accounts receivable risk. However, the Issuer's ability to evaluate the creditworthiness of its key distributors and customers is crucial to maintaining a healthy liquidity position. If the Issuer fails to adequately assess creditworthiness and customers delay or default on payments due to liquidity challenges, the business may struggle to recover the outstanding amounts. This may have a negative impact on the Issuer's cash flow and profitability.

To mitigate these risks, the Issuer has implemented a robust credit policy that effectively assesses and manages credit risk across all customer categories. There is continuous monitoring and follow-up on customers' receivable balances, along with a comprehensive system for monitoring and validation. In the event of overdue customer balances, appropriate actions, including legal measures, are taken to address the situation.

6.2.10 Interest rate risk

The Issuer's borrowings primarily have floating interest rates, which expose it to interest rate risk caused by fluctuations in the underlying reference rates of this debt. As a result, if there is an increase in these reference rates, it will lead to higher interest expenses for the Issuer. This, in turn, may have a negative effect on the Issuer's financial condition, operating results, and prospects. The Issuer is actively exploring various refinancing options to reduce its finance costs and mitigate the risks associated with interest rate fluctuations. By doing so, the Issuer aims to minimise the potential impact on its operating results.

6.2.11 Changes in technology and cybersecurity risk

The industry in which the Issuer operates is experiencing rapid evolution. To meet customers' increasing needs, any player in the industry must continuously upgrade its production processes. Failure to adapt to technological changes can result in losing business and market share to competitors. Furthermore, delays in implementing technological changes to the Issuer's production processes can result in suboptimal efficiency levels and negatively impact its operating results. Furthermore, like any other business, the Issuer has exposure to cybersecurity risks that can disrupt its operations and negatively affect its performance. The Issuer is committed to investing in modern equipment and technology to ensure the production process achieves high quality and efficiency standards. This strategic investment enables the Issuer to effectively meet customer demands and preferences, increasing its market share and profitability.

In terms of cybersecurity risk management, the Issuer has implemented various safeguards. These measures include a real-time data backup and recovery system, regular updates of system applications and software, a robust firewall, and a unified threat management (UTM) system equipped with intrusion detection and prevention capabilities. Additionally, the Issuer prioritises regular cybersecurity awareness training for its employees to enhance their knowledge and vigilance in maintaining a secure operating environment.

6.2.12 Ban on importation risk

The Government can impose restrictions or ban the importation of inputs required by the Issuer for its manufacturing processes, with the aim of protecting local producers. Local input producers are constantly agitating and pushing Government to have such legislation in place and this could materialise. Such legislation when implemented can have material adverse effect on the operational condition, financial, and business results of the Issuer and may affect the issuer’s ability to meet its obligations. The Issuer is aware of this potential risk and is therefore constantly engaging in research and development to find alternatives or substitutes to identified imported inputs associated with this risk to mitigate it.

6.3 RISKS RELATING TO THE MARKET

6.3.1 Secondary market risk

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rates, currency or market risks and are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

6.3.2 Market price risk

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer’s operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes. In addition, in recent years, the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer’s results of operations or financial condition.

6.3.3 Emerging markets risk

The market price of the Notes is influenced by economic and market conditions in Ghana and, to a varying degree, economic and market conditions in both emerging market countries and more developed economies, including those in the EU and the

United States. Financial turmoil in Ghana and emerging markets in the past have adversely affected market prices in the world's securities markets for companies that operate in developing economies. Even if the Ghanaian economy remains relatively stable, financial turmoil in these countries could have a material adverse effect on the market price of the Notes.

6.3.4 Exchange rate and exchange control risk

The Issuer will pay the Principal Amount and Interest in GHS. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the GHS. These include the risk that exchange rates may significantly change (including changes due to a devaluation of the Currency or a revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal. An investor may also not be able to convert (at a reasonable exchange rate or at all) amounts received in the Currency into the Investor's Currency, which could have a material adverse effect on the market value of the Notes. There may also be tax consequences for investors.

6.3.5 Interest rate and Fixed Rate Notes risk

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes. Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

6.4 RISKS RELATING TO THE NOTES

6.4.1 Note suitability risk

The investment activities of certain investors may be subject to investment laws and/or regulations or review or approval by certain authorities. Each potential investor should, therefore, consult its legal advisers to determine whether (and to what extent) the Notes are legal investments for it, can be used as collateral for borrowing and/or have any restrictions on their purchase or pledge. Investors which are financial institutions should also consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

6.4.2 **Note redemption risk**

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes will generally not rise substantially above the price at which those Notes can be redeemed. This may similarly be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

6.4.3 **Unsecured Notes risk**

The Issuer's obligations under the Senior Notes constitute unsecured obligations of the Issuer. Accordingly, any claims against the Issuer under the Notes would be unsecured claims. The ability of the Issuer to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and the Issuer's ability to generate other asset cash flows.

6.4.4 **Amendment risk**

The Conditions contain provisions for calling Series Meetings, Tranche Meetings, Joint Tranche Meetings or Joint Series Meetings to consider matters affecting the interests generally of Series Noteholders, Tranche Noteholders or all Noteholders, including material changes to the Conditions and the waiver of, or the rescission of, any acceleration following an Event of Default. These provisions permit defined majorities to bind either Series Noteholders, Tranche Noteholders or all Noteholders (including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the majority). As a result, such binding decisions made by majorities of either Series Noteholders, Tranche Noteholders or all Noteholders may be adverse to the interests of potential investors.

6.4.5 **Change in Applicable Law risk**

The Conditions are based on Ghanaian law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Ghanaian law or administrative practice after the date of this Prospectus and any such change could have a material adverse effect on the value of any Notes affected by it.

6.4.6 **Further Note issuance risk**

The Issuer may, from time to time, create and issue further Notes without the consent of Noteholders, subject to terms and conditions which are the same as those of existing Notes, or the same except for the amount of the first new payment of interest. Such new Notes may be consolidated and form a single series with outstanding Notes.

7. OVERVIEW OF GHANAIAN ECONOMY

7.1 GENERAL OVERVIEW[1]

Ghana (with a Gross Domestic Product (**GDP**) of GHS 610.22 billion (USD 71.24 billion) in 2022) is the second largest economy in West Africa. Ghana's economy has enjoyed an impressive average growth rate of 4.2% from 2014 to 2022, reaching a peak of 8.1% in 2017. However, the provisional overall real GDP growth for 2022 is estimated at 3.1%, significantly below the 5.1% post-COVID growth in 2021, due to a challenging macro-climate. Since December 2010, the discovery of oil and gas and the resultant extraction have significantly improved Ghana's growth prospects, making the country attractive to foreign direct investment. Despite the positive outturn in recent years, Ghana's growth has been less inclusive, resulting in higher inequality and slower poverty reduction. The country has a youthful population of 34.1 million, of which 56.7% reside in urban areas, with a median age of approximately 22 years. Ghana has made progress with poverty alleviation over the past decade. It has attained the status of a lower middle-income country, with a Gross National Income (GNI) per capita of USD 1,961.57 in 2022.

The Ghanaian economy heavily relies on informal agriculture and natural resources for exports, which leads to limited value addition. The informal sector employs around 71.3% of the country's workforce and contributes 25.7% of Ghana's GDP. However, the extractive sector has slowed down the rate of poverty reduction, generating fewer local jobs and being mainly foreign-owned and capital-intensive. The Government aims to transform the economy by focusing on human capital development, economic diversification, and industrialisation to create jobs, promote shared growth, and protect the economically vulnerable. Despite these efforts, the Ghanaian economy remains vulnerable to internal and external shocks, such as high fiscal and current account deficits, inflation, commodity price fluctuations, disruptions in crude oil production and export, geopolitical conflicts, and global health pandemics like COVID-19.

Ghana's economic growth has experienced several challenges in the past decade, including the COVID-19 pandemic, high inflation, public debt, currency volatility, fiscal deficits, and an energy crisis. Despite this, the country has made significant progress, with real GDP growth recovering strongly to 8.1% in 2017, driven by growth in the industrial sector. Although the emergence of the COVID-19 pandemic slowed economic growth to 0.5% in 2020, the Ghanaian economy commenced a recovery in 2021 with real GDP growth of 5.4%.

To address macroeconomic instability and slowing growth rates, the Government sought assistance from the International Monetary Fund (**IMF**) in 2014. The IMF approved a 3-year technical and financial support programme in 2015, valued at SDR 664.2 million, to achieve a front-loaded fiscal adjustment and strengthen public financial management, fiscal discipline, and financial sector stability. Despite challenges such as an unanticipated shortfall in petroleum revenue and election-related spending in 2016, a renewed commitment to fiscal discipline resulted in a 1-year extension of the programme. The IMF programme yielded significant fiscal and monetary policy reforms, such as the Public Financial Management Act and Fiscal Responsibility Act, which established a Fiscal Council and a Financial Stability Council.

[1] 2023 Budget Statement and Economic Policy, Ghana Statistical Services GDP report (2013-2021), Bank of Ghana: Summary of Economic and Financial Data (March 2022).

Through the IMF's technical assistance programme from 2015 to 2019, the Bank of Ghana initiated extensive reforms in the financial sector to maintain stability. These reforms included increasing the minimum capital requirement for universal banks, implementing corporate governance structures, resolving and revoking licenses of non-operational financial institutions, and implementing the Basel II/III framework to enhance credit risk management frameworks. Thanks to improved fiscal and monetary management, Ghana made significant strides in its macroeconomic environment since 2017. The Government implemented several policies to boost growth in the agriculture and industrial sectors, such as the '1 District 1 Factory' (1D1F) and 'Planting for Food and Jobs' (PFJ) programmes. These initiatives have revitalised agriculture productivity and linked it to industrial zones, resulting in a value-added economy. The 1D1F programme successfully established at least one factory or enterprise in each district in Ghana, owned and managed by private investors and entrepreneurs. This led to a decline in inflation from 15.4% in December 2016 to 7.8% in the first quarter of 2020, within the Bank of Ghana's target range of 8% ± 2%.

Although new taxes were introduced in 2021 and 2022 to address the fiscal imbalance caused by the COVID-19 pandemic, the financial sector clean-up cost, and the energy sector bailout, Ghana remains committed to consolidating its macroeconomic gains and enhancing its development agenda. The country's progress in transforming agriculture and industry, revamping economic and social infrastructure, strengthening social protection and inclusion, and reforming public institutions is a testament to its resilience and determination. Ghana's economy remarkably recovered from the COVID-19 pandemic, with a solid growth rate of 5.4% in 2021 after a brief dip to 0.5% in 2020. However, concerns about Ghana's debt levels and carrying capacity have led to a temporary setback, causing the country to lose access to the international capital market. Despite the challenges, the Ghanaian economy has shown remarkable resilience in the face of escalating tensions on the global front due to the war in Ukraine and the slow global recovery from the pandemic. While the supply-side shocks have caused global inflation to soar, most advanced economies have adopted a tight monetary policy to combat inflation, which has triggered debt distress in Frontier and Emerging Market Countries, including Ghana. In response, the Government engaged the IMF in July 2022 for a fund-supported programme, which was approved by the IMF board in May 2023. The programme is expected to catalyse funding up to USD 6 billion from international partners, and the first review is scheduled for September 2023.

Economic activity was projected to remain fairly strong, with real GDP growth projected at 3.7% in 2022 but came in at 3.1%. Growth is expected to increase to 5.0% in the medium term. Fiscal deficit and inflation are expected to remain high in the short term but decline steadily to target levels in the medium term, anchored on a credible macroeconomic framework.

Table 3: Macroeconomic performance data

	2017	2018	2019	2020	2021	2022
The real and monetary sectors						
GDP current (GHS billions) - Rebased	262.80	308.59	356.54	391.94	461.69	610.22
Real GDP Growth Rate (%)	8.1%	6.2%	6.5%	0.5%	5.1%	3.1%
End Period inflation (per cent.)[2]	11.8%	5.8%	7.9%	10.4%	12.6%	54.1%
Monetary Policy Rate (per cent.)	20.0%	17.0%	16.0%	14.5%	14.5%	27.0%
GHS /USD Exchange Rate	4.42	4.82	5.53	5.76	6.01	8.58

[2] Ghana Statistical Service data backcast (2021 = 100)

	2017	2018	2019	2020	2021	2022
				Balance of payments (USD millions)		
Merchandise Trade Balance	1,188	1,809	2,257	2,043	1,099	2,873
Current Account Balance	(2,005)	(2,044)	(1,864)	(2,135)	(2,497)	(1,517)
Capital and Financial Account	3,016	1,500	3,068	2,887	3,269	(2,141)
Overall Balance of Payments	1,091	(672)	1,341	368	510	(3,640)
Gross Foreign Assets	7,555	7,025	8,418	8,624	9,695	6,238
Fiscal Sector						
Total Government Revenues and Grants (GHS billion)	41.50	47.64	53.38	55.14	70.10	93.36
Total Government Expenditures (GHS billion)	51.99	58.20	67.86	96.41	109.26	145.23
Government Overall Balance (% of GDP)	(4.8%)	(3.9%)	(4.8%)	(11.4%)	(9.3%)	(9.2%)
Public Debt						
Domestic Public Debt (GHS billion)	66.7	86.9	105.5	149.8	181.8	194.4
External Public Debt (GHS billion)	75.8	86.3	112.7	141.8	170.0	240.2
Gross Public Debt (% of GDP)	55.5%	57.6%	62.4%	74.4%	76.6%	71.2%

Source: Ministry of Finance, Bank of Ghana, Ghana Statistical Service Reference Year Backcast (2021 = 100)

7.2 POLITICAL BACKGROUND

Ghana is one of the most stable democracies in Africa. The country's first 2 decades of post-independence history were characterised by long military rules interspaced with civilian governments. After almost a decade of quasi-military rule under the then Provisional National Defence Council, intense internal and external pressures on the Government led to the passage into law of the Ghana Constitution. Additionally, the reinstatement of multi-party democracy in the same year ushered Ghana into its Fourth Republic.

Ghana is a unitary republic with sovereignty residing in the Ghanaian people. This status is conferred by the Ghana Constitution, a hybrid of the Westminster and United States of America's systems of Government. Ghana's political system is principally based on the separation of powers of the 3 arms of Government (i.e., the Executive, the Legislature and the Judiciary) and a system of checks and balances.

Executive authority rests with the President and the Council of State (a body that deliberates and makes recommendations on any matter being considered or dealt with by the President or any other authority regarding any appointment enshrined in the Ghana Constitution). The President is Head of State, Head of Government, and Commander-in-Chief of the Armed Forces of Ghana and is elected by the direct vote of the eligible and registered populace for a 4-year term and may be re-elected only once. The most recent presidential and parliamentary elections took place on 7 December 2020. This led to the transition from the first term to the second term of power for the incumbent New Patriotic Party, as the voters continued with Nana Addo Dankwa Akufo-Addo as the 5th President of the Fourth Republic.

Parliament, which consists of a unicameral body of 275 members, is responsible for legislative functions. Members of Parliament must be elected by their constituents for a 4-year term in single-seat constituencies. The primary function of Parliament is to deliberate on issues which can result in the passage of resolutions. For a bill to become law, legislation must have the support of the majority of Members of Parliament present through voting along with the assent of the President, who has a qualified veto over all bills except those to which a vote of urgency is attached. A two-thirds vote of the Members of Parliament can override the President's veto.

The Judiciary in Ghana comprises the Superior Courts of Judicature and lower courts or tribunals established by Parliament. The Superior Courts include the Supreme

Court, the Court of Appeal, the High Court and Regional Tribunals. The Ghana Constitution mandates that the Supreme Court consists of the Chief Justice and a minimum of 9 other Justices, but it currently comprises the Chief Justice and 10 Justices. The President of Ghana appoints the Chief Justice with the consultation of the Council of State and the approval of Parliament. In contrast, the other Supreme Court Justices are appointed based on the advice of the Judicial Council, headed by the Chief Justice, in consultation with the Council of State and with the approval of Parliament. Ghana's courts are widely used for civil, business and criminal cases, and the Judiciary is primarily independent of political influences.

Ghana is divided into 16 regions for political and administrative purposes, with six new regions recently added following referenda in the affected areas. The President appoints a Minister of State for each region with the approval of Parliament, who acts as a direct government representative. Depending on population size, the regions are further divided into district assemblies, categorised as metropolitan, municipal or district. The district assemblies are responsible for providing basic services to the population in their jurisdiction and are funded by the District Assemblies Common Fund, which the national government finances. According to the Ghana Constitution, the district assemblies have legislative, deliberative and executive powers. They are the highest political authority in their districts, subject to the provisions of the Ghana Constitution. The Government has recently established 38 new districts to make development more accessible to the people.

7.3 HISTORICAL ECONOMIC PERFORMANCE

The Ghanaian economy has a rich history, with the agricultural sector, specifically cocoa production, acting as the backbone for many years. But in recent times, the services sector has emerged as the largest contributor to the country's GDP, accounting for 44.9% in 2022. The country's development can be traced back to the cocoa boom of the 1920s, which resulted in the financing of infrastructure and social institutions, making Ghana one of the most advanced countries in Africa.

However, the global slump of the 1930s and the disruption of exports during World War II halted the country's economic progress. Despite this, the British Government continued to purchase the cocoa crop as per previous arrangements, leading to the emergence of Ghana as one of the largest holders of reserves in the British Empire. As a result, the country was able to fund numerous projects, including the development of a university, infrastructure such as the industrial city of Tema and a new harbour. The early years of independence marked a boom in projects, including transforming Ghana's social and economic infrastructure, a paved highway linking Accra and Tema, and the Volta River Authority power system. However, the country's reliance on agriculture and gold prices made it vulnerable to changes in commodity prices and exchange rates. Despite this, Ghana's rich history and ability to adapt to new circumstances have made it a beacon of economic progress in Africa.

Until recently, Ghana's economy was characterised by a pattern of recurring variabilities, depending on movements in the prices of Ghana's 3 principal exports: cocoa, timber and gold. In the early 1960s, Ghana was the world's largest cocoa producer, with an annual output of 450,000 tonnes. However, output fell to an all-time low of 159,000 tonnes in the 1983/84 crop year due to low producer prices and dry weather, which led to bushfires that destroyed many cocoa farms. Cocoa production has since improved due to enhanced farming methods and agronomic practices. The 2020/2021 crop year recorded a surge in cocoa output, with production reaching 1.05 million tonnes, after declining from 969,511 in 2016/2017 to

766,977 tonnes in 2019/2020. The 2020/2021 output indicated a rebound in crop yields to a record output as the Government implemented various measures, including hand pollination, to support cocoa production. Cocoa output, however, shrunk in the 2021/2022 crop season by approximately 34% to 683,000 tonnes due to periodically inappropriate weather conditions and the devastating effect of the Cocoa Swollen Shoot Virus Disease (CSSVD) in Ghana.

In 1983, there was a paradigm shift in economic thinking as the Government embarked on a far-reaching reform programme designed to correct the structural imbalances and reverse the country's economic decline. The reforms commenced with the Economic Recovery Programme (ERP) in 1983 with support from the IMF and the World Bank to control inflation using demand management policies. The programme was also designed to reverse the decline in economic growth, particularly in agriculture, build infrastructure, stimulate exports and restore domestic and external balances.

The reforms programme was also extended to the financial sector through the Financial Sector Adjustment Programme (**FINSAP**) in 1987 to mark a shift from the control regime towards a more liberal and market-determined system. The FINSAP was implemented in 3 phases across time; FINSAP-1 covered the period 1988 – 1991, FINSAP-2 for 1992 – 1995, and FINSAP-3 commenced in 1995 as an ongoing process. The first 2 phases resulted in the deregulation and liberalisation of financial markets in price determination for financial assets. The period witnessed the gradual liberalisation and licensing of foreign exchange bureaus, with the market determining exchange rates. Administrative controls on interest rates were abolished to pave the way for market-determined interest rates to adequately compensate for banks' risk exposure and stimulate efficient capital allocation for investment and growth. A divestiture implementation policy also began privatising public enterprises, which remains an ongoing process.

Ghana has emerged as a significant player in the oil and gas industry in recent years. The Jubilee field, located 60 km offshore of Ghana's Western Region, was discovered by Kosmos Energy in 2007 and brought to production in less than three-and-a-half years. With an estimated 700 million barrels of crude oil and 800 billion standard cubic feet of gas, it was declared a world-class reservoir with large accumulations of light sweet crude oil after drilling the Mahogany-1 and Hyedua-1 wells. The Government commissioned a floating production storage and offloading unit in July 2009, and the country achieved its first oil on December 15, 2010. Despite initial challenges, such as the maritime border dispute with Côte d'Ivoire and low crude oil prices, Ghana's oil production has advanced steadily. In 2011, Ghana produced 23.8 million barrels of oil, driving real GDP growth to 14% that year. While the Jubilee field remains the largest, several new fields, including TEN and Sankofa Gye Nyame, have come on stream, increasing Ghana's annual oil production from 23.8 million barrels in 2011 to a peak of 72.1 million barrels in 2019. However, annual oil production has declined since 2019, falling by 28.2% to 51.76 million in 2022.

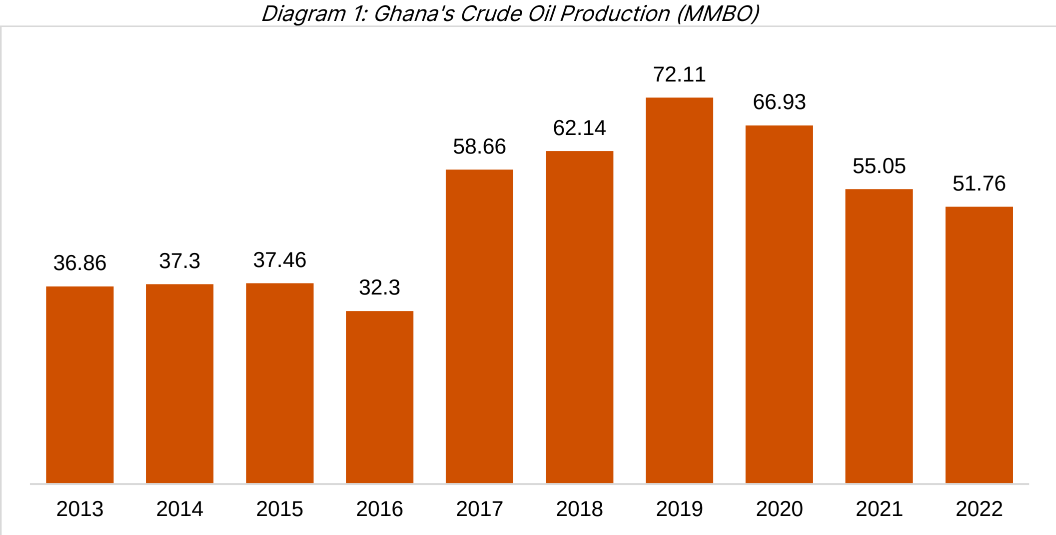
7.4 PRINCIPAL SECTORS OF THE ECONOMY[3]

Ghana’s economy has historically relied on agriculture as the main driver of economic growth in the pre-oil era. Since the oil and gas sector emerged and following the rebasing of the economy in 2010, the industry and services sectors have outpaced agriculture as a contributor to GDP. The Ghana Statistical Service rebased the GDP

[3] Ghana Statistical Service, GoG 2023 Budget Statement and Economic Policy

in September 2018 to change its base year from 2006 to 2013. This expanded the economy by 24.6% in 2018. The increase reflects economic activities not captured or captured with insufficient data, such as natural gas production, mining and manufacturing activities.

Diagram 1: Ghana's Crude Oil Production (MMBO)



Source: Petroleum Commission, Ghana Open Data Initiative

7.4.1 Services sector

The services sector is the largest contributor to Ghana's economy, accounting for 44.9% of GDP in 2022, down from 48.9% in 2021. The sector's performance is influenced by sub-sectors such as trade, repair of vehicles, household goods, transport and storage, financial and insurance activities, hotels and restaurants, and information and communication. Prior to the COVID-19 pandemic, the services sector experienced growth, particularly in information and communication, hotels and restaurants, transport and storage, real estate services, and health and social work activities. However, the pandemic caused a decline in growth for key sub-sectors, such as trade, repair of vehicles and household goods, and hotels and restaurants. While the services sector experienced a recovery in 2021, growth moderated to 5.5% in 2022. The trade sub-sector also experienced a decline in growth due to weakened currency and consumer demand during the pandemic. Despite the challenges, the services sector could benefit from relative stability in Ghana's currency, though geopolitical concerns remain a potential obstacle to growth.

7.4.2 Industry

The industry sector's contribution to GDP has been consistently declining since 2018, reaching 30.1% in 2021, which is below its recent peak of 37.0% in 2014. However, it picked up to 34.2% in 2022, the highest since 2014, due to increased contribution from the extractive and manufacturing subsectors. The extractive and manufacturing subsectors are the main contributors, accounting for 13.7% and 12.4% of nominal GDP in 2022, respectively. The industry sector experienced significant growth in 2017, driven by a strong recovery in the mining and quarrying sub-sector, of which the oil and gas industry constitutes a significant share. However, growth moderated in 2018 and 2019 and contracted by 2.5% in 2020 due to the COVID-induced collapse in global crude oil prices and technical challenges with production. In 2021, the industry sector showed a sign of recovery with a modest contraction of 0.8% compared to 2020 and continued with marginal growth of 0.9% in 2022, bolstered by strong growth in the extractive sector. Oil and gas output contracted in 2020 and 2022 due to low investment and pandemic uncertainty, but gold output rebounded strongly in 2022 after a slump in 2021. The growth in the manufacturing subsector also slowed in 2020 due to COVID containment measures.

The manufacturing sector showed a robust recovery in 2021, growing at 8.1%. However, it experienced a setback in 2022, contracting by 2.5%. The main driver of this underperformance was the implementation of tighter monetary policy aimed at inflation control, rising production costs, and the depreciation of the GHS.

The primary reason behind this underperformance was the tightening of monetary policy due to inflation, increased production costs, and the weakened GHS. After a 4.4% contraction in 2019, the construction sector experienced robust growth of 3.1% in 2020, followed by a subsequent expansion of 5.7% in 2021. However, due to high input costs, the subsector contracted by 4.0% in 2022.

Nonetheless, the industry sector is expected to grow in the medium term with the aid of the Government's industrialisation agenda and the potential benefits from the IMF programme. Furthermore, the Government is committed to improving the value chain, which could lead to improved output and growth from the sector. However, the macro environment may pose some uncertainties and challenges to the sector's growth.

7.4.3 Agriculture

The agriculture sector's contribution to GDP decreased to 20.4% in 2022 from a peak of 22.5% in 2016. The sector's growth slowed to 4.2% in 2022, compared to 8.4% in 2021, due to slower growth in crops, fishing, forestry and logging subsectors. The crop subsector recorded a slow growth of 3.8%, mainly due to the underperformance of cocoa output, which recorded growth of 0.9% in 2022 versus 10.4% in 2021. The Government expects growth in the agriculture sector to be 2.6% in 2023, but an uncertain geopolitical front may still provide supply-side shocks to input costs.

In 2017, the Government rolled out the PFJ programme to modernise agriculture. The programme contributed to significant yield increases in selected crops, and in 2021, the Government distributed 31,797 metric tonnes of improved seeds and 259,500 metric tonnes of various fertilisers to beneficiary farmers under the PFJ programme. The Government also expanded the PFJ programme to include "Planting for Export and Rural Development (PERD)", which distributed 1,360,589 cashews, coffee, coconut, oil palm, mango and rubber seedlings to 7,543 farmers in various regions, taking the total seedlings distributed to beneficiary farmers to 23,216,000 since 2019.

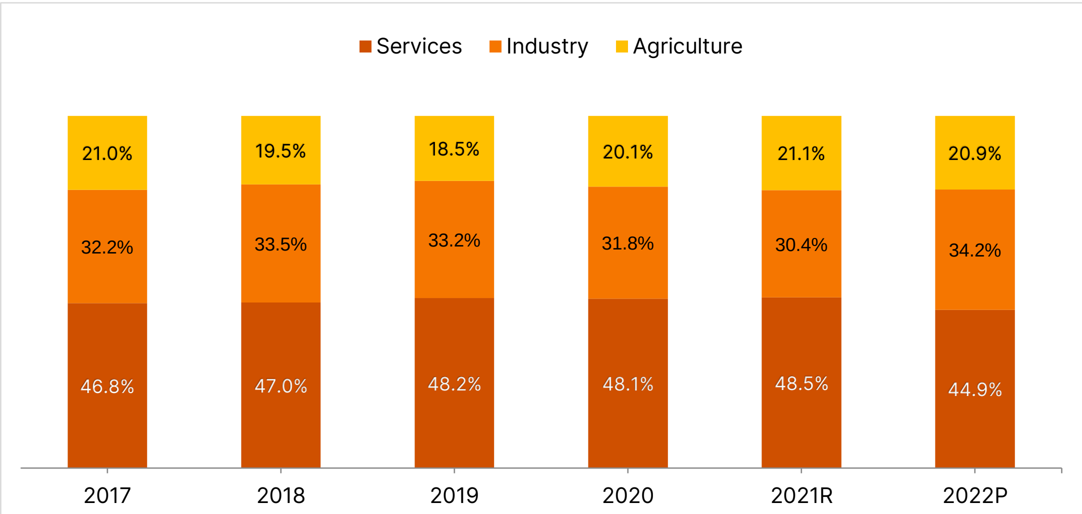
In 2022, the Government distributed 19,280 metric tonnes of improved seeds and 151,861 metric tonnes of various fertilisers to beneficiary farmers under the PFJ programme. In 2023, the Government seeks to procure 36,360 metric tonnes of various improved seeds and 366,435 metric tonnes of organic and inorganic fertilisers for distribution to 1.5 million farmers nationwide at subsidised prices.

Table 4: Sectorial Distribution of the Ghanaian Economy by Activity

	2017	2018	2019	2020	2021	2022
Sectoral contribution to GDP (%) - Rebased						
AGRICULTURE	**21.0**	**19.5**	**18.5**	**20.1**	**21.1**	**20.9**
Crops	16.3	15.3	14.7	16.2	17.2	17.6
o.w. Cocoa	*2.2*	*2.0*	*1.7*	*1.8*	*2.2*	*1.9*
Livestock	2.0	1.8	1.7	1.7	1.6	1.3
Forestry and Logging	1.6	1.5	1.3	1.2	1.1	1.0
Fishing	1.1	0.9	0.9	1.0	1.1	0.9
INDUSTRY	**32.2**	**33.5**	**33.2**	**31.8**	**30.4**	**34.2**
Mining and Quarrying	10.7	13.7	14.2	11.3	9.6	13.7
o.w. Oil and gas	3.7	5.9	6.4	3.7	4.9	5.8
Manufacturing	10.9	10.9	10.9	11.7	11.7	12.4
Electricity	1.8	1.5	1.3	1.3	1.3	0.9
Water and Sewerage	1.0	0.8	0.7	0.7	0.9	0.9
Construction	7.8	6.7	6.2	6.8	6.9	6.2
SERVICES	**46.8**	**47.0**	**48.2**	**48.1**	**48.5**	**44.9**
Trade; Repair of Vehicles, Household Goods	14.5	15.6	16.1	16.9	17.1	17.5
Hotels and Restaurants	3.9	3.8	3.7	2.4	2.3	2.0
Transport and Storage	7.1	7.3	7.1	7.2	7.6	6.3
Information and communication	2.1	2.5	3.1	3.8	4.1	3.7
Financial and Insurance Activities	4.9	4.0	3.8	3.9	3.7	3.0
Real Estate	2.3	2.2	2.7	2.7	2.6	2.1
Professional, Administrative & Support Service activities	1.6	1.5	1.5	1.4	1.4	1.3
Public Administration and Defence; Social Security	3.5	3.5	3.5	3.9	4.3	3.8
Education	3.7	3.5	3.6	3.1	2.5	2.3
Health and Social Work	2.1	2.1	2.2	2.1	2.1	2.0
Other Service Activities	1.2	1.0	1.0	0.8	0.8	0.8
GROSS DOMESTIC PRODUCT at basic prices	**100**	**100**	**100**	**100**		

Source: Ghana Statistical Service (Rebased)

Diagram 2: Sectorial Distribution of the Ghanaian Economy



R: Revised for End 2021; P: Provisional for the End Year 2022

7.5 MONETARY & FISCAL DEVELOPMENT

7.5.1 Monetary policy

The Bank of Ghana has clear and defined objectives that it pursues with confidence. Its primary focus is on maintaining price stability and promoting sustainable economic growth. To achieve this, the Bank of Ghana has established a medium-term inflation target range of 8% ± 2%, which it believes strikes the right balance between achieving full economic potential and avoiding excessive inflation pressure. The Bank of Ghana is also responsible for regulating and supervising the financial sector and payment systems, which it does with high expertise and professionalism.

Over the years, the Bank of Ghana's Monetary Policy Committee (**MPC**) has made several adjustments to the monetary policy rate, demonstrating the Bank of Ghana's commitment to maintaining its objectives. Despite the challenges posed by the COVID-19 pandemic, the Bank of Ghana has responded effectively, with a notable decrease in the policy rate. However, given the inflation and exchange rate pressures, there has been a cumulative increase in the policy rate, which reflects the Bank's unwavering commitment to its objectives.

Amid a persisting upsurge in inflation, the MPC convened an emergency meeting in August 2022. To curb the upward trajectory of inflation, the committee implemented a substantial 300 basis points (bps) increase in the policy rate. In subsequent meetings held in September and November 2022, the MPC maintained its tightening stance, raising the policy rate by 250 bps on both occasions, resulting in a policy rate of 27.0%. In response to the adverse effects of the domestic debt exchange, the Bank of Ghana opted to reduce the cash reserve ratio to 12.0%. The Bank of Ghana initiated a reinforcement of the disinflation process by implementing a 100 bps policy rate increase in January 2023. Furthermore, during the March 2023 meeting, the MPC elected to elevate the policy rate by 150 bps and additionally increased the cash reserve ratio by 200 bps to manage excess liquidity. The MPC maintained the MPR in May 2023, but expressed it by 50bps to 30% in July 2023 to respond to upside risks to inflation. As inflation resumed its downward slide in August 2023 and September 2023, the MPC held the policy rate at 30.00% as they believed core measures of inflation showed taming inflationary pressures.

The Bank of Ghana has adopted a robust stance to steer inflation towards the targeted medium-term range. Furthermore, it has signed a Memorandum of Understanding to eliminate fiscal budget deficit financing. These measures are anticipated to curtail the money supply expansion, moderate aggregate demand, absorb surplus liquidity and decelerate the inflation rate.

7.5.2 Inflation[4]

The Ghana Statistical Service updated the Consumer Price Index (**CPI**) calculation in July 2013 and August 2018. The changes updated the relative weights of items in the consumption basket and changed the CPI base year from 2002 to the average prices of 2012 and then to 2018. The new methodology produced slightly higher inflation rates than the old method. In December 2019, the year-on-year inflation was 7.9%, within the Bank of Ghana's target range of 6.0% to 10.0%. Inflation remained around the midpoint of the target range until April 2020, when it surged to 10.6% due to panic

[4] Ghana Statistical Service, Bank of Ghana: Summary of Economic and Financial Data, November 2019 – May 2023

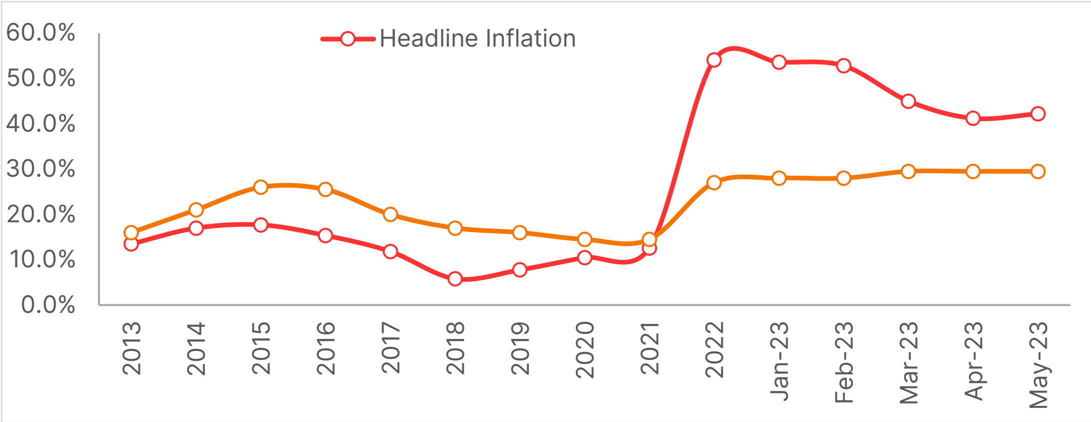
buying and stockpiling ahead of the COVID-related economic lockdown. Inflation declined in the first half of 2021, hitting a low of 7.5% in May 2021, but rose again in the second half of 2021 due to exchange rate pressures, rising petrol prices, and higher transport costs. In the first half of 2022, the geopolitical conflict between Russia and Ukraine strained global supply chains. It increased global food and energy prices, causing CPI inflation to accelerate to 29.80% in June 2022, with further upside risks in the third quarter of 2022.

The Ghana Statistical Service changed the price reference year from 2018 to 2021 to account for the 6 new administrative regions. As such, the weights on the various regions were readjusted to account for the new regions. Also, the number of outlets from which price data is collected was increased to 8,337, with the number of products increasing to 47,877. The Ghana Statistical Service, however, stated that the process was not a full-blown rebasing since that would include altering the questionnaire used for data collection.

After the change in the reference year, inflation surged to 37.2% in September 2022 and continued to a 26-year high of 54.1% in December 2022. In January 2023, inflation reversed course and declined marginally to 53.6%. The disinflation continued until April 2023, when inflation cooled to 41.2% due to a favourable base effect pull, a relatively stable GHS, and reduced ex-pump petroleum prices. However, new revenue measures passed by the Government renewed price pressures as inflation rose 100bps to 42.2% in May 2023 and a further 30bps to 42.5% in June 2023. The upsurge in inflation continued as the July 2023 print showed the headline rate at 43.1%, mainly due to price effects emanating from the new revenue measures. Inflation, however, reversed course in August 2023 (40.1%) and September 2023 (38.1%) as a relatively stable GHS, favourable base drifts, and liquidity containment measures from the Bank of Ghana tamed price pressures. The Bank of Ghana expects inflation to revert downwards and approach the medium-term target band of 6.0% – 10.0% within the next three years due to the Government's aggressive monetary tightening and fiscal consolidation due to the IMF programme.

In 2020, the Bank of Ghana took swift monetary measures to support aggregate demand during the COVID-19 pandemic, resulting in a significant increase in annual growth in the broad money supply. Broad money supply expanded at an average of 24.5% year-on-year, reaching a high of 30.0% in October 2020, reflecting the Bank of Ghana's unwavering commitment to stabilising the financial market during the pandemic. However, as the Bank of Ghana began to withdraw COVID-related support to curb inflation pressures, the growth in broad money supply slowed significantly to 13.0% year-on-year in June 2022. Despite the MPC increasing the cash reserve ratio in July 2022, broad money growth accelerated to 27.8% year-on-year in December 2022 due to budget deficit financing, which was later withdrawn in November 2022. Broad money supply experienced a sharp increase, growing to 43.1% in April 2023, even after the MPC implemented a liquidity squeeze in March 2023. Nonetheless, the Memorandum of Understanding signed between the Government and the Bank of Ghana towards zero-financing of the budget deficit should help curb broad money growth. Additionally, maintaining a tight monetary policy stance should aid in curbing the growth of the money supply.

Diagram 3: Trend in Inflation Rate and Monetary Policy Rate



Source: Bank of Ghana, Ghana Statistical Service

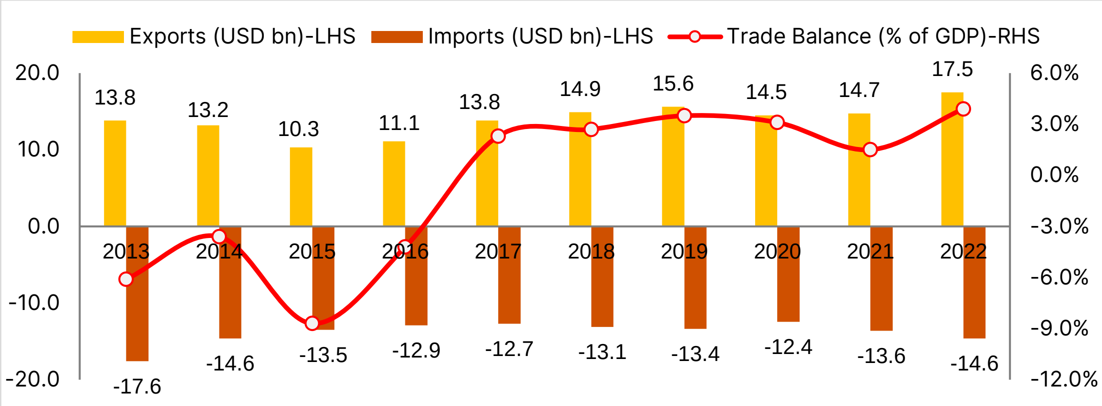
7.5.3 Balance of payment accounts

Ghana's trade accounts have experienced a positive trend in export receipts for important commodities, such as oil, cocoa, and gold, between 2017 and 2019, resulting in a significant increase in a trade surplus of USD 2.28 billion (3.5% of GDP) by the end of 2019. However, the global economic downturn due to COVID-19 had a considerable impact on crude oil prices in 2020, leading to a reduction in total export revenue to USD 14.74 billion in 2021 and a contraction of the trade surplus to USD 1.10 billion (1.5% of GDP) compared to 2019. Nevertheless, exports in 2022 rose by 18.76% to USD 17.49 billion, driven by higher receipts from key commodities, specifically gold, oil, and cocoa. Furthermore, the total import bill for 2022 increased by 7.13% to USD 14.62 billion. This has resulted in a widened trade balance to achieve a surplus of USD 2.90 billion (3.9% of GDP) in 2022 relative to 1.5% of GDP in 2021. While there has been a slight improvement in the production of Gold and Cocoa, the global decline in oil prices may reduce the value of export receipts on key commodities, narrowing the trade balance in 2023 below the 3.9% of GDP recorded in 2022.

In recent years, external market conditions have impacted Ghana's balance of payments, leading to fluctuations between deficit and surplus positions. Notably, the balance of payments improved from a deficit of USD 699.2 million in 2013 to a surplus of USD 1,091.4 million in 2017. The position changed to a deficit of USD 671.5 million in 2018 due to foreign portfolio investment outflows. Nonetheless, the balance of payments returned to a surplus of USD 1,341.10 million in 2019 due to Eurobond issuances. As a result, gross international reserves were USD 8,418.1 million at the end of 2019, equivalent to 4.0 months of import cover. Despite the challenges posed by the COVID-19 pandemic, Ghana's balance of payment accounts closed 2020 with a lower surplus of USD 368.0 million, equivalent to 0.55% of GDP, compared to a surplus of USD 1,341.10 million (2.0% of GDP) recorded in 2019. Gross international reserves improved by 2.4% year-on-year to USD 8,624.40 million, equivalent to 4.1 months of import cover, due to a Eurobond issuance in February 2020 and the USD 1.0 billion Rapid Credit Facility (RCF) from the IMF in mid-April 2020.

In 2021, Ghana experienced a 38.6% increase in its balance of payments surplus, amounting to GHS USD 510.1 million, equivalent to 0.7% of GDP. This growth was primarily due to the inflow of USD 3.0 billion from Eurobond proceeds and robust foreign portfolio inflows during the first half of the year. However, substantial reversals occurred in the fourth quarter of 2021, which persisted into 2022, with foreign holdings in domestic bonds dwindling from 21.1% to 11.0%. A substantial outflow of foreign portfolio investments resulted in the depletion of capital and financial accounts. Heightened concerns regarding debt distress and potential debt restructuring had an adverse impact on investor confidence. As a result, by December 2022, Ghana experienced a balance of payment deficit amounting to USD 3.64 billion (5.0% of GDP). Nevertheless, the Government has secured an agreement with the International Monetary Fund (IMF), providing a framework for stability and support in the balance of payments. While investors may adopt a cautious stance in the short term, awaiting progress in the IMF deal before re-entering the Ghanaian market, it is anticipated that a balance of payment deficit will persist in 2023.

Diagram 4: Ghana's Trade Balance (2013 – 2022)[5]



7.5.4 Foreign exchange rates[6]

The GHS recorded a cumulative depreciation of 4.90% against the USD in 2017, less than the depreciation rate of 9.70% in 2016. However, by the end of 2018 and 2019, the GHS had depreciated by 8.39% and 12.90%, respectively. The GHS began 2020 with a strong performance against major international trading currencies, appreciating 4.77% against the USD as of February 2020. Nevertheless, apprehensions surrounding the economic ramifications of the COVID-19 pandemic and the decline in crude oil prices prompted the withdrawal of foreign portfolio investments from emerging markets and developing economies, including Ghana. Consequently, the GHS experienced a year-end depreciation of 3.93% against the USD in 2020.

In 2021, the GHS appreciated by 0.55% against the USD in the first quarter. However, this was lost by the second half of the year due to expectations of higher interest rates in the US and concerns about Ghana's fiscal position. Consequently, the GHS depreciated by 4.09% against the USD in 2021. With the geopolitical tension between Russia and Ukraine, rising import bills, and concerns about Ghana's fiscal plan for 2022, the GHS depreciated significantly by 16.9% against the USD by the end of June 2022. The GHS persisted in its depreciation trend, registering a year-to-date decline of 54.17% by November 2022 despite the recovery achieved following the announcement of a staff-level agreement with the IMF. By December 2022, the GHS reduced its year-to-date loss to 29.97%. Nonetheless, in January 2023, it encountered renewed weakness, weakening by 20.59% by month-end.

Factors such as cyclical and seasonal demand pressures, capital flight, and Ghana's import dependency have contributed to the GHS's perennial depreciation against

[5] Bank of Ghana: Summary of Economic and Financial Data, July 2015 - September 2023
[6] Bank of Ghana: Summary of Economic and Financial Data, November 2019 - September2023

major foreign currencies. The Bank of Ghana has introduced measures such as foreign exchange forward auction systems to provide benchmarks for forward trading of foreign exchange on the domestic market and to absorb demand for foreign currency from energy sector firms. The Extended Credit Facility (**ECF**) arrangement with the IMF requires unified rates across all markets, reduced intervention from the Bank of Ghana, and reconsidering of the gold surrender programme to improve foreign exchange liquidity and support the GHS. These measures would help to minimise the depreciation pressure on the GHS.

Table 5: Performance of the GHS (2017 – Q3-2023)

	2017	2018	2019	2020	2021	2022	Q3-2023
Exchange rates							
GHS/USD	4.416	4.820	5.534	5.760	6.006	8.576	11.129
GHS/£	5.967	6.171	7.316	7.874	8.127	10.312	13.594
GHS/Euro	5.296	5.513	6.211	7.064	6.828	9.146	11.777
Depreciation/Appreciation rates (%)							
GHS/USD	-4.9	-8.4	-12.9	-3.93	-4.09	-29.97	-22.94
GHS/£	-12.9	-3.3	-15.7	-7.08	-3.11	-21.19	-24.14
GHS/Euro	-16.2	-3.9	-11.2	-12.08	+3.46	-25.34	-22.35

Source: Bank of Ghana

7.5.5 Rating

In late 2003, Ghana obtained its first sovereign rating of 'B' with a positive outlook from Fitch Ratings (**Fitch**) and 'B' from S&P Global (**S&P**) in late 2003. In 2012, Fitch affirmed Ghana's 'B+' with a stable outlook rating, signifying that investors risk a moderate chance of default, while S&P rated Ghana 'B' with a stable outlook. In 2015, Ghana secured an interest rate of 10.8% for its Eurobond issuance. Fitch assigned Ghana a 'B' rating with a negative outlook, while S&P provided a long-term rating of 'B-' and a short-term rating of 'B' with a stable outlook. Moody's, however, downgraded Ghana's sovereign rating from 'B2' to 'B3' with a negative outlook. In September 2017, Fitch affirmed Ghana's rating at 'B' with a stable outlook. Moody's, in February 2018, also affirmed Ghana's B3 rating, maintaining a stable outlook. Furthermore, in March 2018, S&P reaffirmed its 'B-/B' rating with a stable outlook. Finally, in September 2018, S&P upgraded Ghana's rating to 'B/B' with a stable outlook.

In September 2019, S&P maintained its 'B/stable outlook' rating, while Fitch affirmed its 'B' with a stable outlook rating in October 2019. Moody's revised Ghana's B3/Stable rating in September 2019 to B3/Positive in January 2020. However, in April 2020, Moody's re-affirmed Ghana's 'B3' rating but revised the outlook to negative (from positive) based on the anticipated economic shocks from the outbreak of COVID-19. Fitch affirmed Ghana's 'B'/stable rating in April 2020. In January 2022, Fitch downgraded Ghana's credit rating to 'B-'from 'B' with a negative outlook due to the country's loss of access to the international capital market following the COVID-related surge in Government debt. In February 2022, Moody's also downgraded Ghana's rating to 'Caa1' from 'B3' with a stable outlook citing expected difficulties confronting the Government's quest to resolve its intertwined liquidity and debt challenges. S&P maintained Ghana's credit rating at 'B-'with a stable outlook in February 2022. In August 2022, however, S&P downgraded Ghana's credit rating to CCC+/C from B-/B with a negative outlook, citing Ghana's limited commercial financing options, and constrained external and fiscal buffers.

Ghana's credit rating has experienced multiple downgrades since August 2022. Fitch downgraded the credit rating from 'B-' to 'CCC' in August, followed by another downgrade to 'CC' in September. Moody's also downgraded Ghana's rating from 'Caa1' to 'Caa2' in September, with a further downgrade to 'Ca' in November 2022. S&P also downgraded Ghana's long-term issuer default rating in December from 'CCC+' to 'CC' and then to 'SD' on the foreign currency debt. Fitch followed up with another downgrade from 'CCC' to 'C' in December 2022. In February 2023, Fitch downgraded Ghana's long-term foreign currency issuer default rating to 'RD'. However, S&P ratings upgraded Ghana to 'CCC+/C'. Fitch then upgraded Ghana's long-term local currency issuer default rating to 'CCC' in March 2023. In April 2023, Fitch downgraded Ghana's local currency debt to 'RD' due to missed coupon and principal payments on the old bonds. Moody's revised Ghana's local currency long-term issuer rating from 'Ca' to 'Caa3' in June 2023 with a stable outlook.

7.5.6 2023 budget

The 2023 budget statement of Ghana was developed in the face of a challenging economic climate, which exposed the structural weaknesses of the domestic economy due to supply-side shocks caused by a tense geopolitical environment. The surge in global inflation led to monetary tightening in advanced economies, resulting in debt distress in Ghana and the need for debt restructuring. To restore the economy's stability and enhance the recovery process, the Government sought balance of payment support from the IMF. As a result, the Government could not follow the fiscal consolidation plan for the 2022 Budget. The fiscal deficit gap closed marginally despite revenue underperformance from new revenue measures like the electronic transfer levy and expenditure overruns. Fiscal deficit in GDP terms was 8.3%, relative to the target of 7.4%. The free fall of the GHS and spiralling inflation hampered business activity and the performance of the real sector. This dragged down growth in real GDP to 3.1% in 2022, compared to 5.2% in 2021.

The 2023 budget statement presented by the Minister of Finance in November 2022 aims to restore macroeconomic stability and improve investors' confidence. This will be achieved by increasing the domestic revenue base, reducing government expenditure, and reviewing tax laws to block tax revenue leakages. The fiscal policies presented in the 2023 budget statement proposed new revenue measures to achieve the fiscal consolidation plans. The main drivers of revenue expectations under the budget include an increase in the standard VAT rate from 12.5% to 15.0%, review of existing tax handles like the excise tax, and an additional income tax band of 35.0% chargeable on resident individuals with monthly income exceeding GHS 20,000.

In general, the 2023 budget revealed the IMF programme's modalities. Completing the DDEP will reduce Government's expenditure commitments, and implementing tax compliance measures such as the electronic VAT invoicing system will improve revenue mobilisation and achieve fiscal consolidation. The 2023 budget statement was developed to help restore macroeconomic stability and create an environment conducive to inclusive growth and value addition, leaning heavily on the IMF programme.

7.5.7 Public debt and DDEP[7]

Ghana's public debt stock increased from GHS 53 billion (52.0% of GDP) in 2013 to GHS 291.6 billion (74.4% of revised GDP) at the end of 2020, mainly due to COVID-

[7] Bank of Ghana: Summary of Economic and Financial Data, September 2023; 2023 Budget statement; Ghana Statistical Service, 2021 Annual Public Debt Report; Central Securities Depository.

induced shortfalls in revenue and higher expenditure, including financial sector bailout costs. At the end of 2021, the total public debt stock increased to GHS351.8 billion (76.6% of revised GDP) due to continued revenue underperformance amidst high expenditure commitments. The debt stock at the end of 2022 rose to GHS434.6 billion (71.2% of revised GDP) as the depreciation of the Ghana Cedi ballooned the external debt. The domestic debt was GHS194.4 billion (31.9% of GDP), while the total external debt was GHS240.2 billion (39.4% of GDP).

DDEP

The Government conducted a debt sustainability analysis in July 2022 after engaging the IMF on a fund-supported programme. In line with the IMF-World Bank framework, the analysis rendered Ghana's debt position unsustainable with a high risk of debt distress. Thus, in November 2022, the Government announced plans through the DDEP to help the debt restructuring process. The programme requested investors to voluntarily exchange their Government bonds for new bonds with lower coupons and extended maturity from 2027 to 2038.

The initial proposition saw individual bondholders exempted from the process as it primarily targeted institutional investors and collective investment schemes. The initial proposal also suggested exchanging all sovereign bonds for four new bonds. The Government amended the proposal in January 2023 to include investors and bonds issued by local government and state-owned enterprises, including Daakye Trust PLC and ESLA PLC. Pension funds were exempted from the offer since they would receive another proposal to exchange their holdings of government bonds.

The Government concluded the entire process in February 2023, with 84.91% of the eligible bonds tendered for new bonds. After concluding the first leg of the DDEP, the Government commenced the second phase of the domestic debt restructuring process on 14 July 2023. The Government announced 2 offers of exchange on the USD-denominated domestic bonds and the Cocoa Bills. In the first offer, the government has invited investors to voluntarily exchange their USD-denominated bonds with a face value of USD 808.99 million for new bonds with longer maturity and lower coupons. The four bonds will be exchanged for two new bonds maturing in 2027 and 2028.

In the second offer, the Ghana Cocoa Board (**COCOBOD**) has invited investors to voluntarily exchange their cocoa bills worth GHS 7.91 billion for five new bonds with maturities between 2024 and 2028. The outstanding principal on the eligible bills will be exchanged with consideration ratios of 5%, 20%, 25%, 25% and 25% for the new bonds maturing in 2024, 2025, 2026, 2027 and 2028 respectively. Both offers have an expiration date of 25 August 2023 and a settlement date of 28 August 2023, and these new bonds will begin paying semi-annual coupons from February 2024. The Government and COCOBOD extended the expiration and settlement date on both offers to 25 August 2023 and 1 September 2023, respectively, with a longstop date of 4 September 2023. The offer for the cocoa bills closed with a participation rate of 97.38% as investors tendered GHS7.70 billion out of total eligible face value of GHS7.91 billion. The authorities also closed the offer for the USD-denominated local bonds with investors tendering in USD 741.73 million out of the total eligible amount of USD 808.99 million, yielding a resultant participation rate of 91.69%. Both offers were settled successfully on 4 September 2023.

The Government also announced the third phase of the DDEP for the pension funds. The offer invites pension funds to voluntarily exchange their holdings of old sovereign, ESLA and Daakye bonds for new tranches of the 2023-GC-1 and 2023-GC-2 bonds. A total face value of GHS31.01 billion is eligible to be exchanged with a ratio of 115% into the new bonds. Specifically, 58% of the face value will be exchanged for the 2023-GC-1 bond, which matures in 2027, while 57% of the outstanding principal will be exchanged for the 2023-GC-2 bond, which matures in 2028. The offer includes complimentary interest-only bonds with a coupon rate of 10.0% on both, which will be paid semi-annually, and the bonds will mature in 2027 and 2028. The offer was set to expire on 25 August 2023, with a settlement date of 28 August 2023. The Government extended the expiration and settlement dates to 25 August 2023 and 1 September 2023, respectively, so eligible holders could secure approvals to participate in the tender offer. The pension fund offer closed with a participation rate of 95.32% as investors exchanged GHS29.57 billion worth of face value for new bonds.

7.6 MACROECONOMIC OUTLOOK[8]

7.6.1 Overview

The IMF projects Ghana's economic growth (real GDP growth) to be 1.6% in 2023, rising to 2.8% in 2024 before accelerating to 5.0% in 2027. This forecast is well above the 3.6% and 4.2% projected growth for Sub-Saharan Africa in 2023 and 2024, respectively. The IMF also projected Ghana's consumer price inflation for the end of 2023 at 29.4%, declining to 15.0% by the end of 2024. These forecasts reflect the impact of the IMF programme and an improved global macroeconomic climate. The Government targeted an overall GDP growth rate of 2.8% in 2023 based on the 2023 budget. In the medium term, the services sector is expected to remain the dominant sector in the economy, with a sectoral share of GDP of 47.4% by 2027.

However, these projections were revised in the mid-year budget review to help align with the IMF-supported Post-COVID Programme for Economic Growth. The Government currently targets an overall growth rate of 1.5% for FY23, with the services sector still the largest contributor to GDP at 41.7%.

In the 2023 budget statement, the Government proposed the continued implementation of measures to support fiscal consolidation to restore macroeconomic stability and pursue value chain advancement to lessen the import burden.

The priority areas for the 2023 budget implementation include, among other interventions:

- aggressively mobilise domestic revenue;
- streamline and rationalise expenditures;
- boost local productive capacity;
- promote and diversify exports;
- protect the poor and vulnerable;
- expand digital and climate-responsive physical infrastructure; and
- implement structural and public sector reforms.

The medium-term outlook (2023 – 2026) for the Ghanaian economy is therefore envisaged as follows:

[8] IMF World Economic Outlook, April 2023; 2023 Budget Statement and Economic Policy

- overall Real GDP growth at an average rate of 3.5%;
- non-oil Real GDP growth at an average rate of 3.4%;
- year-end inflation rate to be within the target band of 8.0% ± 2.0%;
- primary balance on a commitment basis to average a surplus of 1.3% of GDP in the 2023-2026 period; and
- gross international reserves to cover at least 4.0 months of imports.

In the short term, the outlook for the 2023 fiscal year was envisaged as follows:

- overall real GDP growth of 1.5%;
- non-oil real GDP growth of 1.5%;
- a year-end inflation rate of31.3%;
- primary balance on commitment basis of a deficit of 0.4% of GDP; and
- gross international reserves to cover not less than 0.8 months of imports.

8. OVERVIEW OF THE GHANAIAN CAPITAL MARKET

8.1 OVERVIEW OF THE CAPITAL MARKET

The SEC regulates Ghana's capital market mainly through the Securities Industry Act. The capital market is the market for issuing and trading shares (preference and equities), fixed income securities and commodities. Shares are traded on the GSE and the Ghana Alternative Market (**GAX**), while fixed income securities are traded on the GFIM. Commodities are traded on the Ghana Commodities Exchange (**GCX**). The major players in Ghana's capital market are the Government, the SEC, the Bank of Ghana, the GSE, the GCX, investment banks, and corporations.

Ghana's capital market is relatively small in terms of instruments traded and the number of participants compared with other key sub-Saharan African markets such as South Africa, Nigeria and Kenya. Currently, 35 companies are listed on the GSE, 29 on the main market and 6 on the GAX. In addition, one preference share, one depository share, and an Exchange Traded Fund (ETF) are listed on the GSE. The total market capitalisation of the GSE at the end of Q3-2023 stood at GHS 74.19 billion. However, the fixed income market currently hosts mainly Government notes and bonds and a decent mix of corporate bonds.

The regulatory framework currently used by the SEC to regulate Ghana's capital market includes the following:

Table 6: Regulatory framework for the capital market

Securities Industry Act (including guidelines and directives issued by the SEC thereunder)
SEC Regulations
Unit Trust and Mutual Fund Regulations, 2001 (LI 1695)
Foreign Exchange Act
The SEC Corporate Governance Code for Listed Companies, 2020
Anti-Money Laundering Laws
Companies Act

Some of the developments that have helped to shape the evolution of the capital market over the past 3 decades include:

Table 7: Evolution of the capital market

1989	Incorporation of the GSE as a private company limited by guarantee
1990	Commencement of trading on the floor of the GSE in November 1990
2004	Establishment of the Bank of Ghana Securities Depository to manage the issuance, redemption and maintenance of ownership records of securities issued by the Government, Bank of Ghana and Ghana Cocoa Board
2007	Passage of Central Securities Depository Act, 2007 (Act 733) to permit the issuance of dematerialised securities, where shareholders and the board of directors of an issuer have authorised this. It also enabled the GSE to set up the GSE Securities Depository Company Limited (**GSD**) and a settlement system. The Bank of Ghana also set up the CSD pursuant to this Act
2008	Commencement of the operations of the GSD in November 2008
2009	Launch of a live automated trading system in March 2009 on the GSE, which was later upgraded to allow brokers to trade remotely from their offices in June 2009
2011	Extension of trading hours from the hours of 09:30GMT - 13:00GMT to 09:30GMT - 15:00GMT
2013	Launch of GAX as a parallel market operated by the GSE to allow viable small and medium enterprises (SMEs) to raise capital to finance their growth ambitions
2013	Merger of the 2 depositories (CSD and GSD), facilitated by the Ministry of Finance. The rationale for the merger was that the capital market was too small to be served by both depositories. The GSE and the Bank of Ghana agreed on December 2013 to merge the

	GSD and the CSD into a single depository known as the CSD
2015	Launch of GFIM to facilitate secondary market trading of fixed income securities issued by government, governmental agencies and corporate institutions
2015	Successful upgrade of the GSE's automated trading platform to international standards to boost global investor confidence in the Ghanaian market and to provide the backbone for West African capital markets integration agenda

8.2 OVERVIEW OF THE GSE

8.2.1 Overview of the GSE

The GSE was incorporated in July 1989 as a private company limited by guarantee under the Companies Act. The Stock Exchange Act, 1971 (Act 384) (now repealed), gave authority to the GSE to operate as a stock exchange in October 1990. On 12 November 1990, trading on the floor commenced, and the first council of the exchange was inaugurated. The GSE changed its status to a public company limited by guarantee in April 1994. Trading on the GSE began with 3 stockbrokers, 1 commemorative bond and 11 companies listed on one market.

A 9-member council governs the GSE, with its operations regulated by the SEC. The GSE's membership comprises 21 licensed dealing members (LDMs) and 20 associate members.

8.2.2 Performance of the GSE

The GSE was adjudged one of the best-performing exchanges in Africa in 2017 and 2021, following an impressive performance when it recorded a year-end return of 52.73% and 43.66% in cedi terms, respectively.

However, the bourse failed to maintain its upward trajectory after 2021, turning bearish in 2022 and ending the year with a loss of 12.38%. The decline was induced by a challenging macroeconomic environment, marked by high inflation, interest rate hikes, and consistent sovereign credit downgrades. The economic challenges dampened investor sentiments and led to a widespread market sell-off. As a result, the main market index, the GSE Composite Index (**GSE-CI**), ended 2022 with 2,443.91 points, indicating the 12.38% year-end loss, while the year-end market capitalisation was GHS 64.51bn. The decline in 2022 effaced the gains of 2021 where the bourse ended the year up 43.66%. Between 2018 and 2020, the stock market declined due to the extended effects of the local financial sector clean-up and the devastating impact of COVID-19 on the global economy.

As of Q3-2023, the GSE-CI has advanced to 3,172.35 with a year-to-date gain of 29.18%, driven by renewed interest in equities due to the impact of the DDEP on GFIM. Investor sentiment is steadily improving, especially following the successful review of the three-year USD 3 billion IMF-supported economic recovery programme for Ghana.

The following table sets out the number of listed equities, market capitalisation, and trading volumes and values as at and for the periods indicated:

Table 8: Performance of the GSE

	2017	2018	2019	2020	2021	2022	Q3-2023
Number of listed entities	40	40	38	36	36	37	36
Market capitalisation	62,917.19	61,136.53	56,791.28	54,374.88	64,495.20	64,507.32	74,189.35

(*GHS millions*)							
Cumulative trading volumes (*shares millions*)	322.8	200.50	3,816.97	695.40	486.59	1,335.26	560.77
Cumulative value traded (*GHS millions*)	518.4	659.30	624.20	575.27	533.27	1,639.79	412.62

Source: Ghana Stock Exchange

8.3 OVERVIEW OF THE GAX

The GAX was launched in 2013 as a parallel market operated by the GSE. It focuses on SMEs with potential for growth and the ability to achieve profitability within three years after listing. In addition to SMEs, start-ups at different phases of growth can also apply to list on the GAX to gain access to long-term funds to finance their growth, broaden their shareholder base and boost the liquidity of their shares. The requirements for listing on the GAX include a minimum stated capital of GHS 250,000, a minimum public float of 25% of issued shares and the ability to make profit within the first 3 years after listing.

For start-ups, however, applicants must submit a 3-year business plan, which demonstrates the applicant's viability.

As of Q3-2023, there were 6 listed companies on the GAX.

8.4 OVERVIEW OF THE GFIM

8.4.1 Overview of the GFIM

The GFIM was established in 2015 to facilitate the secondary trading of all fixed income securities in Ghana. The fixed income securities currently trading on the GFIM include treasury securities (bonds, notes and bills), corporate bonds and notes, Bank of Ghana bills and COCOBOD bills. In addition, the market can handle the trading of local government and supra-national bonds and repos. The establishment of the GFIM was driven by the key stakeholders of the Ghanaian financial sector, including the Ministry of Finance, the Bank of Ghana, the GSE, the CSD, the Ghana Association of Bankers, the Financial Market Association and LDMs.

The establishment of the GFIM was based on the existing securities licence of the GSE, and as such, the operations of the fixed income market are based on the existing regulatory framework of the GSE, which is regulated by the SEC. However, the Bank of Ghana governs the operations of primary dealers of Government debt securities.

8.4.2 Performance of the GFIM

Ghana's fixed income market grew by a 5-year CAGR of 22.48% to GHS 179.49 billion of outstanding securities at the close of 2022 due to Government's reliance on the domestic market to finance fiscal deficits. The Government and the Bank of Ghana have issued debt securities with maturities ranging from 2 weeks to 20 years. The corporate debt market, though relatively small, is on the rise, buoyed by the introduction of the GFIM, which paved the way for several corporate debt listings by financial services, logistics and real estate firms in the last seven years. Data from the GFIM as of Q3-2023 showed outstanding securities of 208 from 6 issuers, including the Government and COCOBOD. Other issuers with debt instruments on the fixed income market are Izwe Savings and Loans PLC, Bayport Savings and Loans

PLC, Letshego Ghana Savings and Loans PLC (formerly AFB Ghana PLC) and Quantum Terminals PLC. Outstanding debt face value of securities listed on the GFIM as of Q3-2023 was GHS 282.82 billion. The Government was the largest issuer accounting for 97% (GHS 274.16 billion) of the listed debt, followed by COCOBOD with 2.8% (GHS 7.93 billion). Other corporate securities accounted for 0.2% (GHS 0.54 billion) of all the debt securities listed on the GFIM.

Following the completion of the first leg of the DDEP in February 2023, the Government issued new bonds in exchange for some of its outstanding bonds, and those issued by ESLA PLC and Daakye Trust PLC. The new bonds have terms that include lower coupon rates and extended maturity periods. As of the end of Q3-2023, the face value outstanding of the new bonds is GHS 196.05 billion, representing 71.51% of the Government's outstanding debt securities listed on GFIM. The second leg of the DDEP (which concluded in August 2023) included the restructuring of USD-denominated domestic bonds, and bills issued by the COCOBOD, increasing the face value of the Government's new outstanding bonds on the GFIM by 44.77% at the end of Q3-2023. The Government also completed a special debt exchange offer for pension funds in August 2023. At the end of Q3-2023, pension funds held 9.37% of government and quasi-government bonds on the GFIM. Thus, the special debt exchange for the pension industry further reduces the state's near-term debt obligations, while increasing the value of the government's new outstanding bonds on the GFIM.

As at the end of Q3-2023, about 93.04% of all outstanding fixed income securities (GHS 285.95 billion) were held by local investors, including commercial banks, rural banks, insurance companies, firms and institutions, the Bank of Ghana, and the Social Security and National Insurance Trust. Foreign investors held the remaining 6.96% (GHS 21.4 billion).

Table 9: Performance of the GFIM

	2017	2018	2019	2020	2021	2022	Q3-2023
No. of issuers	11	12	12	10	9	9	6
Face value of listed debt (*GHS billions*)	68.38	80.81	100.66	147.76	184.08	188.51	282.62
Annual value traded (*GHS billions*)	30.70	37.87	55.55	110.67	216.04	230.68	50.16

Source: Ghana Stock Exchange, CSD

Secondary market activity on the GFIM has experienced significant growth since its establishment in August 2015. The market achieved a 5-year CAGR of 49.68% in value traded at the end of 2022 due to reforms in the management of pension funds in Ghana and the relative stability of the macroeconomic environment.

8.4.3 Overview of the GCX

The Government launched the GCX on 6 November 2018. Trading commenced on the same day, starting with white and yellow maize.

The GCX is a membership-based organisation which requires market players to sign up through a membership application. It aims to address the challenges facing smallholder farmers and associated value chain participants. It is intended to create a transparent and efficient marketing system for Ghana's key agricultural commodities, thereby promoting agricultural investment and productivity. The Government expects the GCX to help farmers shift from subsistence to commercial farming and increase agricultural commodity exports. The GCX is a public-private partnership between the Government and a private sector consortium comprised of domestic and global institutional investors, including Ecobank Ghana PLC, GCB Bank PLC, 8 Miles Fund, and the International Finance Corporation. The Bank of Ghana has granted provisional approval for the establishment of a finance house to engage solely in the warehousing receipt system of financing.

Recent developments aimed at stimulating the development of the GCX include:

Table 10: Development of the GCX

2019	The GCX and ARB Bank launch Electronic Warehouse Financing for the provision of loans to smallholder farmers based on the GCX electronic warehouse receipt
2019	The GCX adds sorghum and sesame contracts to its electronic trading platform, bringing the total number of contracts on the exchange to five – white maize, yellow maize, soybean, sorghum and sesame
2019	The GCX accepts the listing of Ghana's local rice on the exchange to boost local rice production and consumption
2019	The GCX partners with the World Food Programme (WFP) to manage a warehouse WFP constructed for smallholder maize farmers in the Ejurasekyedumase Municipality
2020	The GCX (in support of the Government) partners with the Venture Capital Trust to establish a Commodity Aggregation Development Fund (CADeF) to improve liquidity for commodity brokers
2021	The GCX adds cashew contracts to its electronic trading platform

9 OVERVIEW OF GHANA'S BEVERAGE INDUSTRY

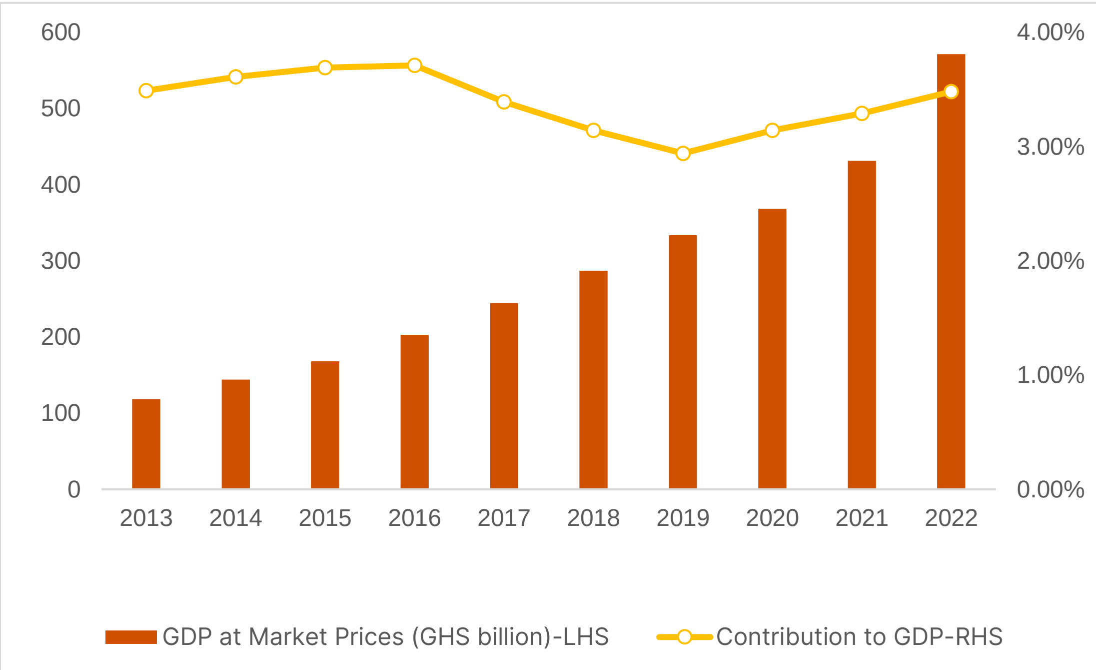
9.1. INTRODUCTION

Africa has become an increasingly attractive investment market for the global beverage industry, as large populations, positive demographic developments, increasing urbanisation, and growing disposable income improve the market potential in a largely underdeveloped industry. The initiatives of governments across the continent have also encouraged increased investment as governments make a concerted effort to clamp down on the production and consumption of illegal, unregulated alcohol.

In Ghana, the notable players in the industry include the Issuer, Diageo-owned Guinness Ghana Breweries PLC, GIHOC Distilleries, ABInBev-owned Accra Brewery PLC, The Coca-Cola Company, SBC Beverage Investment Ghana Limited (manufacturers of "*Pepsi Cola*"), African Investments and Manufacturing Ghana Limited (manufacturers of "*Africola*") and Twellium Industries (manufacturers of "*American Cola*").

The food and beverage manufacturing sector is critical to Ghana's economy, unpinned by its substantial contribution to GDP from 2.94% in 2019 to 3.48% in 2022. In 2019, activities in the beer market accounted for about USD392 million in tax revenue (3.9% of Government revenue). Similarly, the beer market's spending and supply chain sustained over 199,000 jobs in Ghana, equivalent to 1.6% of national employment. The Ghanaian beverage market was estimated at GHS 3.85 billion, nearly two-thirds of the vehicle market. Additionally, the consumption of alcoholic and non-alcoholic beverages in Ghana has been rising, with Ghanaians consuming approximately 2.3 billion bottles in 2019 and over 2.39 billion bottles in 2020. Nearly 92% of beverages are produced locally, with non-alcoholic drinks dominating almost 77% of the market.

Diagram 5: Contribution of Food and Beverage Industry to GDP



Source: Ghana Statistical Service (GSS), Databank

9.2. EVOLUTION OF THE INDUSTRY

The Ghanaian beverage industry can mainly be segmented into the alcoholic market (beer, wines, and spirits) and the non-alcoholic market (carbonated drinks, malts, and juices, among others). The industry has evolved significantly over the years, stemming from changing consumer preferences, technological advancements, market trends, mergers and acquisitions, and Government interventions. By capitalising on consumer preferences for premium beverages, leveraging technological advancements, and adapting to market trends, companies like the Issuer have contributed to the growth and development of the industry, shaping a landscape characterised by heightened market localisation, an aggressive competitive environment, premiumisation, increased market size, and formalisation.

Before the 2000s, the leading players in the Ghanaian alcoholic market were Ghana Brewery Limited (renamed after Heineken International BV acquired the Achimota Brewery Limited from the Government in 1997), Guinness Ghana Limited (renamed after Diageo PLC acquired the Kumasi Brewery Limited) and Accra Brewery PLC (**ABL**). GIHOC Distillery was also a major local producer of spirits. In 2004, Ghana Brewery and Guinness Ghana Limited merged, resulting in the new entity, Guinness Ghana Breweries PLC (**GGBL**), dominating the Ghanaian market with about an estimated 70% share of the local alcoholic market as of 2022.

The Issuer, founded in 1987, has historically been a smaller player in the industry. The Issuer has experienced significant growth over the past decade and has established a strong domestic and regional export market. The Issuer's range of products, including its flagship brand, "*Alomo Bitters*", and other alcoholic, non-alcoholic, and bottled water products, are highly popular and widely consumed in the Ghanaian and West African markets.

In the non-alcoholic beverage segment, the market is dominated by carbonated soft drinks, with the main players being The Coca Cola Company (manufacturers of "*Coca Cola*" and "*Fanta*") and SBC Beverage Investment Ghana Limited (manufacturers of "*Pepsi Cola*", "*Mirinda*" and "*Seven Up*"). Nonetheless, the Issuer, GGBL and ABL have also forayed successfully into the non-alcoholic segment of the market, with strong respective portfolios of malts, carbonated and energy drinks. With disposable incomes generally low but growing, carbonated soft drinks have been able to serve as affordable indulgences and thirst quenchers. Fan Milk PLC is also a significant player in the sector, providing ice cream and yoghurts through an extensive distribution network. In the midst of this expanding market, numerous new players have entered the fray, including Twellium Industries (producers of "*American Cola*") and Special Ice Company Ltd (makers of Special Cola, Special Malt, and Special Orange), all vying for a share of the market.

Historically, the beverage industry has long relied on imported raw materials for their production while also importing a significant amount of finished beverage products into the Ghanaian market. However, to encourage and support local agriculture and industry, the Government introduced a sliding-scale excise duty for brewers that use locally sourced raw materials in the production of their beers and malts. Under the Excise Duty (Amendment) (No. 2) Act, 2015 (Act 903), non-indigenous beer attracts an excise duty rate of 10% to 47.5% of the ex-factory price of the beer, depending on the proportion of local raw materials used in the production of the beer. In the case of malt drinks, an excise duty of 7.5% - 17.5% is payable on the ex-factory price of the drinks.

9.3 TRENDS AND COMPETITION IN THE GHANAIAN BEVERAGE INDUSTRY

The burgeoning income levels in Ghana have led to a robust surge in demand for a wide range of beverage refreshments. All product categories continue to see increased consumer spending, leading to intense competition within the industry for a more significant market share.

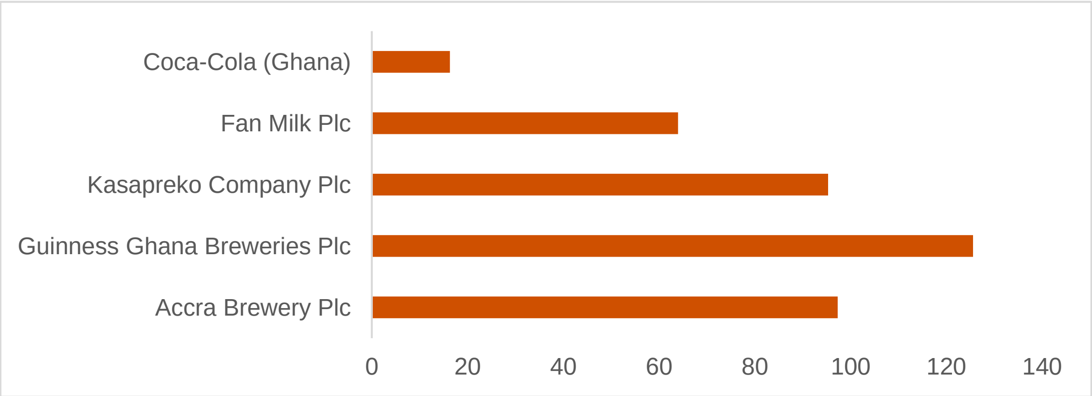
The multinational players have primarily focused on the premium end of the market, which to some extent, explains the continued strength of the informal brewing industry. The advent of cheap cassava beer presents good opportunities for commercial beer consumption over the medium-to-long term. In 2012, GGBL introduced Ghana's first cassava beer. Subsequently, in 2016, ABL introduced "*Eagle*" beer at 70% of mainstream beer price as part of a strategy to attract consumers in the home brew segment.

The increasing need for convenience and on-the-go consumption has sparked a surge in demand for ready-to-drink (**RTD**) beverages and single-serve packaging. As a result, major players in the industry have expanded their product offerings to meet these consumer preferences. For instance, returnable glass bottles, historically the norm for selling malt drinks, are currently being substituted with cans and plastic bottles in alcoholic and non-alcoholic markets. Products such as bottled water, canned juices, energy drinks, and RTD coffees are gaining significant market share due to their convenience and portability. This trend specifically caters to the needs of consumers seeking quick and easily accessible beverage options.

The industry is also witnessing a surge in innovative flavours and ingredients. Companies are introducing new and exciting flavours to cater to evolving consumer tastes. Exotic fruit flavours, unique blends, and locally sourced ingredients are incorporated into beverages to resonate with Ghanaian culture and preferences. Consumers are increasingly seeking novel taste experiences, and companies are responding by continuously innovating their product offerings.

Sustainability and eco-friendly practices have become important considerations for consumers. The industry is witnessing a shift towards sustainable and environmentally friendly practices. Consumers actively seek brands prioritising eco-friendly packaging materials, supporting social and environmental causes, and embracing sustainable production methods. Companies that demonstrate their commitment to sustainability are positioning themselves as responsible and socially conscious brands, appealing to the growing segment of environmentally conscious consumers.

Diagram 6: Estimated Sales for 2022 (USD Millions)



Source: Dun & Bradstreet

9.4 REGULATION OF THE GHANAIAN BEVERAGE INDUSTRY

The Competent Authorities which regulate the beverage industry include:

(a) the FDA, which enforces the Public Health Act and regulates the manufacture, importation, exportation, and distribution of food and beverages. The FDA oversees the registration of food and beverages and production facilities and approves product advertisements, ensuring compliance with health and safety standards;

(b) the GSA, which enforces the Standards Laws, which sets quality and labelling standards for the beverage sector. The GSA ensures that beverages meet quality and labelling standards. It licenses beverage companies to use the "Ghana Standards Certification Mark" on their products, indicating compliance with established standards;

(c) the EPA, which enforces the EPA Laws. The EPA conducts routine inspections of beverage production facilities to ensure compliance with environmental regulations. It also issues environmental permits to beverage companies, certifying their facilities as environmentally safe for production.

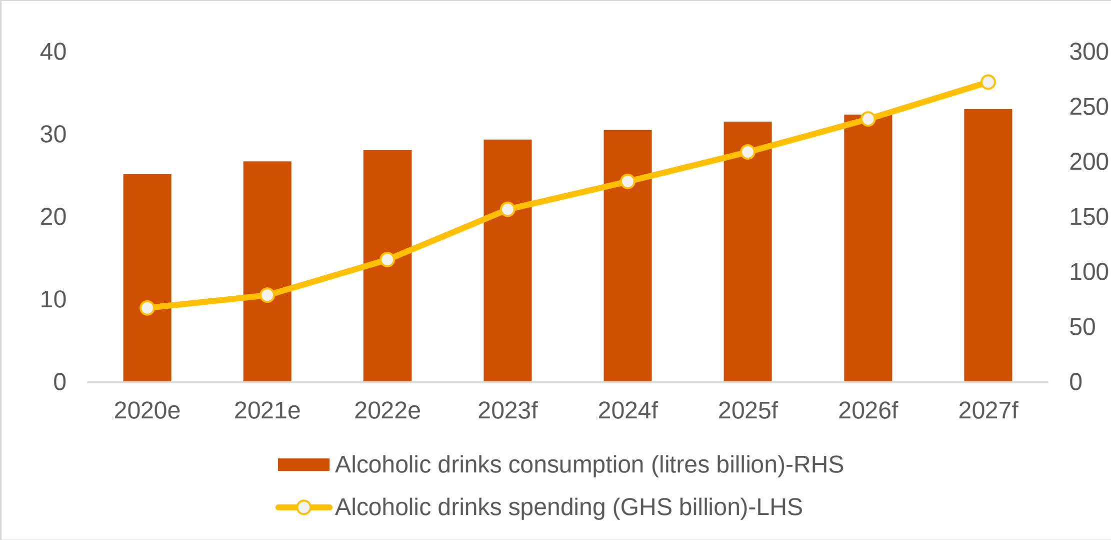
(d) the GRA, which is responsible for collecting import and export duties, taxes and enforcing import and export regulations. The GRA also oversees the licensing and registration of manufacturers, including those in the beverage industry, and ensures compliance with tax obligations; and

(e) the Factories Inspectorate, which enforces Ghana's occupational health and safety regulations under the FOS Act. It regularly inspects production facilities, including those in the beverage industry, to certify their compliance with the required health and safety standards.

9.5 OUTLOOK

The global beverage market is poised for steady growth in the coming years, with a projected compound annual growth rate (CAGR) of 3.5% in volumes by 2028. According to Fitch Solutions, the Ghanaian beverage industry is expected to see a 20% average annual increase in spending over the next five years due to a growing middle class and increased exports to neighbouring West African countries under the African Continental Free Trade Agreement (**ACFTA**).

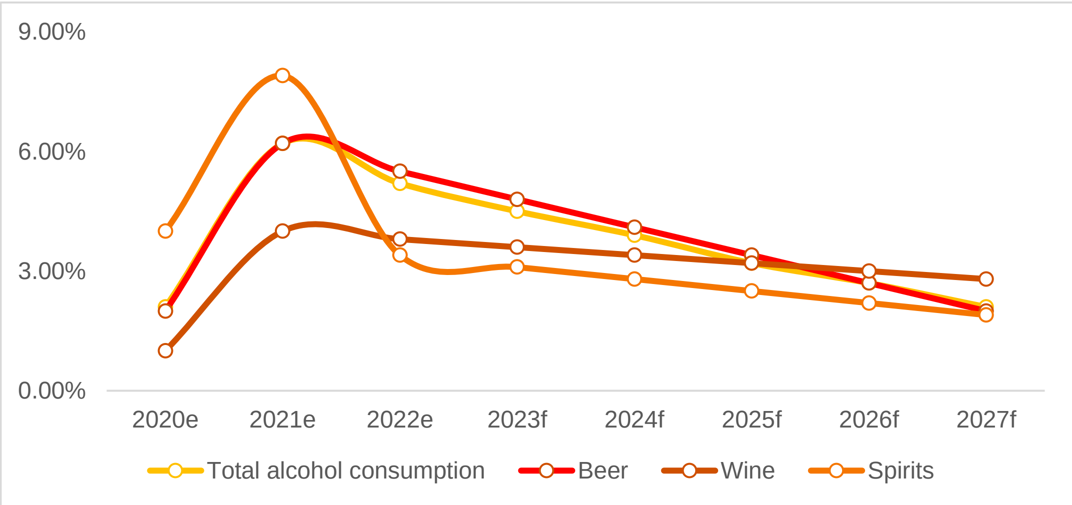
Diagram 7: Total Alcoholic Drink Spending and Consumption for Ghana (2020 – 2027)



e/f = Fitch Solutions estimate/forecast. Source: National sources, Fitch Solutions

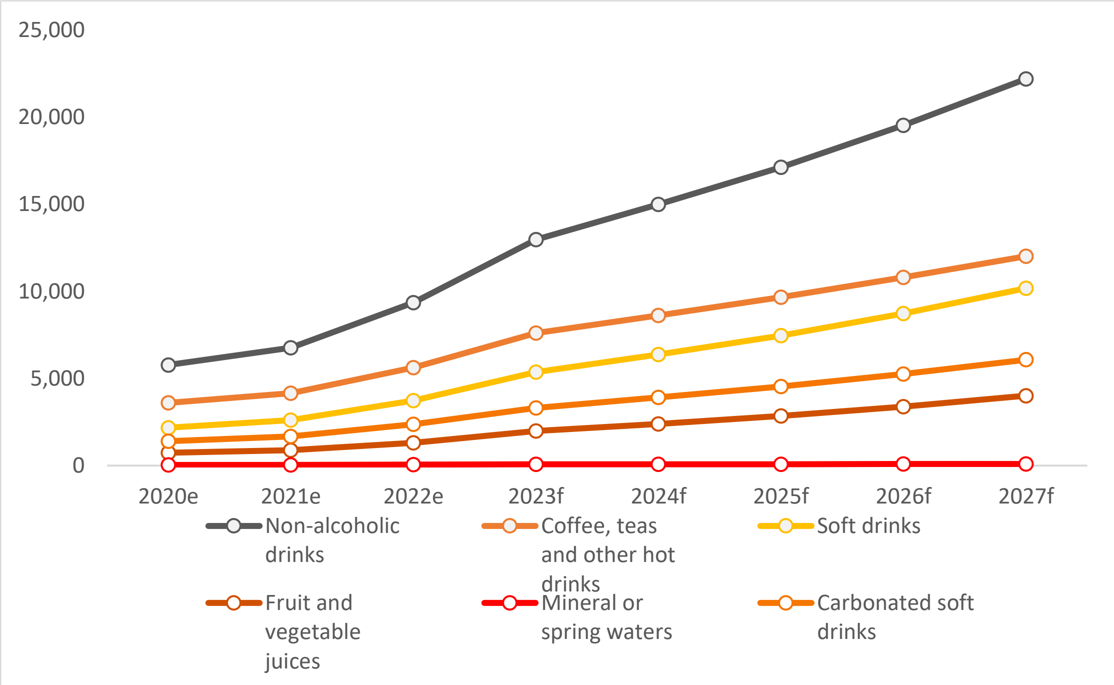
In the local alcoholic drinks sector, Fitch Solutions expects robust spending growth of 41.1% in 2023, driven by elevated inflation levels, before moderating to 16.1% in 2024. The consumption of alcoholic drinks is also projected to increase, with a growth rate of 4.5% in 2023 and a slight slowdown to 3.9% in 2024. Among the alcoholic drinks categories, beer is expected to experience the fastest growth, with a forecasted increase in consumption of 4.8% to 182.7mn litres. This trend can be due to household income growth and the ongoing formalisation of the industry. Ghana is an attractive market for the beer industry in Sub-Saharan Africa, and per capita, beer consumption is projected to reach 11.1 litres by 2027. Although wine and spirits show lower per capita consumption rates, they are also anticipated to grow by 3.6% and 3.1%, respectively.

Diagram 8: Forecast for Growth in Alcoholic Drinks Consumption in Ghana (2020 – 2027)



e/f = Fitch Solutions estimate/forecast. Source: National sources, Fitch Solutions

Diagram 9: Non-Alcoholic Drinks Sales Forecast for Ghana (GHS million) (2020 – 2027)



e/f = Fitch Solutions estimate/forecast. Source: National sources, Fitch Solutions

Spending on non-alcoholic drinks is predicted to grow by 38.8% in 2023, reaching GHS 13.0 billion. This growth will be driven by increased consumption of coffee, teas, and other hot drinks (35.2% growth) and soft drinks (44.2% growth). Inflation and weakening of the GHS against the USD will contribute to these growth forecasts. Looking ahead, the forecast for non-alcoholic drinks spending from 2023 to 2027 is an average annual growth rate of 19.3%, reaching GHS 22.2 billion. Soft drinks are expected to outperform hot drinks in terms of spending growth, with an annual average growth rate of 22.1% compared to 16.8% for hot drinks.

Carbonated drinks have shown dynamic growth across Sub-Saharan Africa in the soft drinks category due to their affordability and thirst-quenching properties. Bottlers have adopted pricing strategies below the inflation rate to drive volume growth. In Ghana, soft drink sales are expected to benefit from favourable growth redistribution and a stable excise climate. Fruit and vegetable juices are anticipated to exhibit good growth, with an average rate of 25.7% per year over the forecast period of 2023-2027. Carbonated drinks follow closely, with an average growth rate of 21.1%.

10 INFORMATION ON THE ISSUER

10.1 CORPORATE HISTORY OF THE ISSUER

The Issuer was originally incorporated as a private limited liability company on 9 March 1987 as Quab Gooding Company Limited. It has subsequently undergone the following corporate changes:

Table 11: Summary of Incorporation History

Change Date	Change Details
15 September 1992	Change of name from "Quab Gooding Company Limited" to "*Kasapreko Company Limited*"
9 June 2023	Conversion into a public limited liability company
9 August 2023	Issued with a new company registration number "*PL000290823*"

10.2 OVERVIEW OF THE BUSINESS OF THE ISSUER

10.2.1 Business of the Issuer

The Issuer is Ghana's premier beverage manufacturer, representing the essence of an authentically Ghanaian corporate brand. It is committed to providing quality drinks at affordable prices and has grown to become a global player in the beverage industry. The Issuer's diverse product portfolio and services span alcoholic and non-alcoholic beverages. Much of the portfolio is produced locally in Ghana, whiles certain premium products are available under a distributorship arrangement with Distell South Africa (**Distell**). In addition, the Issuer has leveraged its capabilities in the beverage value chain to manufacture some of its raw materials and offer other players toll packing opportunities. The Issuer's state-of-the-art production facilities in Accra and Kumasi boast world-class machinery, enabling the Issuer to produce renowned brands in various packaging formats. Equipped with high-speed spirit, beer, carbonated soft drinks, and water production lines, the Issuer can package over 150,000 bottles per hour, catering to glass and PET bottles.

10.2.2 Products and services

(a) Alcoholic beverages

(i) Alomo Bitters

Alomo Bitters is an authentic herbal spirit drink produced from natural plant extracts and a neutral spirit. *Alomo Bitters* is available in unique variants i.e. *Alomo Gold* (premium variant aged in oak barrels) and the classic *Alomo Bitters*. This iconic drink is the recipient of numerous awards, including the Monde Selection Gold Award, International Quality Award and the Most Admired Brand in Ghana by Brand Africa. *Alomo Bitters* is sold in 200ml (PET bottle) and 750ml (glass and PET bottles), and 50ml (sachet).

(ii) Carnival Liqueur

Carnival Liqueur is the only locally produced sweetened fruit-based liqueur. It was introduced in 2014, and the range of flavours includes Strawberry, Apple, and Chocolate. *Carnival Liqueur* is widely available in Ghana and exported to Togo, Cote D'Ivoire, Benin, and Nigeria. *Carnival Strawberry Liqueur* is sold in a 750ml glass bottle and 50ml sachet, providing consumers various options to meet their needs and preferences.

(iii) **V12 Chill**

New to the V12 portfolio is the *V12 Chill*. It is made for individuals who prefer low-alcohol options and those who enjoy parties and seek a combined thrill of alcohol and a kick of energy. *V12 Chill* is sold in 330ml PET and glass bottles.

(iv) **Freedom Beer**

Being the only crafted beer, *Freedom* sets itself apart with its unique taste and product delivery. Living up to its name and tagline, "*Masa Feeli Free*", *Freedom* provides its consumers with the liberty to be unique and stand out among their peers. The product is sold in 330ml and 625ml glass bottles.

(v) **Distell brands**

Part of the Issuer's portfolio includes brands under a distributorship arrangement with Distell. The Distell portfolio of brands is known worldwide for their quality and premium appeal. The range of products includes ciders, wines, cream liqueurs, etc. Some well-known names in the portfolio include *Nederburg*, *4thSTREET*, *Savanna*, *Hunters*, and *Amarula*.

(b) **Non-alcoholic beverages**

(i) **Awake Purified Drinking Water**

Awake is a quality drinking water that was introduced in Ghana in 2016. It is the first drinking water brand in Ghana that supports charitable causes. The Issuer donates part of the proceeds to the National Cardiothoracic Centre to support people suffering from cardiovascular diseases and corporate social responsibility activities through its 'ONE4Life' campaign and other organisations' community sensitisation, immunisation, and health screening campaigns. *Awake* is sold in 330ml, 500ml, 750ml, 1.5 litres PET bottles, and 19 litres dispenser bottles.

(ii) **Storm Energy Drink**

Storm Energy Drink is a leading energy drink in Ghana, both in volume and value. *Storm Energy Drink* is sold in 350ml and 500ml PET bottles. *Storm Energy Drink* has been on the market for many years and is sold in Ghana, Nigeria, Togo, Cote D'Ivoire, Benin, Burkina Faso and Guinea.

(iii) **Puma**

Puma is a refreshing carbonated soft drink produced in various flavours. The product was launched in 2020 and won CIMG's Product of the Year Award for that same year. Amid the challenges of the COVID-19 pandemic, *Puma* partnered with the Metro Mass Transit Co.

LTD to offer free rides to commuters in Accra, Kumasi and the Northern Regions. *Puma* drinks resonate with the vibrant youth between the ages of 15 to 30 years and mothers. A popular brand ambassador was appointed for this product to enable it to dominate its market. *Puma* is sold in 350ml PET bottles.

(iv) **Melo**

Melo is a new addition to and the ultimate game changer in the carbonated soft drinks category, produced in 6 captivating variants. The tagline for *Melo* drinks is "*Redefining Refreshment*", showcasing a blend of innovation and flavour. *Melo* is sold in 350ml PET bottles and a 20-piece pack setting a new standard in the Ghanaian market.

(v) **Rambo Citrus**

Rambo Citrus was developed in Ghana by the Issuer to offer its consumers a true taste of refreshment. *Rambo Citrus* is made from a delightful combination of real fruit concentrate and invigorates the senses with each sip. *Rambo Citrus* is sold in 350ml PET bottles.

(vi) **Supastar Multifruit**

Supastar Multifruit's delightful options cater to diverse preferences and satiation levels with a great taste. *Supastar Multifruit* is sold in 350ml and 500ml PET bottles.

(vii) **HI5 Chocomalt**

Hi5 Chocomalt is Ghana's first chocolate malted drink which gives you a unique blend of real cocoa and malt. The product is sold in 350ml and 500ml PET bottles.

(viii) **Kiddy Pack**

The Issuer's kid's juice brand, Kiddy Pack, comes in 4 amazing flavours; Apple, Pineapple, Grape and Tropical. The product is sold in 200ml Tetrapak boxes.

(ix) **Kiki Juice**

Kiki Juice is a delicious juice drink targeted at teens and young adults and comes in various flavour options: Mango, Multifruit, and Cocktail. The product is sold in 250ml Tetrapak boxes.

(c) **Business-to-business products and services**

(i) **Carbon Dioxide (CO_2)**

The Issuer has emerged as a major producer of CO_2 in West Africa in the last 4 years, with 3 CO_2 plants generating about 25 tons per day. The Issuer produces high-quality, food-grade CO_2 with 99.9% purity for major industries across the subregion. The production and supply chain of CO_2 has positioned the Issuer as a reliable supplier to leading beverage industries across the region. The Issuer has expanded its distribution capability to serve major distributors in industrial gas, fire suppressing, mining, and health industries. The Issuer has also invested in large-scale storage tanks capable of storing substantial volumes of CO_2 and ultra-modern testing machines to ensure its product complies with all international food standards.

(ii) **Ethanol**

The Issuer also supplies ethanol with at least 96% purity, which is used in other production processes. This product undergoes rigorous quality control measures to ensure purity, consistency, and compliance with regulatory standards. The Issuer offers flexible distribution channels to ensure convenient access to its clients in Ghana and other West African countries.

(iii) **Preforms and caps**

The Issuer offers a wide range of packaging products - polyethylene terephthalate (PET) preforms and caps tailored to its customers' requirements. Its packaging solutions are engineered to ensure product integrity, secure closure, and optimal shelf life for beverages. The Issuer adheres to stringent manufacturing standards and employs advanced technologies to produce premium grade products. It is proud to work with industry-leading manufacturers, such as Husky Technologies for PET preforms and SACMI Group for caps. The Issuer can produce an average of 38,000 preforms and 48,000 caps per hour per plant, and it is committed to meeting the packaging needs of its clients. Its plants can produce a comprehensive range of preforms with precise grammage specifications, ranging from 11.5g to 22.3g. The caps can be produced in a range of sizes and colours to suit the specific needs of its customers.

(iv) **Toll packing**

The Issuer's production facilities are used to produce its products and that of other beverage manufacturers. Its state-of-the-art facilities are meticulously designed to optimise every aspect of toll packing, ensuring exceptional quality and efficiency at every production stage. The unparalleled efficiency of its production process is leveraged to streamline the beverage production process of its clients. From precise ingredient sourcing to seamless formulation execution, the highly skilled technicians and efficient systems of the Issuer deliver optimal productivity and accelerated time-to-market, giving its clients a competitive edge in the industry. The Issuer adheres to rigorous international standards, ensuring consistent product quality, stringent process controls, and a robust quality management system. The Issuer employs strict measures to ensure that proprietary formulations, trade secrets, and sensitive information about its clients' products are treated with the utmost confidentiality and safeguarded to protect their competitive advantage.

10.2.3 Regulatory overview of the business of the Issuer

As indicated under Section 9.4 (*Regulation of the Ghanaian Beverage Industry*) above, the business and operations of the Issuer (as a beverage manufacturer) are subject to regulation and supervision by certain Competent Authorities under Applicable Laws, key among them are set out below.

(a) **FDA**

The FDA (under the control and supervision of the Ministry of Health) is the national regulatory body responsible for the regulatory control of the manufacturing, importation, exportation, distribution, sale and advertisement of food, drugs, cosmetics, medical devices and household chemical substances under the Public Health Act.

The Public Health Act requires the Issuer (as a manufacturer of beverages and drinks) to comply with the following:

(i) register all its premises (used for the processing, manufacturing, storage and distribution of its products) with the FDA;

(ii) register each of its products with the FDA; and

(iii) obtain the prior approval of the FDA to advertise its products.

Non-compliance by the Issuer will subject it (and/or each of its defaulting officers) to fines ranging from GHS 12,000 to GHS 90,000 and a term of imprisonment of ranging from 6 months to 15 years. As at the date of the Prospectus, the Issuer is in compliance with the requirements under the Public Health Act except in respect of 9 of its products. The Issuer has confirmed that registration is ongoing in respect of the 9 outstanding products.

(b) **GSA**

The GSA is responsible for the enforcement of the Standards Laws. Under the Standards Laws, the Issuer is required to use (under licence from the GSA) the "Ghana Standards Certification Mark" on all its products. The licence is valid for a period of 1 year effective from the date of the issue and is subject to renewal. The Issuer is also required to comply with the labelling requirements under the Standards Laws (which include indicating, on each product, the list of ingredients, the date of manufacture and expiry, and code marks or numbers indicating the production or packaging batch).

A breach of the requirements set out above will make the Issuer and/or each defaulting officer liable to a ranging from GHS 1,200 to GHS 6,000 plus a fine of GHS 600 for each day the breach continues or a term of imprisonment ranging from 30 days to 1 year or both. The GSA also has the power to seize the products of the Issuer in the event of non-compliance. As at the date of the Prospectus, the Issuer is in compliance with the requirement to be licensed to use the Certification Mark on all its products except in respect of 5 of its products. The Issuer has confirmed that registration is ongoing in respect of the 5 outstanding products.

(c) **EPA**

The EPA is responsible for the enforcement of the relevant requirements under the EPA Laws. Under the EPA Laws, the Issuer is required to:

(i) register with (and obtain an environmental permit from) the EPA;

(ii) submit an annual environmental report to the EPA; and

(iii) submit an environmental management plan to the EPA every 3 years.

Non-compliance by the Issuer will subject it to fines not exceeding GHS 200 plus a fine of GHS 20 for each day of default. The EPA also has wide powers including the power to shut down the operations of the Issuer in the event of a breach. As at the date of the Prospectus, the Issuer is in compliance with the requirements set out above.

(d) **Factories Inspectorate**

The Factories Inspectorate is responsible for the enforcement of the requirements under the FOS Act. The FOS Act provides for, among others, the registration of factories, and requirements for the health, welfare and safety of persons employed in factories, offices and shops.

The Issuer is required to register its manufacturing premises and warehouses with the Factories Inspectorate. The registration expires on 31 December of the year in which it was issued and is subject to renewal. The Issuer must also notify the Factories Inspectorate of any accidents or deaths, and ensure that its premises are properly ventilated, clean, well-lit and generally safe for its employees.

Non-compliance by the Issuer will subject it to fines not exceeding GHS 1,800 plus a fine of GHS 300 for each day of default. As at the date of the Prospectus, the Issuer is in compliance with the requirements set out above.

(e) **GNFS**

The GNFS is responsible for the enforcement of the requirements under the Fire Precaution (Premises) Regulations, 2003 (L. I. 1724). The law requires companies to obtain a fire permit in respect of their business premises from the GNFS. The GNFS inspects the premises, drawings of the premises and considers whether there is a safe and effective means of escape, adequate firefighting equipment and the fire direction and warning system is satisfactory before it issues a fire permit.

The Issuer is required to obtain a fire certificate in respect of its premises from the GNFS. The fire certificate is valid for 12 months from the date of issue and is subject to renewal. Non-compliance by the Issuer will subject it to fines not exceeding GHS 3,000 plus a fine of GHS 300 for each day of default. As at the date of the Prospectus, the Issuer is in compliance with the requirement to obtain a fire certificate in respect of each of its business premises.

(f) **Relevant local assemblies**

Under the Local Governance Act, 2016 (Act 936) and the relevant local government instruments, all metropolitan, municipal, and district assemblies are empowered to regulate, license and inspect any premises or land in or upon which any profession, occupation, trade or business is carried on. The assemblies are also authorised to impose various rates on businesses and persons, such as business operating levy and property levy, within their respective areas of operation.

The Issuer is therefore required to pay an annual business operating levy, to the relevant metropolitan or district assembly within which it operates. Where the Issuer does not comply with this requirement, the relevant local government authority is empowered to make a demand and subsequently close down its business premises until payment is effected by the Issuer. As at the date of the Prospectus, the Issuer is in compliance with the requirement to pay the annual business operating levy to all the relevant local assemblies in whose jurisdictions the Issuer has business premises.

10.2.4 **Business strategy**

The Issuer's strategy for success hinges on its core values of innovation, quality, and authenticity with a focus on the following areas: (i) creating a future-fit portfolio, (ii) operational efficiencies and capacity building, (iii) market expansion and (iv) sustainability. The Issuer aims to strengthen its market position, drive growth, and remain competitive in the dynamic and evolving beverage industry by pursuing these objectives.

(a) **Creating a future-fit portfolio**

The Issuer believes that a diversified and future-proof product portfolio that meets evolving consumer preferences, regulatory changes, and market demands is essential to success. This will be achieved through continued market research to develop innovative and high-quality products by identifying gaps in the market and exploring opportunities for backward integration, such as strategic partnerships with raw material producers to maximise efficiency.

(b) **Improving operational efficiencies and capacity building**

The Issuer continues to work towards building a sustainable business by minimising cost, enhancing productivity, and expanding capacity to meet future demand. Operational efficiency will be improved by continuously automating processes at the Issuer's state-of-the-art facilities and acquiring the latest technology. Regarding capacity building, the Issuer invests in employee training and development programs.

(c) **Intensifying market expansion**

With a strong domestic presence in Ghana and the African region, the expansion efforts of the Issuer will focus on international exports and driving revenue growth by adopting an efficient and extensive route-to-market strategy. The Issuer thoroughly researches potential international markets to develop its export strategy. The Issuer continuously grows its digital footprint to make products available worldwide through online platforms.

(d) **Promoting sustainability**

The Issuer is passionate about protecting its environment and preserving the livelihoods of those it serves. As such, the Issuer remains committed to decreasing its impact on the natural environment and reducing waste. Recycling and eco-friendly packaging are some initiatives the Issuer has already taken in addition to its corporate social responsibility activities.

10.2.5 Competitive strengths

(a) **Product innovation and diversification**

The Issuer's wide range of alcoholic and non-alcoholic beverages, spanning multiple categories, allows it to cater to diverse market segments and capture a larger market share. The Issuer invests in product Research and Development (R&D) and technology to improve production efficiency, optimise processes, and maintain product consistency. It also explores eco-friendly packaging options, energy-efficient production methods, and responsible sourcing practices to minimise environmental impact.

(b) **High quality and standards**

Establishing a modern quality control and product development laboratory helps ensure that the Issuer's products meet or exceed industry standards. The high quality of the Issuer's products is due to the following: (i) rigorous quality control, (ii) premium ingredients, (iii) certifications (FSSC 22000 V.5.1 and ISO 9001: 2015) and compliance, (iv) state-of-art manufacturing facilities, (v) research and development, and (vi) customer feedback and satisfaction.

(c) **Brand positioning**

The Issuer's brand positioning revolves around being a leading and innovative producer of high-quality alcoholic and non-alcoholic beverages, strongly emphasising authenticity and connection to Ghanaian culture. The Issuer's brand positioning strategy includes (i) quality and excellence, (ii) innovation, (iii) heritage, (iv) responsible corporate citizenship, (v) customer-centredness, and (vi) global reach.

(d) **Robust market presence**

The Issuer enjoys strong brand recognition and a robust domestic and international market presence. The Issuer is present across rural and urban Ghana and in the African region (Nigeria, Togo, Burkina Faso, Ivory Coast, Liberia, Sierra Leone, and Gambia). The Issuer's products are exported to Europe, North America, Asia, and the Middle East. Moreover, the Issuer's strong online presence enables consumers worldwide to access and purchase its products through e-commerce platforms.

(e) **Manufacturing capabilities and infrastructure**

The Issuer operates state-of-the-art automated manufacturing facilities equipped with advanced technology and processes. This infrastructure enables efficient production, consistent product quality, and the capacity to meet increasing consumer demand. The Issuer's manufacturing capabilities contribute to its competitive strength and ability to scale operations.

(f) **Research and development**

The Issuer has a dedicated R&D team that works tirelessly to create innovative beverages that are unique in the market. The Issuer explores novel ingredients, flavour combinations, market trends and production techniques to craft unique and captivating products allowing the Issuer to remain ahead of the competition.

(g) **Distribution and channel networks**

The Issuer's strategic partnerships with distributors, retailers, and industry stakeholders ensure extensive market coverage, enhancing its accessibility and competitive positioning. The Issuer pursues innovative strategies to expand into new markets. Key tactics include an analysis of market trends, consumer behaviour, and cultural preferences to underpin the introduction of products that resonate with specific regions and demographics.

(h) **Strong leadership and management**

The Issuer's management team have extensive industry knowledge and expertise, which guides effective decision-making, resource allocation, and the Issuer's ability to adapt to market dynamics, positioning it for continued success.

(i) **Consumer engagement**

The Issuer's commitment to innovation extends to consumer engagement strategies by actively seeking consumer feedback, conducting surveys, and listening to their preferences. This valuable input informs R&D efforts, allowing the Issuer to effectively tailor its offerings to meet consumer demands. By placing consumers at the heart of its brand, the Issuer can forge strong connections and build loyalty.

(j) **Culture**

The Issuer has built a culture deeply rooted in the Ghanaian heritage and embraces Ghanaian values, traditions, and spirit, shaping identity and guiding actions. This culture hinges on authenticity, excellence, collaboration and respect, employee development and empowerment, integrity and ethics, social responsibility, passion, and an entrepreneurial spirit.

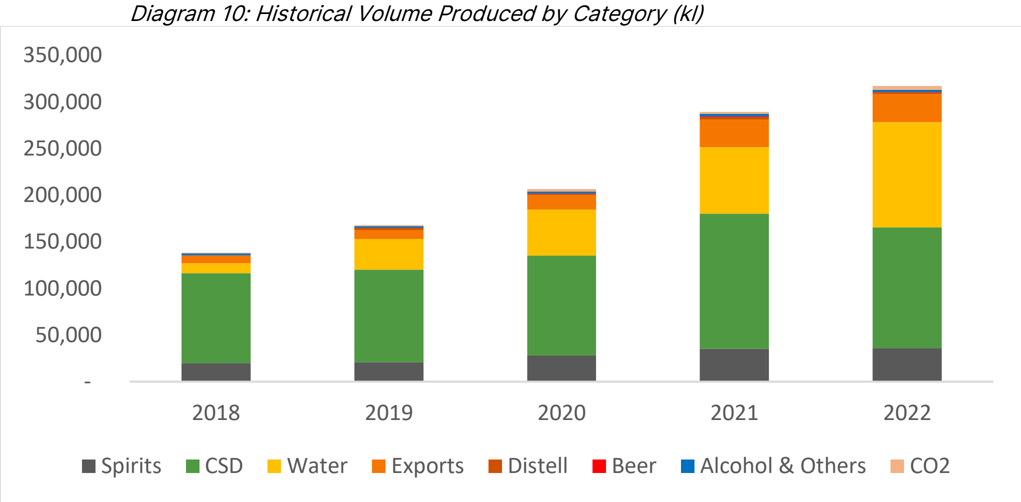
10.2.6 Developments in the Issuer’s business

The Issuer's business has experienced significant growth in the last 5 years, with the revenues well diversified across its various product lines in both the alcoholic and non-alcoholic segments.

(a) **Volume produced**

The total volume produced and sold by the Issuer has grown by a compounded annual growth rate (CAGR) of 23.1%, from 132.3 million litres in 2018 to 317.4 million litres in 2022. Carbonated soft drinks were the largest contributor to sales volume over the period, with an average contribution of 54%, followed by water and spirits in second and third place, contributing an average of 22% and 13%, respectively.

Diagram 10: Historical Volume Produced by Category (kl)

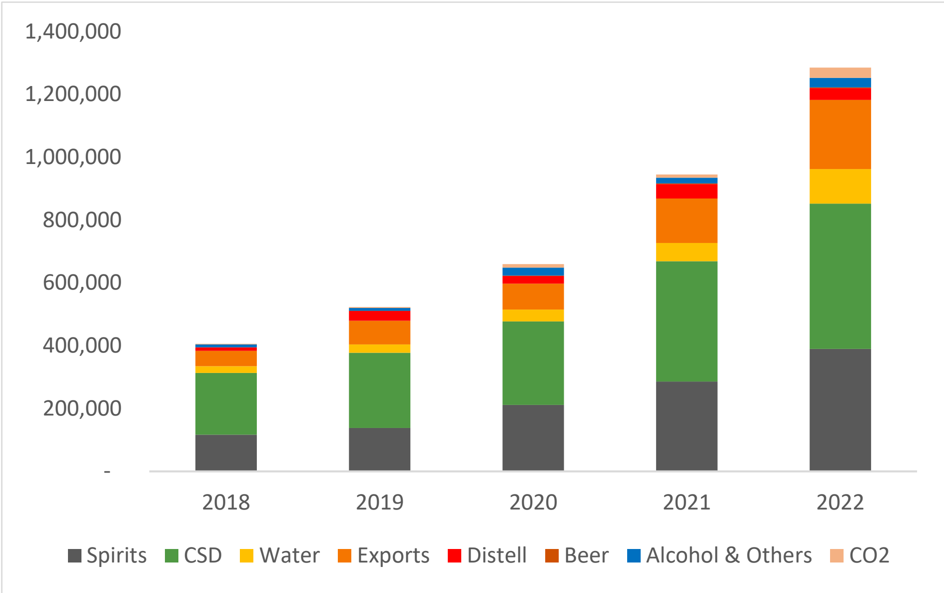


Source: Issuer

(b) **Revenue performance**

The Issuer's revenue achieved impressive growth in the last 5 years, with a CAGR of 33.4% from GHS406.02 million in 2018 to GHS 1.29 billion in 2022. This performance is influenced by growth in carbonated soft drinks and water, showing efforts to diversify the business away from the alcoholic segment by investing in the non-alcoholic segment of the business. carbonated soft drinks have contributed, on average, 42% of revenue over the last 5 years, making it the largest revenue category. Spirits and water have also contributed, on average, 30% and 6% of the Issuer's revenue over the same period. Exports accounted for 14% of the Issuer's revenue over the period, underpinning the Issuer's efforts to expand its footprint beyond Ghana. All the other products contributed a combined average of 8% of revenues in the last 5 years.

Diagram 11: Historical Revenue by Category (GHS'000)



Source: Issuer

10.2.7 Outlook of the Issuer's business

The Issuer identifies several opportunities to expand its operations. The focus areas for expansion are (i) product innovation and diversification, (ii) non-alcoholic beverage segment, (iii) regional market consolidation, (iv) international markets expansion, (v) e-commerce and online retail, (vi) business-to-business products and services, and (vii) sustainability and health consciousness.

(a) **Product innovation and diversification**

The Issuer will seek new and exciting beverage offerings that align with changing consumer preferences to capture market segments that are currently underserved. This approach will involve exploring emerging beverage trends, identifying gaps in the market, and developing unique products that cater to evolving consumer needs.

(b) **Non-alcoholic beverage segment**

Recognising the growing demand for non-alcoholic beverages, the Issuer can cater to consumers who prefer alcohol-free options while leveraging its brand reputation and distribution networks to gain a competitive edge.

(c) **Regional market consolidation**

The Issuer will solidify its presence and capture a larger market share by strengthening its distribution networks and deepening its market penetration in neighbouring countries. This expansion strategy involves building strategic partnerships, enhancing brand visibility, and adapting products to suit regional preferences.

(d) **International market expansion**

With a growing demand for quality beverages globally, the Issuer aims to expand its export activities and establish a stronger foothold in new regions.

By leveraging its strong brand reputation and diverse product portfolio, the Issuer sees opportunities to capture market share and introduce its unique offerings to a broader international consumer base.

(e) **E-commerce and online retail**

The growth of e-commerce and online retail platforms opens new avenues for business expansion. By investing in e-commerce capabilities, partnering with online retailers, and creating a seamless online shopping experience, the Issuer aims to reach a broader consumer base and enhance its accessibility.

(f) **Business-to-business products and services**

Leverage our capabilities in the beverage value chain to capitalise on opportunities within the domestic and regional market, achieve efficiencies and grow revenue by proactively selling PET preforms, caps, CO_2, ethanol and Toll packing.

(g) **Sustainability and health consciousness**

The increasing emphasis on sustainability and health consciousness presents an opportunity for the Issuer to expand its portfolio with environmentally friendly and healthier beverage options such as low-sugar or natural ingredient-based beverages.

In the last 5 years, the Issuer has invested about GHS 516,000,000 in property, plant and equipment (**PP&E**) to (a) strengthen its market position as a total beverage company with a diversified brand portfolio and (b) achieve operational efficiencies in manufacturing, by securing its raw materials through backward integration in the industry's value chain.

The proceeds from the Programme will be used to improve the Issuer's working capital to achieve a revenue of GHS 3,620,000,000 in 2027 by growing at a CAGR of 16%, considering the investments made in PP&E in the last 5 years.

10.3 SHAREHOLDING AND CAPITAL STRUCTURE OF THE ISSUER

The Issuer is registered with 10,000,000,000 ordinary shares and 5,000,000,000 preference shares of no-par value out of which it has issued 3,550,000,000 ordinary shares. As at the date of this Prospectus, the Issuer's stated capital is GHS 50,000,000. With the exception of a transfer of GHS 40,000,000 from retained earnings to stated capital in 2021, the Issuer has not undertaken any capital transaction in the last 5 years. The Issuer has no treasury shares as at the date of this Prospectus.

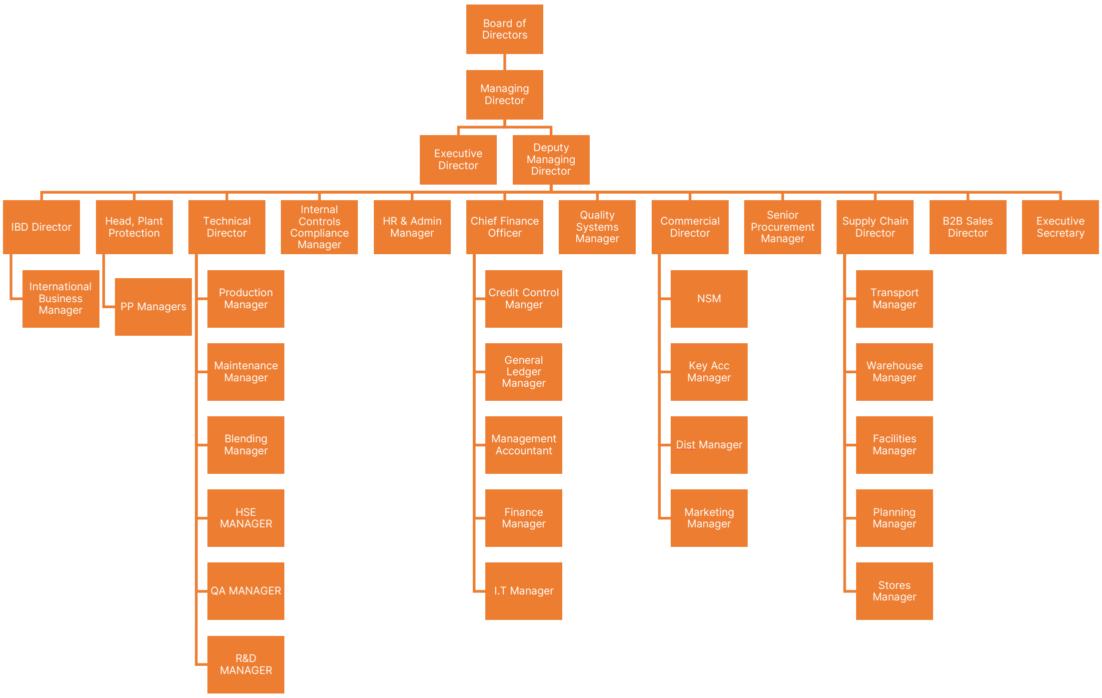
As at the date of this Prospectus, the details of the shareholdings in the Issuer are as follows:

Table 12: Summary Shareholding Information

Name of shareholder	Number of shares	% of shares
Richard Adjei	1,775,000,000	50%
Isaac Adjei	1,065,000,000	30%
Emelia Adjei	710,000,000	20%
Total	**3,550,000,000**	**100%**

10.4 GOVERNANCE STRUCTURE OF THE ISSUER

Diagram 12: Issuer's organisation structure



10.4.3 The Issuer Board

As at the date of this Prospectus, the Issuer Board is constituted by 9 Directors.

The current members of the Issuer Board are as follows:

Table 13: Summary of Director details

Director	Position	Age	Other directorships
Mr. Samuel Leslie Adetola	*Board chairman (Non-executive Director)*	67	Capital Group
Mr. Richard Adjei	*Managing Director*	36	Royal Crown Packaging Limited Herbal Farms Amerigan Resources Limited
Mr. Isaac Adjei	*Executive Director*	34	Royal Crown Company Limited CapeMay Properties Limited Pinnacle Company Limited Amerigan Resources Limited
Ms. Emelia Adjei	*Non-executive Director*	42	Royal Crown Company Limited CapeMay Properties Limited Pinnacle Company Limited Amerigan Resources Limited
Mrs. Eunice Adjei-Bonsu	*Non-executive Director*	39	CapeMay Properties Limited

Director	Position	Age	Other directorships
Dr. Kwabena Adjei	*Non-executive Director*	69	Midland International Ghana Limited
Mr. Kwabena Akuamoah Agyekum	*Non-executive Director*	56	Chartered Institute of Marketing-Ghana (CIMG) Ghana School of Marketing Global Advisory Council of the Africa Brand Summit Koforidua Polytechnic West Africa Examination Council
Mrs. Matilda Asante-Asiedu	*Non-executive Director*	51	None
Dr. Daniel K. Seddoh	*Non-executive Director*	63	Databank Money Market Fund Riscovery Limited

10.4.4 Profile of the Directors

(a) Samuel Leslie Adetola (Chairman)

Mr. Samuel Leslie Adetola is the founder and chief executive officer of the Capital Group, a management consulting company. He is a widely recognised trainer specialising in management and leadership. He has conducted training workshops for various organisations, including GCB Bank PLC, Gold Fields Ghana Limited, Golden Star Resources LTD, and the Ghana Statistical Service, focusing on enhancing leadership skills for their executives.

He worked with Standard Chartered Bank for 13 years in credit administration. Before this, he worked with CalBank PLC, where he steadily advanced to General Manager for Finance and Administration.

Samuel holds a Master of Arts degree in Financial Economics from the University College of North Wales (UK), a Graduate Diploma in Business Studies from the London School of Economics and Political Science (UK), and a Bachelor of Science degree in Finance and Administration from the University of Ghana.

He is a member of the American Management Association and Institute of Credit Management (UK), the Society for Human Resource Management (USA), and the American Society for Training and Development, among others.

(b) Richard Adjei (Managing Director)

Richard Adjei is the managing director of the Issuer and has served in this capacity since 2015. In this role, Richard draws on his wealth of experience to formulate and execute the Issuer's diversification strategy and expand its brand presence in the global market.

Prior to this, Richard worked at KPMG (Ghana) as a Management Trainee in the Audit and Advisory Unit and at Kasapreko Company PLC as the Deputy General Manager in charge of Operations and Plant. He also worked as a Demand Creation Investment Analyst at Converse Inc., USA, managing a USD92 million budget for the Team.

Richard holds a Master of Business Administration degree in Finance and Global Business from Bentley University, Waltham, USA. He also holds a Bachelor of Science degree in Management (Entrepreneurship and Global Perspectives) from the same university.

(c) **Kwabena Akuamoah Agyekum**

Kwabena is a Chartered Marketer with over 15 years of experience in marketing and administration. He is currently the Executive Director of the Chartered Institute of Marketing – Ghana (CIMG) and the Director of the Ghana School of Marketing. He is also a part-time lecturer at the University of Cape Coast.

As a marketing consultant, he has facilitated training sessions for companies such as PZ Cussons (Ghana), Astek Fruit Processing Limited, Lancaster Accra Hotel (formerly Golden Tulip Hotel), ABSA Bank (Ghana), GCB Bank PLC, SIC Insurance Company, TV3, MTN (Ghana), and Joy FM. He is also the Executive Secretary to the Ghana Advertisers Board (GAB) and the Ag. Coordinator for Ghana Advertising and Media Research Foundation (GAMERF).

Kwabena holds a Master of Business Administration degree in Project Management from the Ghana Institute of Management and Public Administration, Ghana and a Graduate Diploma in Marketing from the Chartered Institute of Marketing, UK.

(d) **Matilda Asante-Asiedu**

Matilda is the Group Head of Retail Banking at Access Bank Ghana PLC. Her portfolio spans individual customers and segments, including MSME's, High Net-Worth, Consumer Finance, and Bancassurance. Other positions held at the bank include Head of Exclusive Banking and Head of Corporate Communications and Brand Management.

Prior to joining the bank, Matilda had a notable career as a prominent journalist whose work played a significant role in shaping multi-party constitutional rule in Ghana. She was also a consultant and specialist for the World Bank and the Foreign, Commonwealth and Development Office (UK) (formerly DFID).

Matilda holds a Master of Arts degree in Media Studies from Cardiff University, UK and a Diploma in Communications from the Ghana Institute of Journalism. She is a fellow of the Wharton School of Executive Management (USA), Les Aspin School for Governance (USA), Africa Media Forum, and the One World Broadcast Trust (UK).

(e) **Dr. Daniel K. Seddoh**

Dr. Daniel K. Seddoh is a director and consultant at Riscovery Limited and serves on the Databank MFund PLC board. He has extensive experience in the financial services sector – pensions, insurance, banking, finance, and leasing. He served at the National Pensions Regulatory Authority, Universal Merchant Bank Limited, Enterprise Insurance Company Limited, Africa Star Resources Limited and KPMG (Ghana).

Dr Seddoh holds a Doctorate degree in Business Administration degree from the University of Bradford and a Master of Business Administration degree from the University of Manchester, both in the UK. He is a member of the Institute of Chartered Accountants Ghana (ICAG) and the Chartered Institute of Taxation (CITG).

(f) **Emelia Adjei**

Emelia is currently the Chief Executive Officer of Royal Crown Packaging Limited and has over 10 years of experience in Business Development, Strategy Planning and Implementation, Leadership, Sales, Marketing, Banking, and Human Resources Management.

Before joining Royal Crown Packaging, she was the Head of Human Resources and Director of International Business Development at Kasapreko Company PLC.

Emelia holds a Bachelor of Science Degree in Business Administration from Montclair State University, USA. She is an alumnus of IMD Executive Education (Switzerland) and Abbey College (UK).

She is a member of the American Management Association (AMA) and the Executive Women Network (EWN). In 2018, Emelia won the "40 Under 40" award in the manufacturing category. Royal Crown Packaging has won numerous prestigious local and international awards under her leadership.

(g) **Eunice Adjei-Bonsu**

Eunice is currently the Chief Executive Officer of CapeMay Properties Limited, a full-service real estate company focusing on luxury apartments and commercial properties in Ghana.

Before joining CapeMay Properties in December 2017, she worked with the Issuer in various capacities, including Human Resources Director, Marketing Director, and Head of Sales. Prior to this, Eunice worked at Bank of America (USA), Lehman Brothers (USA), and Global Media Alliance (Ghana).

Eunice holds a Master of Business Administration degree in Marketing from Saint Peter's University and a Bachelor of Business Administration degree from William Paterson University of New Jersey, both in the USA.

(h) **Isaac Adjei**

He is currently the executive director in charge of the Issuer’s manufacturing and distribution operations located in Kumasi, Ghana. Prior to this, he was the Head of Innovation at Renegades Africa Advertising Agency, where he led the development and implementation of cutting-edge business strategies that yielded remarkable results, significantly increasing the agency's client base. Prior to this, he worked at Royal Crown Packaging Limited and Kasapreko Company PLC.

He holds an Associate of Science degree in Graphic Design from Sanford Brown University, USA.

(i) **Dr. Kwabena Adjei**

Dr. Kwabena Adjei is the founder of Kasapreko Company PLC and is currently the Group Chairman of the Kasapreko Group. He is also a director of Midland International Ghana Limited.

He is a fellow of the Chartered Institute of Administrators and an Advisor/National Executive Member of the Chartered Institute of Administration.

Dr Adjei is a recipient of numerous awards, including Marketing Man of the Year (2000) - American Biographical Institute; Marketing Man of the Year (2002) - Chartered Institute of Marketing Ghana; Leading Entrepreneur Icon (2013) - African Leadership Magazine; and Nobles International Award (2013) - Nobles Forum.

10.4.5 Committees of the Issuer Board

The Issuer Board has 3 committees. The details of the committees are as follows:

Table 14: Committees of the Issuer Board

Committee	Areas covered	Committee members
Finance and Audit	▪ monitoring the integrity of the Issuer's financial statements and other financial information, as well as reviewing significant financial reporting judgments contained in them ▪ appraising the integrity of the Issuer's internal financial controls and their operation and ensuring appropriate risk management systems are in place ▪ making recommendations to the board on the appointment, re-appointment and removal of the auditors ▪ approving the remuneration and terms of engagement of the auditors ▪ reviewing and agreeing to the annual budget and cash flow projections before they are submitted to the board for approval ▪ approving all investment advice before it is presented to the board ▪ advising the board on all corporate governance and compliance processes to ensure they reflect current best practice ▪ considering other financial and allied matters referred to it by the board	Daniel Seddoh (Chairperson) Matilda Asante Kwabena Agyekum Emelia Adjei Eunice Adjei-Bonsu Richard Adjei
Human Resource	▪ reviewing, monitoring and making recommendations to the Board of Directors on the Issuer's human resources strategy and policies that pertain to staffing, compensation, benefits, and related issues of strategic importance that directly affect the Issuer's ability to recruit, develop and retain the highly qualified staff needed for it to achieve its mandate ▪ reviewing any external evaluations of the Issuer's human resources strategy and policies pertaining to the issues set out above, and reporting to the Board its findings and recommendations on such issues	Matilda Asante (Chairperson) Daniel Seddoh Richard Adjei

Marketing	▪ reviewing and making recommendations to the board on marketing and promotional strategy for the Issuer, including long-term aims, measures of success and the mechanisms, including specific communication and media channels, to be used by the Issuer ▪ reviewing and making recommendations to the board on marketing strategy, annual marketing and sales budget ▪ reviewing activities undertaken by the Issuer, and third parties against agreed plans, considering performance indicators and enhancements and amendments that may be required to the Issuer's marketing plans in the light of these outcomes	Kwabena Agyekum (Chairperson) Matilda Asante Eunice Adjei-Bonsu

10.4.6 Other director matters

(a) **Conflicts of interest**

The Issuer is not aware of any conflicts, or any potential conflicts, between the duties of the Directors to the Issuer and their private interests or other duties. The Directors are not permitted to participate in the Programme.

(b) **Directors' interest in the shares of the Issuer**

Each of Isaac Adjei, Emelia Adjei and Richard Adjei hold issued shares of the Issuer (as set out in Section 10.5 above).

(c) **Directors' remuneration & benefits**

The breakdown of the remuneration and benefits paid to the Directors and key management of the Issuer from 2020 to 2022 is as follows:

Table 15: Remuneration of Directors

Remuneration to Directors	2020	2021	2022
Director fees (GHS)	463,500	463,500	653,500
Other benefits (GHS)	180,000	200,000	253,000
Key management emoluments (GHS)	720,000	720,000	864,000
Total	**1,363,500**	**1,383,500**	**1,770,500**

10.4.7 Management of the Issuer

(a) The current members of the management team of the Issuer are as follows:

Table 16: Issuer's management team

Name	Role	Responsibility
Richard Adjei	Managing Director	People and Culture and Strategy
Greg Pitt	Deputy Managing Director	Day-to-day operations and coordination of all other functions
Humphrey Hessel Appiah	Finance Director	Finance and Accounting
Sylvester Otinde Ogesi	Technical Director	Production, Quality Control and Safety
Gerald Bonsu	Commercial Director	Sales and Marketing

(b) **Profiles of managers of the Issuer**

(a) **Richard Adjei**

See Section 10.6.2(e) above.

(b) **Greg Pitt**

Greg Pitt has been the Deputy Managing Director of Kasapreko Company PLC since April 2022.

As the Deputy Managing Director, Greg oversees the operations of the Issuer, exercising supervision over the functional heads. Prior to this, he worked with KWAL, a subsidiary of Distell based in Kenya, where he rose through the ranks to become Country Director. At Distell, he also acted as a business development manager and Commercial Director for North-West Africa, leading growth and expansion in Ghana, Togo, Burkina Faso, Cote D'Ivoire, Liberia, and Sierra Leone. Before joining KWAL, Greg occupied several key positions in South Africa and Uganda for Standard Bank Group.

Greg holds an Honours degree in Strategic Management from the University of Johannesburg, South Africa, and a Bachelor of Commerce degree from the University of Rhodes, South Africa.

(c) **Humphrey Hessel Appiah**

Humphrey Appiah has been the Finance Director at Kasapreko Company PLC since May 2019. He is an astute Chartered Accountant with rich professional experience spanning 25 years in manufacturing (FMCG), Oil and Energy, Airline, and Media. He has extensive experience in financial planning and analysis, leadership, and management.

Prior to joining the Issuer, Humphrey held key positions at renowned multinational corporations, including Unilever Ghana PLC, Nestle West Africa, Sahara Oil Group, and Ernst & Young (Ghana). Some of his previous roles were Group Head for Financial Planning, Management Accounting, and Treasury Management at Media General Group and Finance Director at MG-Radio Limited. He has also served as the Chief Finance Officer (CFO) at Sahara Oil Energy Limited, Petroleum Warehousing and Supplies Limited, and Starbow Airlines Limited.

Humphrey holds a Master of Business Administration degree from the University Nicosia in Cyprus and a Bachelor of Science degree in Statistics from the University of Ghana.

(d) **Sylvester Otiende Ogesi**

Sylvester Ogesi has been the Technical Director at Kasapreko Company PLC since January 2023. He is responsible for and manages the Technical, SHE, Quality Assurance, and Research and Development departments.

Prior to this, Sylvester served in various leadership and management capacities in several multinational corporations, including Distell, Diageo, and SABMiller. He has over fourteen years of experience in Technical Operations, SHEQ, and Management across different sectors.

Mr Ogesi holds a Master of Science degree in Operations and Technology Management from the University of Nairobi, Kenya and a Bachelor of Technology degree in Mechanical and Production Engineering from Moi University, Kenya.

(e) **Gerald Bonsu**

Gerald Bonsu has been the Commercial Director at Kasapreko Company PLC since August 2014. Prior to this, he held several roles within the Company, including Assistant Commercial Director and Marketing Manager.

Prior to joining the Company, Gerald was a Marketing and Corporate Affairs Officer at Capital Bank Limited and Marketing Manager at Neiman Marcus Group, USA.

Mr Bonsu holds a Master of Business Administration degree in Project Management from DeVry University, USA, and a Bachelor of Business Administration degree in Sales and Marketing from the same university. He also holds a Diploma in Sales and Management from the Institute of Management Studies, Ghana.

10.5 ISSUER DISCLOSURES

10.5.1 SUBSIDIARIES AND AFFILIATES

As at the date of the Prospectus, the Issuer has no subsidiary. The affiliates of the Issuer are as follows:

Table 17: Affiliates of the Issuer

Affiliate	Common shareholder(s) with the Issuer
CapeMay Properties Limited	Richard Adjei, Isaac Adjei
Herbal Farms Company Limited	Richard Adjei
Amerigan Resources Limited	Richard Adjei
Pinnacle Holding Company Ltd	Emelia Adjei, Richard Adjei & Isaac Adjei
Caltech Ventures Limited	Dr Kwabena Adjei (founder)

10.5.2 RELATED PARTY TRANSACTIONS

As at the date of the Prospectus, an amount of GHS 39,378,660.57 is due to the Issuer from related parties. The details of the related party transactions of the Issuer are as follows:

Table 18: Related party transactions

Amount due from Caltech for services provided	GHS 10,970,101.63
Loan to CapeMay	GHS 28,408,558.98
Total	**GHS 39,378,660.57**

10.5.3 INDEBTEDNESS OF THE ISSUER

The table below sets out the existing indebtedness of the Issuer as at 30 September

2023 and the encumbrances relating to the indebtedness. The Issuer will primarily fund repayment of these obligations through cashflow from its operations. Information on the Issuer's projected cash flow is provided on pages 147 to 149 of the Prospectus. Also refer to Appendix D (*Certificate of Indebtedness as of H1 2023*) below.

Table 19: Indebtedness of the Issuer

Lender	Facility	Outstanding	Agreement date	Maturity date	Encumbrance
KBC Bank NV 1	USD 3,382,345.50 term loan	USD 2,705,876.40	30 June 2021	1 June 2026	None
KBC Bank NV 2	EUR 5,335,431.30 term loan	EUR 5,335,431.30	1 September 2021	1 September 2028	None
Landesbank Baden-Wuttemberg	EUR 5,752,000 term loan	EUR 4,917,253.30	3 November 2021	18 May 2029	First ranking priority security interest over the subject of the export contract
Ecobank Ghana PLC	▪ USD 1,000,000 advances in current account I ▪ GHS 15,000,000 advances in current account II ▪ USD 11,500,000 revolving line of credit ▪ GHS 102,500,000 medium term loan	USD 241,542 GHS 14,457,841 USD 4,025,000 GHS 92,750,000	23 March 2023	31 March 2024 31 March 2024 31 March 2024 31 July 2027	▪ Security assignment of receivables and domiciliation of sales from distributors ▪ Charge over 10 units of Sinotruk Howo 6x4 371 Tractor Truck with Sinotruck Curtain Sude 3-axle trailer, and Co2 Generating Plant belonging to the Issuer ▪ Other security provided by third parties
Standard Chartered Bank	▪ GHS 1,800,000 overdraft ▪ up to USD 5,000,000 for import letters of credit, short term loans, import loan, and import invoice financing ▪ up to USD 9,700,000 for import letters of credit, short term loans, import loans and import letters of credit	GHS 24,511 USD 762,000	15 March 2022	Between 1 day and 180 days	▪ Security over trade receivables and inventory amounting to GHS193,808,000 ▪ Other security provided by third parties
Societe Generale Ghana	▪ USD 2,500,000 overdraft ▪ USD 8,000,000 letter of credit ▪ USD	USD 2,257,000	26 January 2023	▪ 30 November 2023 for all except the term loan ▪ 60 months from date of disbursement for the term	▪ Mortgage over factory building & equipment, office complex and residential property situate at Nungua, Accra belonging to the Issuer

Lender	Facility	Outstanding	Agreement date	Maturity date	Encumbrance
	8,000,000 LC refinancing line ▪ USD 2,500,000 standby letter of credit /term loan			loan	▪ Charge over 35,000 bph PETLINE fron krones valued at EUR 3.9million per invoice belonging to the Issuer ▪ Other security provided by third party
GCB Bank PLC	▪ GHS 20,000,000 0 overdraft ▪ GHS 5,000,000 overdraft ▪ USD 7,000,000 deferred letters of credit line	GHS 19,666,321 GHS 774,541 USD 4,997,000	20 June 2022	▪ 12 months from date of setup for the overdrafts ▪ 12 months from date of approval letters of credit	▪ Security over equipment valued at GHS 95,000,000 belonging to the Issuer ▪ Other security provided by third parties
First Atlantic Bank	▪ GHS 7,500,000 overdraft ▪ GHS 7,500,000 term loan ▪ USD 12,000,000 import finance facility ▪ EUR 811,332 standby letter of credit	GHS 6,994,500 GHS 775,000 USD 8,478,412	18 April 2021	▪ 18 April 2022 for the overdraft ▪ 18 April 2024 for the term loan ▪ 18 April 2022 for the import finance facility ▪ 18 April 2022 for the standby letter of credit	▪ All asset debenture over assets valued at GHS 98,133,667 of the Issuer ▪ Other security provided by third parties
Stanbic Bank Ghana Limited	▪ GHS 20,000,000 overdraft ▪ GHS 35,000,000 standby letters of credit ▪ GHS 100,000,00 0 medium term loan facility	GHS 8,542,012 GHS 68,750,000	12 February 2020	▪ payable on demand for the overdraft ▪ 28 February 2025 for the standby letters of credit ▪ 6 years from date of first drawdown for the medium-term loan facility	▪ Mortgage (with Access Bank) over property located at Park Ridge Residential Estates ▪ Mortgage over Kumasi factory of the Issuer ▪ Charge over debt service reserve account and collection account of the Issuer ▪ Other security provided by third parties
Consolidated Bank Ghana Limited	Up to USD 2,500,000 global revolving trade finance facility	USD 0.00	5 October 2021	120 days from the date of disbursement	▪ Security assignment of receivables and sale proceeds in the Issuer's account with the bank ▪ Charge over all present and future stock of the Issuer ▪ Other security provided by third party
First National Bank Ghana	▪ Up to USD 6,000,000	USD 547,000.00	22 December 2022	12 months	▪ General assignment of

Lender	Facility	Outstanding	Agreement date	Maturity date	Encumbrance
Limited	working capital line ▪ GHS 15,000,000 overdraft ▪ GHS20,000,000 revolving short-term loan ▪ USD 500,000 pre-settlement facility ▪ USD2,670,000 revolving credit line	GHS 13,441,607.20			debtors book due to the Issuer with a minimum value of USD 3,000,000 and current debtors book valued at GHS 57,000,000 as at June 2022 ▪ Charge over plants and machinery valued at EUR 57,055,000 (and in USD as 6,275,500) belonging to the Issuer

The Issuer has confirmed that all indebtedness (as set out above and in Appendix D (*Certificate of Indebtedness as of H1 2023*) below, and which matured by the end of October 2023) have been fully settled.

10.5.4 EMPLOYEES

As at the date of this Prospectus, the Issuer has 664 permanent employees, 53 temporary employees, 750 casual employees and 252 contract staff.

Table 20: Employees of the Issuer

Type of employee	2020	2021	2022	2023
Permanent	466	528	606	664
Casual	590	812	966	750
Contract	136	219	236	252
TOTAL	**1,192**	**1,559**	**1,808**	**1,666**

10.5.5 IMMOVABLE PROPERTY

The details of the Issuer's immovable property arrangements in respect of its business premises are as follows:

Table 21: Immovable properties

No.	Premises	Commencement date	Expiry date	Duration
		LEASEHOLD		
1	Kumasi Factory	1 March 2019	29 February 2069	50 years
2	Kumasi Warehouse	1 May 2021	30 April 2071	50 years
3	Land adjacent Spintex Factory, Accra	1 December 2021	1 December 2071	50 years
4	Spintex Factory, Accra	1 December 2004	1 December 2064	60 years
5	Warehouse and land, Tema Harbour	8 June 2023	30 November 2031	8 years 6 months
		TENANCY		
6	Tamale warehouse	1 December 2021	30 November 2026	5 years
7	Techiman warehouse 1	1 February 2021	31 January 2026	5 years
8	Techiman warehouse 2	1 November 2021	31 October 2026	5 years
9	Sefwi Bekwai warehouse	1 November 2022	31 October 2027	5 years
10	Nima shop 1	1 November 2022	1 November 2027	5 years
11	Nima shop 2	31 October 2022	30 October 2027	5 years

10.5.6 INSURANCE

As at the date of this Prospectus, the Issuer holds valid insurance policies covering the following risks and assets:

Table 22: Insurance policies

Policy type	Asset/interest covered	Insured value
Public/product liability	Personal accidents, property damage resulting from any business activity and manufactured or supplied product	GHS 6,000,000
Workmen's compensation	Employees	GHS 15,025,213.59
Boiler and pressure vessel	Boilers	GHS 3,400,000
Goods in transit	Finished goods, raw materials and other items	GHS 9,000,000
Customs bond (A-367)	Raw materials except liquid-based materials	GHS 10,965,382
Customs bond (A-372)	Raw materials – all liquid based materials flavours and compounds	GHS 10,965,382
Assets all risk	All other assets	GHS 787,568,595
Vehicle comprehensive insurance	Vehicles	GHS 16,278,310 USD 8,804,185.49

10.5.7 MATERIAL CONTRACTS

As at the date of this Prospectus (and other than in the ordinary course of business or the indebtedness referred to under Section 10.7.3 above, or except for the Programme Documents), the Issuer has not entered into any contract containing provisions under which the Issuer has an obligation or entitlement which is (or may be) material to the ability of the Issuer to meet its obligation in respect of the Notes.

10.5.8 LITIGATION

As at the date of this Prospectus, the Issuer (whether as defendant or otherwise) is not engaged in any legal, arbitration, administration or other proceedings, the results of which might have or have had (during the 12 months prior to the date of this Prospectus) a significant effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

10.5.9 AUDITING

The Directors were responsible for the preparation and fair presentation of the financial information of the Issuer in accordance with the International Financial Reporting Standards. KPMG's responsibility was to express a conclusion on the accompanying financial information. KPMG conducted their review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements and International Standard on Assurance Engagement (ISAE) 3400 and the Examination of Prospective Financial Information.

10.5.10 EXCHANGE CONTROL

As at the date of this Prospectus, there are no exchange control restrictions in Ghana preventing foreign residents from freely subscribing for the Notes. Foreign investors can freely subscribe for or purchase Notes. Note Repayments are freely remittable out of Ghana by foreign residents through an authorised dealer bank.

10.5.11 INTELLECTUAL PROPERTY

As at the date of this Prospectus, the Issuer has confirmed that it has not registered any patents or copyrights. The Issuer has registered the following trademarks with the Trademarks Registry:

Table 23: Registered trademarks

NO.	TRADEMARK	REGISTRATION NUMBER	CLASS	REGISTRATION DATE
1.	Awake	56935	32	March 27, 2015
2.	Authentically African Bitters	56936	33	November 6, 2015
3.	K20 (Image)	56946	33	August 12,2022
4.	Tonic Wine (Image)	56925	33	November 3, 2006
5.	Rite Choice	56928	32	October 24, 2013
6.	Kasa	56929	32	October 24,2013
7.	Rainbow	56927	32	October 24, 2013
8.	Ocean Tree	56930	32	October 24, 2013
9.	Alomo Premium	56926	33	December 13, 2013
10.	Pawa-Up	56937	33	November 6, 2015
11.	Storm	56941	32	December 21, 2015
12.	Veraldo	56940	32	September 16 2016
13.	Kiki	56939	32	September 16, 2016
14.	Freedom	56944	32	March 23, 2018
15.	10/10	56943	32	June 16, 2017
16.	Moov Malt Rtd	56945	32	April 4, 2019
17.	Alomo Silver	48437	32	December 13, 2013
18.	Alomo Gold	48432	33	April 17, 2015
19.	Alomo Gold	48429	33	December 13, 2013
20.	Alomo Bitters (Image)	29405	33	January 14, 1999
21.	Kalahari	48430	33	December 13, 2013
22.	One4Life	56942	35	June 16, 2017
23.	Kasapreko Brandy (Image)	38632	33	November 3, 2006
24.	Kasapreko (Image)	38630	33	November 3, 2006

The Issuer also has the following pending applications with the Trademarks Registry:

Table 24: Pending registrations with the Trademarks Registry

NO.	TRADEMARK	CLASS
1.	Black Rock	33
2.	African Royal	33
3.	Hi5	32
4.	Royal Honey Bee	32
5.	K20 Gin	33
6.	K20 Whiskey	33
7.	Authentic African Bitters	33
8.	Kasapreko London Dry Gin	33
9.	Kasapreko Lime Cordial	33

11 CONDITIONS

The following are the Conditions of the Notes to be issued by the Issuer under the Programme. The Applicable Pricing Supplement in relation to any Series or Tranche may specify other terms and conditions, which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the following Conditions for the purpose of such Series or Tranche. The Conditions, as replaced or modified by the Applicable Pricing Supplement, will be incorporated by reference in each Note. Expressions defined in the Trust Deed and the Prospectus have the same meanings in these Conditions, unless otherwise defined herein.

The Notes are issued subject to the Trust Deed. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Copies of the Trust Deed are available for inspection by the Noteholders, upon request, at the registered offices of the Note Trustee (being at the date hereof, Standard Chartered Bank Building, 87 Independence Avenue, Accra, Ghana) and for so long as any Notes remain outstanding.

1. AUTHORISATION, ISSUE AND SUBSCRIPTION

1.1 Authorisation

1.1.1 The Notes are issued by the Issuer in accordance with, and subject to, these Conditions, which were approved by a resolution of the Issuer Board passed on 9 June 2023 as well as the shareholders of the Issuer passed on 9 June 2023.

1.1.2 A total Principal Amount of GHS 600,000,000 is authorised for issue under this Programme. The Principal Amount of each Note issued by the Directors shall be as recorded in the Applicable Pricing Supplement.

1.2 Issue and subscription

1.2.1 The Issuer may issue Notes to such applicants and on such dates as the Issuer deems fit. The Issuer reserves the right, in its sole discretion, to refuse any application in whole or in part, or to accept some applications for the Notes in full and others in part, or to refuse all applications for the Notes on any basis determined by it.

1.2.2 Each Note shall be held subject to the Conditions, which Conditions shall be binding on the Issuer and each Noteholder.

1.2.3 The Noteholders are (by virtue of their subscription for, or purchase of, the Notes) deemed to have notice of, entitled to the benefit of, and are subject to, all the provisions of the Trust Deed.

2. FORM, DENOMINATION, TITLE AND TRANSFER

2.1 Form of Notes

2.1.1 The Notes are in dematerialised form and will be electronically maintained on the CSD with an identifying number that will be recorded in the Register.

2.1.2 All Noteholders will be required to open and maintain CSD accounts, which will be credited with the Notes upon issue.

2.2 Denomination of Notes

Notes shall be issued in the Currency specified in the Applicable Pricing Supplement.

2.3 Title to the Notes

2.3.1 Title to the Notes shall pass by registration in the Register, unless Applicable Laws provide otherwise or provide for additional formalities for transfer of title. In so far as Applicable Law requires notification to the debtor for a valid transfer of title to the Notes, the registration of the transfer in the Register shall constitute evidence of this notification. Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder, as reflected in the Register, shall be deemed to be and may be treated as the absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Noteholder.

2.3.2 The Issuer shall issue a single Global Note Certificate to the Note Trustee in respect of each Series or Tranche of Notes. The CSD shall maintain a record of Noteholders' respective electronic book entries in the Register showing the particulars of Noteholders and their respective holdings.

2.3.3 The Issuer, Note Trustee, and CSD shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of change of ownership or writing thereon or notice of any previous loss or theft thereof) and the Note Trustee shall not be bound to request in writing the CSD to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which the Notes may be subject.

2.4 Transfer of Notes

2.4.1 No transfer of Notes may be registered unless a form of transfer has been delivered to the CSD as per the rules of the CSD relating to transfer of securities. Each form of transfer shall be in writing in the usual form or in any other form approved by the CSD. Each form shall be signed by the Noteholder or his duly authorised agent and be delivered to the CSD in respect of the Notes to be transferred and such evidence as to identity, title, authority and legal capacity of the transferor and transferee and their respective agents, if any, as the Issuer or the CSD, may reasonably require (the **Transfer Form**).

2.4.2 The Register shall contain the name, address and bank account details of the Noteholders. The Register shall set out the Principal Amount of the Notes issued to any Noteholder and shall show the date of such issue, the date upon which the Noteholder became registered as such and the unique serial numbers of all securities as pertains in the CSD system.

2.4.3 The CSD shall make information on Noteholders contained in the Register available to any Noteholder or any person authorised in writing by the Noteholder as they may reasonably request. The CSD shall not record any transfer other than on Business Days or while the Register is closed.

2.4.4 The Register shall be closed during the Book Closure Period. Noteholders entitled to participate in a distribution of Interest, or a Redemption Amount shall be those registered as such on the Last Day to Register.

2.4.5 The CSD shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with these Conditions.

2.4.6 In the case of an exercise of the Issuer's right to Redemption by Instalment or an Early Redemption, the CSD will change the holdings in the Register to reflect the redemption and the balance of the holding not redeemed.

2.4.7 Exchange and transfer of Notes shall be effected according to the rules of the CSD and subject to charges by the CSD and brokers.

2.4.8 No Noteholder may require the transfer of a Note to be registered during a Book Closure Period, after any such Note has been called for Redemption, or (in the case of a Redemption by Instalment) during the period beginning on the 3rd Business Day before the Instalment Date and ending on the Instalment Date (both inclusive).

3. STATUS

The Senior Notes constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer and shall rank *pari passu* among themselves and (save for certain obligations required to be preferred by Applicable Law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

4. NEGATIVE PLEDGE

So long as any Note remains outstanding, the Issuer shall not create, incur, assume or permit to arise or subsist any Encumbrance upon the whole or any part of its undertakings, assets or revenues, present or future, to secure any Financial Indebtedness unless at the same time or prior thereto the Issuer's obligations under the Notes:

(a) are secured equally and rateably therewith, to the satisfaction of the Note Trustee; or

(b) have the benefit of such other arrangement as (i) the Note Trustee shall (in its absolute discretion) deem to be not materially less beneficial to the affected Noteholders or (ii) shall be approved by a Special Resolution (as defined in the Trust Deed) of the affected Noteholders.

5. INTEREST

5.1 **Interest on Fixed Rate Notes**

5.1.1 Each Fixed Rate Note bears Interest on its outstanding Principal Amount from the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Interest Rate, such Interest being payable in arrears on each Interest Payment Date up to the Maturity Date or Redemption Date.

5.1.2 If a Fixed Coupon Amount or a Broken Amount is specified in an Applicable Pricing Supplement, the amount of Interest payable on each Interest Payment Date in respect of the Fixed Interest Period will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and, in the case of the Broken Amount, will be payable on the particular Interest Payment Date(s) specified hereon.

5.2 **Interest on Floating Rate Notes**

5.2.1 **Interest Payment Dates**

Each Floating Rate Note bears Interest on its outstanding Principal Amount from the Interest Commencement Date at the rate *per annum* (expressed as a percentage) equal to the Interest Rate, such Interest being payable in arrears on each Interest Payment Date up to the Maturity Date or Redemption Date.

5.2.2 **Business Day Convention**

5.2.2.1 If any date referred to in these Conditions would otherwise fall on a day that is not a Business Day then such date is subject to adjustment by:

(a) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

(b) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day;

(c) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(d) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

5.2.3 **Interest Rate for Floating Rate Notes**

5.2.3.1 The Interest Rate payable, from time to time, in respect of the Floating Rate Notes shall be determined in the manner specified in the Applicable Pricing Supplement.

5.2.3.2 The Interest Rate for each Interest Period shall be either

(a) the offered quotation; or

(b) the arithmetic mean (rounded if necessary to the second decimal place, with 0.005 being rounded upwards) of the offered quotation,

(expressed as a percentage rate *per annum*) for the Reference Rate (as specified in the Applicable Pricing Supplement), in the case of Government treasury bill rate on the relevant Interest Determination Date (as specified in the Applicable Pricing Supplement) plus or minus the margin (if any), all as determined by the Calculation Agent.

5.3 **Accrual of Interest**

Interest shall cease to accrue on each Note on the Redemption Date, unless payment of the Principal Amount is improperly withheld or refused. In such event, Interest shall continue to accrue (before as well as after judgment) at the Interest Rate (together with Default Interest) in the manner provided in this Condition 5 to the date of actual payment by the Issuer to the Trust Account.

5.4 **Minimum Interest Rate and/or Maximum Interest Rate**

5.4.1 If the Applicable Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period (determined in accordance with this Condition 5) is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.

5.4.2 If the Applicable Pricing Supplement specifies a Maximum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period (determined in accordance with this Condition 5) is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

5.5 **Calculation of Interest**

5.5.1 The Interest payable in respect of any Note for any Interest Period shall be calculated by multiplying the Interest Rate and the outstanding Principal Amount by the applicable Day Count Fraction, unless the amount of Interest (or a formula for its calculation) is specified in the Applicable Pricing Supplement in respect of such Interest Period (the **Applicable Pricing Supplement Interest Amount**), in which case the Interest payable in respect of such Note for such Interest Period shall equal the Applicable Pricing Supplement Interest Amount. Where any Interest Period comprises 2 or more Interest Periods, the amount of Interest payable in respect of such Interest

Period shall be the sum of the amounts of interest payable in respect of each of those Interest Periods.

5.5.2 **Day Count Fraction** in this Condition 5 means:

(a) if **Actual/365** or **Actual/Actual** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(b) if **Actual/365 (Fixed)** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(c) if **Actual/364** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 364;

(d) if **Actual/360** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360; and

(e) if **30/360**, **360/360** or **Basis** is specified in the Applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12, 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

5.5.3 For the purposes of any calculations of Interest required pursuant to these Conditions (unless otherwise specified):

(a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);

(b) all Interest and Interest Rate figures shall be rounded to 2 decimal places (with halves being rounded up); and

(c) any Currency amount that falls due and payable shall be rounded to the nearest unit of the Currency (with halves being rounded up). For these purposes **unit** means the lowest amount of the Currency.

5.6 **Determination and notification of Interest Rate, Interest and Redemption Amount**

5.6.1 **Determination of Interest or Redemption Amount**

5.6.1.1 The Calculation Agent shall (as soon as practicable after the Relevant Time or as it may be required to) determine any Interest Rate, obtain any quotation, or calculate any Interest, Default Interest or Redemption Amount or other amount (as the case may be) for review by the Note Trustee.

5.6.1.2 The Calculation Agent shall (as soon as practicable on the first day of the Book Closure Period) determine any Interest Rate, obtain any quotation, or calculate any Interest or Redemption Amount or other amount (as the case may be) for review by the Note Trustee.

5.6.2 **Notification of Interest**

5.6.2.1 In relation to the determination under Condition 5.6.1.1, the Calculation Agent shall cause:

(a) the determination of such Interest Rate, obtaining of such quotation, or calculation of such Interest or Redemption Amount or other amount (as the case may be) and the relevant Interest Payment Date, to be notified to the Issuer, the Paying Bank, and the Note Trustee; and

(b) the Interest Rate and the relevant Interest Payment Date to be notified to the Noteholders, no later than the 4th Business Day after such determination or calculation.

5.6.2.2 In relation to the determination under Condition 5.6.1.2, the Calculation Agent shall cause the determination of such Interest Rate, obtaining of such quotation, or calculation of such Interest or Redemption Amount or other amount (as the case may be) and the relevant Interest Payment Date, to be notified to the Issuer, the Paying Bank, the Note Trustee and the Noteholders, no later than the 4th Business Day after such determination or calculation.

5.6.2.3 Where any Interest Payment Date or Interest Period date is subject to adjustment pursuant to Condition 5.2.2 (*Business Day Convention*), the Interest and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

5.6.3 **Finality of determination**

The determination of any rate or amount, the obtaining of any quotation and the making of each determination or calculation by the Calculation Agent in accordance with these Conditions shall (in the absence of manifest error) be final and binding upon all parties.

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note which provides for Instalment Dates and Instalment Amounts shall be partially redeemed by instalments on each Instalment Date at the relevant Instalment Amount specified in the Applicable Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the relevant Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the date on which full payment of such Instalment Amount is made.

6.2 **Final Redemption**

Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note shall be finally redeemed on the Maturity Date or Redemption Date specified thereon at its Final Redemption Amount.

6.3 **Early Redemption**

The Early Redemption Amount payable in respect of any Note shall be the Final Redemption Amount unless otherwise specified in the Applicable Pricing Supplement.

6.4 **Optional Redemption**

6.4.1 Notes (which have a Call Option as indicated under an Applicable Pricing Supplement) may be redeemed at the option of the Issuer at any time, on giving not less than 30 Business Days' but no more than 60 Business Days' notice to the Noteholders (which notice shall be irrevocable), at the Principal Amount (together with Interest accrued to the Redemption Date).

6.4.2 Upon expiry of any such notice as referred to in this Condition 6.4, the Issuer shall be bound to redeem the Notes in accordance with this Condition 6.4.

6.4.3 All Notes in respect of which an Exercise Notice is served shall be redeemed, on the date specified in such notice in accordance with this Condition 6.

6.4.4 In the case of a partial redemption pursuant to a Call Option, the notice to Noteholders shall also contain the applicable Notes to be redeemed. In the case of a partial redemption, each Note in a Series or a Tranche shall be redeemed in the same percentage of its Principal Amount outstanding. In the case of partial redemption of all Notes, each Series or Tranche shall be redeemed in that percentage of the funds available for payment in Redemption as the aggregate Principal Amount outstanding in that Series or Tranche bears to the aggregate Principal Amount of all Notes outstanding and each Note in the Series or Tranche shall be redeemed in the same percentage of Principal Amount outstanding, subject to compliance with any Applicable Laws.

6.5 **Purchases**

6.5.1 The Issuer may at any time (if the market conditions are appropriate and subject to the prior approval of the SEC and notification of GIFM in accordance with Applicable Laws) purchase (or procure others to purchase for its account) all or any portion of the outstanding Notes at any price in the open market, by tender or by private treaty.

6.5.2 In the case of a purchase by tender, the terms for purchasing the outstanding Notes shall be as set out in a tender notice (which notice shall be irrevocable) to be published not less than 10 Business Days (but no more than 40 Business Days) to the effective date of the relevant purchase. The terms of any purchase shall include the purchase price (or the details of any switch for new Notes), the maximum acceptance amount (including any intention to purchase more or less than such maximum amount and the criteria for accepting more or less), the commencement date, the closing date, the results announcement date and the settlement date.

6.5.3 The Issuer shall not be bound to accept for purchase any outstanding Notes tendered pursuant to any tender notice. The acceptance (for purchase by the Issuer) of outstanding Notes shall be at the sole and absolute discretion of the Issuer and tenders may be rejected in whole or in part by the Issuer for any reason.

6.5.4 Notes so purchased may be held or resold or surrendered for cancellation, at the option of the Issuer. Any Notes so purchased, while held by or on behalf of the Issuer or any Affiliates, shall not entitle the Noteholder to vote at any Meeting and shall not be deemed to be outstanding for the purposes of calculating quorums at Meetings.

6.6 General

Notes purchased by or on behalf of the Issuer, or any Affiliates may be cancelled and if so, together with all Notes redeemed by the Issuer, may not be reissued or resold and the obligations of the Issuer in respect of any cancelled Notes shall be discharged. Notes that have been cancelled shall be notified to the CSD.

7. PAYMENTS

7.1 General

7.1.1 Note Repayments shall be made by the Issuer *via* electronic funds transfer to the Trust Account by 9am from the 5th Business Day before the relevant Note Repayment Date. Such payment into the Trust Account by the Issuer shall be a valid discharge by the Issuer of its obligation to make the relevant Note Repayment, *provided* that if any such payment is made after the relevant Note Repayment Date, payment shall be deemed not to have been made by the Issuer until the full sum is paid to the Noteholders.

7.1.2 All payments shall be made in the following order of priority and ranking:

(a) *first*, towards any Interest then due and payable by the Issuer; and

(b) *second*, towards any Instalment Amount, Principal Amount or Redemption Amount then due and payable by the Issuer.

7.2 Payment upon Redemption

Note Repayments due on Redemption shall only be payable:

7.2.1 in respect of Interest, to Noteholders registered as such on the Last Day to Register immediately preceding the Interest Payment Date in question;

7.2.2 in respect of Instalment Amounts, to Noteholders registered as such on the

Last Day to Register immediately preceding the Instalment Date in question; and

7.2.3 in respect of an Early Redemption Amount or a Final Redemption Amount, to Noteholders registered as such on the Last Day to Register prior to the relevant Redemption Date.

7.3 Methods of payment

7.3.1 Note Repayments shall be made in GHS when due and the amounts credited *via* bank transfer to Noteholders.

7.3.2 Payment instructions (for value on the due date or, Business Day Convention per the Applicable Pricing Supplement) will be initiated (i) on the due date for payment, and (ii) on the due date for payment (in the case of Interest due other than on Redemption).

7.3.3 All payments in respect of the Notes are subject, in all cases, to any Applicable Laws, but without prejudice to the provisions of Condition 8 (*Taxation*).

7.3.4 No commissions or expenses shall be charged to the Noteholders in respect of such payments.

7.4 Partial payments

If at any time a partial payment of Principal Amount, Interest or Instalment Amount is made in respect of any Note, the CSD shall endorse the Register with a statement indicating the amount and date of such payment.

7.5 Unclaimed payments

The Issuer shall submit a report of any unclaimed payments of Note Repayments to the SEC on an annual basis.

8. TAXATION

All payments of Interest made by the Issuer to the Noteholders in respect of the Notes will be subject to withholding tax under the Income Tax Act except where the Noteholder is exempt under Applicable Laws.

9. PRESCRIPTION

Claims against the Issuer for Note Repayments shall become void unless presented for payment within 6 years from the date on which such payment first becomes due.

10. MEETINGS OF NOTEHOLDERS, MODIFICATION & WAIVERS, INFORMATION AND SUBSTITUTION

10.1 Meetings of Noteholders

10.1.1 The Trust Deed contains provisions for convening Meetings to consider any matter affecting their interests, including the modification of these Conditions and the Trust Deed. Those provisions have been summarised under this

Condition 10.1.

10.1.2 The Issuer or the Note Trustee may convene a Meeting at any time in respect of the relevant Tranche Notes, the relevant Series Notes or all Notes. The Issuer or the Note Trustee will determine the date, time and place for such Meetings. The Issuer or the Note Trustee shall convene a Meeting if so requested in writing by the relevant Tranche Noteholders, the relevant Series Noteholders or Noteholders holding not less than 51% in aggregate of the total Principal Amount of the relevant Tranche Notes, the relevant Series Notes or all Notes (as applicable) then outstanding (**Requisition Notice**). A Requisition Notice shall state the purpose of the Meeting and shall be served on the Issuer and the Note Trustee in accordance with Condition 11 (*Notices*). If the Issuer does not proceed to call a Meeting within 30 calendar days of the service of the Requisition Notice, the requisitionists may instruct the Note Trustee to convene the Meeting, but the Meeting so convened shall be held within 60 calendar days from the date of service of the Requisition Notice and shall be convened as nearly as possible in the same manner as that in which Meetings may be convened by the Issuer. Notice of the Meeting shall be given to the Issuer.

10.1.3 The Issuer or the Note Trustee shall give, to the Issuer or the Note Trustee and the Noteholders (or their agents), at least, 21 calendar days' written notice (specifying the place, day and time of the Meeting and the purpose of the Meeting). The notice period may be shortened if the relevant Tranche Noteholders, the relevant Series Noteholders, or Noteholders (as applicable) (of, at least, 51% of the outstanding aggregate of the total Principal Amount of the relevant Tranche Notes, the relevant Series Notes or all Notes (as applicable)) agree in writing to a shorter period. The notice (to be given in accordance with Condition 11 (*Notices*)) shall set out the full text of any resolutions to be proposed unless the Note Trustee agrees that the notice shall instead specify the nature of the resolutions without including the full text. The accidental omission to give such notice to the Issuer or the Note Trustee or any Noteholder (or their agents) or the non-receipt of any such notice, shall not invalidate the proceedings at a Meeting.

10.1.4 No business shall be transacted at a Meeting unless a quorum is present at the time when the Meeting proceeds to business. The quorum for any Special Resolution shall consist of the relevant Tranche Noteholders, the relevant Series Noteholders, or all Noteholders (either present in person or by proxy) holding in the aggregate not less than 75% of the outstanding aggregate of the total Principal Amount of the relevant Series Notes, the relevant Tranche Notes, or all Notes (as applicable). The quorum for any Ordinary Resolution shall consist of the relevant Tranche Noteholders, the relevant Series Noteholders, or all Noteholders (either present in person or by proxy) holding in the aggregate not less than 51% of the outstanding aggregate of the total Principal Amount of the relevant Series Notes, the relevant Tranche Notes, or all Notes (as applicable).

10.1.5 The chairman of a Meeting shall be appointed by the Note Trustee. An individual (who may, but need not, be a Noteholder) nominated in writing by the Note Trustee may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Note Trustee may appoint a chairman.

10.1.6 The chairman of a Meeting may (with the consent and direction of the Issuer and the Note Trustee) adjourn a Meeting. The Note Trustee or the Issuer shall give, at least, 14 calendar days' written notice of the place, day and time of an adjourned Meeting to the Issuer or the Note Trustee and each relevant Noteholder (or their agent). The notice shall state that the relevant Noteholders (present in person or by proxy at the adjourned Meeting) will constitute a quorum.

10.1.7 Any resolution put to vote at a Meeting shall be decided on a physical show of hands (**Physical Show of Hands**) or (in the case of a Meeting held by telephone, video conferencing or other electronic means of audio or audio/visual communication) by any audio and/or virtual form of reacting to the vote put in place by the Issuer (**Virtual Show of Hands**) unless (before or on the declaration of the result of the Physical Show of Hands or the Virtual Show of Hands (together, the **Show of Hands**)) a poll is demanded by the chairman of the Meeting, the Note Trustee, the Issuer or by any Noteholder (present in person or by proxy). A poll demanded on the election of a chairman or on the question of the adjournment of a Meeting shall be taken immediately. A poll demanded on any other question shall be taken at such time as the chairman directs and the result of such poll shall be deemed to be the resolution of the Meeting. In the case of an equality of votes, whether on a Show of Hands or on a poll, the chairman shall not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

10.1.8 On a Show of Hands each Noteholder (present in person or by proxy) shall have one vote. On a poll, each Noteholder (present in person or by proxy) shall have one vote for each value of the minimum denomination (as stated in the Applicable Pricing Supplement) of the outstanding aggregate of the total Principal Amount of the relevant Series Notes, the relevant Tranche Notes, or all Notes held by it. Any joint holders of Notes shall have only one vote on a Show of Hands and one vote on a poll for each value of the minimum denomination (as stated in the Applicable Pricing Supplement) of the outstanding aggregate of the total Principal Amount of the relevant Series Notes, the relevant Tranche Notes, or all Notes of which they are the registered holder and the vote may be exercised only by that holder present whose name appears first on the Register in the event that more than one of such joint holders is present in person or by proxy at the Meeting.

10.1.9 Noteholders may vote on a poll or on a Show of Hands either in person or through a proxy who is not required to be a Noteholder (appointed by a proxy form signed by the Noteholder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney of a duly authorised officer of the corporation). The proxy form shall be deposited at the registered office of the Issuer or at the office where the Register is kept or at such other office as the Issuer may determine not less than 24 hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in such proxy form proposes to vote, and in default, the proxy form shall be invalid. No proxy form shall be valid after the expiration of 6 months from the date named in it as the date of its execution.

10.1.10 Subject to the Conditions and the provisions of the Trust Deed, the relevant Series Noteholders, the relevant Tranche Noteholders or all Noteholders shall have power (exercisable by Special Resolution) to approve any proposal by the Issuer to among others:

(a) amend the Maturity Dates or Redemption of any of the Notes, any Interest Payment Date or Instalment Date on the Notes;

(b) reduce or cancel the Instalment Amount or the Principal Amount of, or any premium payable on Redemption of, the Notes;

(c) reduce the Interest Rate/s in respect of the Notes or to vary the method or basis of calculating the amount of Interest, Interest Rate/s or the basis for calculating any Interest in respect of the Notes;

(d) reduce any Minimum Interest Rate and/or Maximum Interest Rate;

(e) amend any financial covenant set out in any Applicable Pricing Supplement;

(f) vary any method of, or basis for, calculating the Redemption Amount;

(g) vary the Currency or Currencies of payment of the Notes;

(h) modify the provisions concerning the quorum required at any Meeting or any adjournment of such Meeting or the majority required to pass the Special Resolution;

(i) remove the Note Trustee and appoint a new trustee;

(j) (subject to Condition 10.3 (*Modifications and Waivers*) below) modify, abrogate, vary or compromise any provisions of this Prospectus, the Conditions, the Trust Deed, the Agency Agreement, the Escrow Account Agreement, the Issuer Account Agreement or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes; or

(k) waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of this Prospectus, the Conditions, the Notes, the Trust Deed, the Agency Agreement or the Issuer Account Agreement, or any act or omission which might otherwise constitute an Event of Default.

10.2 Information to Noteholders

In addition to any requirement under this Prospectus and the Trust Deed for the Issuer to provide the Noteholders with any information, the Note Trustee shall publish the following in accordance with Condition 11 (*Notices*):

(a) the passing of any Special Resolution, Ordinary Resolution or Written Resolution; and

(b) the issuance of any Applicable Pricing Supplement.

10.3 **Modifications and waivers**

10.3.1 The Note Trustee may agree, without the consent of the Noteholders, to effect:

(a) any modification of any provision of the Trust Deed or the Notes (including these Conditions) which is of a minor nature or is made to correct a manifest error in the opinion of the Note Trustee, provided that such modification is not prejudicial to the interests of the Noteholders; and

(b) any other modification and any waiver or authorisation of any breach or proposed breach of any provision of these Conditions or the Trust Deed which are in the opinion of the Note Trustee, not materially prejudicial to the interests of the Noteholders.

10.3.2 The Note Trustee may take into account, among other things, any confirmation from the rating agencies that the then current ratings of the relevant Notes would not be adversely affected in considering whether any such modification, waiver or authorisation would be materially prejudicial to the interests of the Noteholders.

10.3.3 Any such modification, waiver or authorisation may be given or made on such terms and subject to such conditions as the Note Trustee may in its sole discretion determine and shall be binding on the Noteholders and, unless the Note Trustee otherwise agrees, the Note Trustee shall cause such modification to be notified to the Noteholders within 5 business days after modification, provided that the Note Trustee shall not exercise any powers conferred upon it by this Condition 10 in contravention of any express direction by a Special Resolution or a Written Resolution (provided that no such direction or request shall affect any authorisation, waiver or determination previously given or made).

10.4 **Substitutions**

10.4.1 The Note Trustee may, without the consent of the Noteholders, agree on such terms as it may specify to the substitution of the Issuer's successor in business where the substitution of the Issuer is as a result of a merger, an acquisition, or other form of business combination involving the Issuer.

10.4.2 Subject to obtaining the prior consent of the Noteholders, the Note Trustee may agree on such terms as it may specify to the substitution of the Issuer where the Issuer is substituted with its Affiliate in its place as issuer under the Trust Deed and the Notes.

11. NOTICES

11.1 Notices to Noteholders

Notices to Noteholders will be deemed to be validly given if:

(a) sent by first-class mail (if overseas) to them (or, in the case of joint holders, to the first-named in the Register) at their respective addresses as recorded in the Register (and such notice shall be deemed to have been validly given on the 10^{th} Business Day after the date of postage);

(b) published in a newspaper of general circulation in Ghana and approved by the Note Trustee (and such notice shall be deemed to have been validly given on the date of the publication);

(c) published on the GFIM or any other stock exchange on which Notes may be listed (and such notice shall be deemed to have been validly given on the date of the publication);

(d) published on a nationally recognised and accessed online medium and approved by the Note Trustee (and such notice shall be deemed to have been validly given on the date of the publication); or

(e) sent to the respective emails as recorded in the Register (and such notice shall be deemed to have been validly given when despatched).

11.2 Notices to the Issuer

Notices to the Issuer will be deemed to be validly given if delivered to the Issuer:

(a) at its registered address and clearly marked on their exterior "*Urgent - Attention: Richard Adjei"* (or at such other address and for such other attention as may have been notified to the Noteholders in accordance with Condition 11.1 above or to the Note Trustee in accordance with Condition 11.3 below). Such notices will be deemed to have been validly given at the opening of business on the next Business Day on which the Issuer's registered address is open for business; or

(b) via email to the email address and for the attention of the person set out under page 7 of this Prospectus (or such other email address and for such other attention as may have been notified to the Noteholders in accordance with Condition 11.1 above or to the Note Trustee in accordance with Condition 11.3 below). Such notices shall be deemed to have been validly given upon the despatch of the email.

11.3 Notices to the Note Trustee

Notices to the Note Trustee will be deemed to have been validly given if delivered to the Note Trustee:

(a) at its registered office and clearly marked on their exterior "*Urgent - Attention: Xorlali Torsu*" (or such other address and for such other attention as may have been notified to the Noteholders in accordance with Condition 11.1 above or to the Issuer in accordance with Condition 11.2 above). Such notices will be deemed to have been validly given at the opening of business on the next Business Day on which the Note Trustee's registered address is open for business; or

(b) via email to the email address and for the attention of the person set out under page 8 of this Prospectus (or such other email address and for such other attention as may have been notified to the Noteholders in accordance with Condition 11.1 above or to the Issuer in accordance with Condition 11.2 above). Such notices shall be deemed to have been validly given upon the despatch of the email.

12. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further securities ranking *pari passu* with the Notes of a Series or Tranche in all respects (except for Interest, the first Interest Payment Date and Issue Date) and so that such further issues shall be consolidated and form a single Series with such outstanding Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 12. Any such other securities shall be constituted by an addendum to the Trust Deed.

13. ENFORCEMENT

13.1 At any time after the Notes become due and payable, the Note Trustee may (at its discretion and without further notice) institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take any such proceedings unless:

(a) it shall have been so directed by a Special Resolution or a Written Resolution; and

(b) it shall have been indemnified to its satisfaction.

13.2 No Noteholder may proceed directly against the Issuer unless the Note Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13.3 The Note Trustee shall apply the amounts received or recovered upon enforcement as follows:

(a) *first*, towards the payment of all costs, expenses and liabilities incurred by the Note Trustee (or its agent) in the enforcement process or in the performance of its duties under these Conditions or the Trust Deed;

(b) *second*, towards the payment of all outstanding amounts under the Senior Notes and/or any unsubordinated and unsecured debts of the Issuer at the time. If the amounts received by the Note Trustee are not sufficient to pay such amounts in full, the Note Trustee shall apply them *pro rata* on the basis of the amount due to each Noteholder and/or unsubordinated and unsecured creditor entitled to such payment;

(c) *third*, towards payment to any person entitled thereto in priority to the Issuer (if any); and

(d) *fourth*, payment of the balance (if any) to the Issuer.

14. INDEMNIFICATION OF THE NOTE TRUSTEE

14.1 The Trust Deed contains provisions for the indemnification of the Note Trustee and for its relief from responsibility in certain circumstances. Subject to the fiduciary obligations of the Note Trustee to the Noteholders, the Note Trustee may enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Note Trustee is not responsible for the validity, sufficiency or enforceability of the Trust Deed or the Notes, nor is the Note Trustee obliged to take any action unless indemnified and/or secured to its satisfaction. The Note Trustee is also entitled to be paid its costs and expenses in priority to the claims of the Noteholders.

14.2 In the exercise of its powers and discretion under these Conditions and the Trust Deed (including but not limited to those referred to in this Condition 14), the Note Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence of such exercise for individual Noteholders of Notes as a result of such Noteholders being connected in any way with a particular territory or otherwise, and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15. GOVERNING LAW AND JURISDICTION

15.1 Governing law

The Conditions and/or the Notes are governed by, and shall be construed in accordance with, the laws of Ghana

15.2 Dispute resolution

15.2.1 Any dispute arising out of (or in connection with) this Conditions and/or the Notes (including any question regarding its existence, validity or termination) shall be referred to (and finally resolved by) arbitration in accordance with the Alternative Dispute Resolution Act, 2010 (Act 798) and under the rules of the Ghana Arbitration Centre (which are in force as at the date of the commencement of the arbitration process).

15.2.2 The arbitral tribunal shall consist of a sole arbitrator who shall (in the absence of agreement between the Parties within 15 Business Days from the date of the commencement of the arbitration process) be appointed by the Ghana Arbitration Centre. The request to nominate an arbitrator shall be in writing outlining the claim and any counterclaim of which the Party concerned is aware and, if desired, suggesting suitable nominees for appointment. A copy of the request shall be furnished to the other Party who may, within 5 Business Days, submit written comments on the request to all Parties.

15.2.3 The place of arbitration shall be Accra, Ghana, and the language of the arbitration shall be English.

15.2.4 The arbitral tribunal shall give a written record of the award and the reasons for it and the award shall be final and binding. The relevant parties hereby undertake to carry out the award immediately and without delay. All amounts due under such award shall be paid in full (free of any deduction, withholding or set-off not contemplated in this Agreement).

16. FINANCIAL COVENANTS

16.1 The Issuer shall determine and maintain such financial covenants as specified in an Applicable Pricing Supplement.

16.2 The financial covenants which may be specified in an Applicable Pricing Supplement may cover any of the following matters:

(a) **Debt to Equity Ratio** means the ratio between the Issuer's Debt and the Issuer's Equity;

(b) **Debt-EBITDA Ratio** means, for any Relevant Period, the result obtained by dividing the Issuer's Long Term Debt and Issuer's Short Term Debt by EBITDA in respect of that Relevant Period;

(c) **Interest Cover Ratio** means the ratio of EBIT to Finance Charges in respect of any Relevant Period;

(d) **Debt-Asset Ratio** means the ratio between the Issuer's Debt and Total Assets;

(e) **Manufacturing Cost Ratio** means, for any Relevant Period, the result obtained by dividing the Manufacturing Cost by the Net Sales Revenue; and

(f) **Inventory Turnover Ratio** means the ratio between Inventory and Cost of Goods Sold multiplied by the number of days in the period.

16.3 For the purpose of Condition 16.2 above:

(a) **Cost of Goods Sold** means the amount reported as "cost of sale" in its statement of profit and loss or income statement for the Relevant Period;

(b) **EBIT** means, in respect of any Relevant Period, the operating profit of the Issuer before taxation (excluding the results from discontinued operations):

(i) before deducting any Finance Charge;

(ii) not including any accrued interest owing to an Affiliate of the Issuer;

(iii) before taking into account any Exceptional Items;

(iv) after deducting the amount of any profit (or adding back the amount of any loss) of the Issuer which is attributable to minority interests;

(v) before taking into account any unrealised gains or losses on any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);

(vi) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset; and

(vii) before taking into account any Pension Items;

(c) **EBITDA** means, in respect of any Relevant Period, EBIT for that Relevant Period after adding back any amount attributable to the amortisation, depreciation or impairment of assets of the Issuer (and taking no account of the reversal of any previous impairment charge made in that Relevant Period;

(d) **Exceptional Items** means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

(i) the restructuring of the activities of the Issuer and reversals of any provisions for the cost of restructuring;

(ii) disposals, revaluations, or impairment of non-current assets;

(iii) disposal of assets associated with discontinued operations; and

(iv) any other examples of "exceptional items";

(e) **Finance Charges** means, for any Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums, or charges and other finance payments in respect of the Issuer's Debt whether paid, payable or capitalised by the Issuer in respect of that Relevant Period:

(i) including any upfront fees or costs;

(ii) including the interest (but not the capital) element of payments in respect of Finance Leases;

(iii) including any commission, fees, discounts and other finance payment payable by (and deducting any such amounts payable to) the Issuer under any interest rate hedging arrangement;

(iv) excluding any interest cost or expected return on plan assets in relation to any post-employment benefit schemes; and

(v) taking no account of any unrealised gains or losses on any financial instruments other than any derivative instruments which are accounted for on a hedge accounting basis,

together with the amount of any cash dividends or distributions paid or made by the Issuer in respect of the relevant period and so that no amount shall be added (or deducted) more than once;

(f) **Finance Lease** means any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

(g) **Financial Year** means the annual accounting period of the Issuer ending on 31 December each year;

(h) **Inventory** means, for any Relevant Period, the Issuer's raw material, work-in process and/or finished products it holds for sale or use for its manufacturing processes;

(i) **Issuer's Debt** means, at any time, the aggregate outstanding amounts (whether in respect of principal, interest or otherwise) under the Financial Indebtedness;

(j) **Issuer's Direct Labour Costs** means, for any Relevant Period, all costs incurred (including salaries, benefits, retirement funds, payroll taxes, and any workers compensation insurance) by the Issuer in paying its workers who are directly involved in the manufacturing of its products (including those who work on the processing and assembly lines and managers who directly supervise them);

(k) **Issuer's Direct Materials Costs** means, for any Relevant Period, all costs of all raw materials purchased and used by the Issuer to directly make its finished products, which costs will be obtained by tallying all costs of raw materials purchased by the Issuer plus cost of beginning inventory, less the cost of ending inventory;

(l) **Issuer's Equity** means the aggregate of:

(i) the amount paid up or credited as paid up on all issued shares of the Issuer;

(ii) the amount standing to the credit of the reserves of the Issuer (excluding asset revaluation reserves but including any balance standing to the credit of its share deals account and its accumulated profit and loss account),

after deducting:

(A) any debit balance on the profit and loss account;

(B) amounts set aside for dividends to the extent not already deducted from equity;

(C) amounts of deferred tax assets; and

(D) amounts attributable to capitalised items such as goodwill, trademarks, deferred charges, licences, patents and other intangible assets;

(m) **Issuer's Long Term Debt** means all Issuer's Debt with a tenor exceeding 12 months;

(n) **Issuer's Manufacturing Overhead** means, for any Relevant Period, all costs and expenses incurred by the Issuer to keep its manufacturing process running, including equipment and facility depreciation, equipment and facility rental, quality inspection of its products, cost of keeping equipment running (including water, electricity, and maintenance and repair costs), indirect supplies and materials used for manufacturing and any indirect labour costs;

(o) **Issuer's Short Term Debt** means all Issuer's Debt with a tenor not exceeding 12 months;

(p) **Manufacturing Cost** means the aggregate of the Issuer's Direct Materials Costs, the Issuer's Direct Labour Costs and the Issuer's Manufacturing Overhead;

(q) **Net Sales Revenue** means, for any Relevant Period, the Issuer's net proceeds generated from the sale of its products;

(r) **Pension Items** means any income or charge attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme;

(s) **Relevant Period** means each 12 months ending on the last day of the Financial Year and each period of 12 months ending on the last day of the first half of the Financial Year; and

(t) **Total Assets** means all of the Issuer's assets of any kind whatsoever (including cash, inventory, trade and other receivables, securities, loans, revenues and rights to receive income or other payments and other fixed assets).

16.4 Where the Issuer is bound by any financial covenant specified in an Applicable Pricing Supplement, the Issuer shall, by no later than 25 calendar days after the end of each calendar month, furnish the Bond Trustee with management accounts of the Issuer reflecting the financial covenants in respect of the period ending after the prior calendar month.

16.5 The provisions of this Condition 16 shall not preclude the Bond Trustee from itself determining the financial covenants at any time. The Bond Trustee shall, in such regard, act as an expert and its determination of the financial covenants shall, except in the case of manifest error, be final and binding on the Issuer.

17. EVENTS OF DEFAULT

The Note Trustee may (at its discretion) or shall (if so directed by a Special Resolution or a Written Resolution) (subject in each case to being indemnified and/or secured to its satisfaction) give notice to the Issuer specifying any affected Notes and that such Notes are immediately due and repayable in the Principal Amount together with accrued interest if, in the case of the Notes, any of the following Events of Default occurs:

(a) **Non-payment**: the Issuer fails to pay the Principal Amount or the Instalment Amount of any of the Notes when the same becomes due and payable either at the Maturity Date, at the Instalment Date, upon Redemption, by declaration or otherwise, or the Issuer is in default with respect to the payment of Interest on any of such Notes and such default in respect of Principal Amount, Instalment Amount or Interest continues for a period of 15 Business Days;

(b) **Breach of other obligations**: the Issuer is in default in the performance, or is otherwise in breach, of any warranty, covenant, obligation, undertaking or other agreement under the Notes or the Trust Deed (other than a default or breach elsewhere specifically dealt with in this Condition 17(b)) and such default or breach (if capable of remedy) is not remedied within 30 calendar days (or such longer period as the Note Trustee may in its sole discretion determine) after notice thereof has been given to the Issuer and, if applicable, by the Note Trustee;

(c) **Insolvency**:

(i) any Person shall have instituted a proceeding or entered a decree or order for the appointment of a receiver, manager, administrator, liquidator or rehabilitation manager in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities or similar arrangements involving the Issuer or all or substantially all of their respective assets and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 60 Business Days; or

(ii) the Issuer shall institute proceedings under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect to be placed into rehabilitation, adjudicated as bankrupt or shall consent to the filing of a bankruptcy, insolvency or similar proceeding against it or shall file a petition or answer or consent seeking reorganisation under any such law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver, manager, administrator, liquidator, rehabilitation manager or trustee or assignee in bankruptcy or liquidation of the Issuer or in respect of its property, or shall make an assignment for the benefit of its creditors or shall otherwise be unable or admit its inability to pay its debts generally as they become due or the Issuer commences proceedings with a view to the general adjustment of its Financial Indebtedness, which event in any such case is (in the sole opinion of the Note Trustee), materially prejudicial to the interests of the Noteholders;

(d) **Material non-compliance with Applicable Laws**: the Issuer fails to comply in any material respect with any Applicable Laws for any purpose to enable it lawfully to exercise its rights or perform or comply with its obligations under the Notes or the Trust Deed or to ensure that those obligations are legally binding and enforceable or that all necessary agreements or other documents are entered into and that all necessary consents and approvals of, and registrations and filings with, any such authority in connection therewith are obtained and maintained in full force and effect;

(e) **Invalidity or unenforceability**: the Note Trustee is of the opinion (determined in its sole discretion) that any of following occurrences in this Condition 17(e) is materially prejudicial to the interests of the Noteholders:

(i) the validity of the Notes or the Trust Deed is contested by the Issuer;

(ii) it is or becomes unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or the Trust Deed; or

(iii) the Issuer shall deny all or any of its obligations set out in the Notes or the Trust Deed (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise);

(f) **Government intervention**:

(i) all or any substantial part of the undertaking, assets and revenues of the Issuer is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government; or

(ii) the Issuer is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets, revenues and, following the occurrence of any of the events specified in this Condition 17(f), the Note Trustee is of the opinion determined in its sole discretion that such occurrence is materially prejudicial to the interests of the Noteholders;

(g) **Financial covenants**: if any financial covenant specified in an Applicable Pricing Supplement falls below the required thresholds contemplated therein or in the Applicable Pricing Supplement and the said default is not rectified within 60 calendar days; and/or

(h) **Negative pledge**: the Issuer fails to remedy a breach of Condition 4 (*Negative Pledge*) and such failure continues for a period of 10 Business Days after receipt by the Issuer of written notice from the Note Trustee requiring same to be remedied.

12 SUBSCRIPTION AND SALE INFORMATION

12.1 GENERAL

The Notes will be marketed and sold in Ghana. The Notes will be offered, from time to time, by the Issuer through the Dealer that is appointed by the Issuer in respect of any Series or Tranche of Notes.

Any agreement for the sale of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be sold by the Dealer(s) and the commissions or other agreed discounts (if any) payable or allowable by the Issuer in the event of an underwriting of the Notes by the Dealers.

The price and size of a Series or Tranche will be determined by the Issuer and the Arrangers at the time of issue in accordance with prevailing market conditions.

12.2 APPLICATION PROCEDURE

Application for the Notes shall be made through application forms (as set out in Appendix E (*Form of Application Form*) or such other form as shall be specified by the Issuer. The application forms may be obtained from the head offices of the Joint Lead Arrangers. Applications must be submitted directly to the Joint Lead Arrangers at either of their respective head offices marked for the attention of the "*Managing Director*", no later than 5pm on the date specified in the Applicable Pricing Supplement. Successful applicants will be notified by the Arrangers of the amount of Notes allotted to them immediately after the allotment date specified in the Applicable Pricing Supplement.

12.3 PAYMENT FOR THE NOTES AND DELIVERY

Payment for the Notes is to be made in full to the Issuer in immediately available funds by the date specified in the Applicable Pricing Supplement. The Notes will be credited electronically on the CSD.

12.4 LISTING OF THE NOTES

The Notes will be admitted to trading on GFIM and/or any other stock exchange specified in an Applicable Pricing Supplement.

12.5 CLEARING OF THE NOTES

The Notes have been accepted for clearance through the CSD system. The appropriate ISIN Code for each Tranche or Series of Notes will be specified in the Applicable Pricing Supplement. If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be specified in the Applicable Pricing Supplement.

The address of the CSD is:

Central Securities Depository (GH) LTD
4th Floor, Cedi House
Accra, Ghana

12.6 SETTLEMENT PROCEDURE

Payment of the subscription price for the Notes may be made by bank transfer or remittance, to be made on the instructions of the successful applicant to his/her/its bank for the funds to be credited to the Issuer's bank account, with details below:

Account Name: Kasapreko Company PLC- Escrow Account
Bank Name: Consolidated Bank Ghana LTD
Account Number: 1790588150001
Bank Branch: Manet Tower 3
Branch Sort Code: 340100
SWIFT: CBGHGHAC

12.7 SELLING RESTRICTIONS

12.7.3 The following are the selling restrictions relating to the Notes:

(a) the Notes being issued under this Prospectus and the Applicable Pricing Supplement are restricted to distribution only within the Republic of Ghana and not for distribution in any other jurisdiction;

(b) each Dealer undertakes that:

- it has complied, and will comply, with all Applicable Laws in relation to any sale or distribution of the Notes; and

- it will not distribute this Prospectus, any Applicable Pricing Supplement or any related offering material outside Ghana.

12.7.4 These selling restrictions may be supplemented or modified with the agreement of the Issuer subject to the approval of the SEC. Any such supplement or modification may be set out in the Applicable Pricing Supplement (in the case of a supplement or modification only relevant to a particular Series or Tranche of Notes) or in a supplement to this Prospectus.

13 LEGAL COMPLIANCE LETTER

13.1 The validity and enforceability of the Notes and the Programme Documents (under Ghanaian law) have been opined upon for the Issuer by BELA (in the Legal Compliance Letter) and addressed to the Note Trustee, the SEC and the GSE.

13.2 The Legal Compliance Letter also indicates that the Issuer is not prevented or restricted (under Applicable Law or the Issuer Constitution) from establishing the Programme or issuing the Notes, and that the Issuer has complied with all disclosures and other applicable requirements under the SEC Regulations and any other Applicable Law for the public offer and listing of the Notes.

13.3 A copy of the Legal Compliance Letter is attached under Appendix B (*Legal Compliance Letter*).

14 SUMMARY OF FINANCIAL REPORTS AND FORECASTS

14.1 REPORT OF REPORTING ACCOUNTANTS ON HISTORICAL FINANCIAL STATEMENTS

The report of the Reporting Accountants on the historical financial information on the Issuer for the years ended 31 December 2018, 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022 is attached under Appendix A (*Reporting Accountants Report*). Copies of this can be obtained from the registered offices of the Note Trustee during normal business hours of any Business Day.

14.2 REPORT OF THE REPORTING ACCOUNTANTS ON PROJECTED FINANCIAL STATEMENTS

The report of the Reporting Accountants on the projected financial position of the Issuer for the period ending 31 December 2023 to 31 December 2027 is attached under Appendix A (*Reporting Accountants Report*). Copies of this can be obtained from the registered offices of the Note Trustee during normal business hours of any Business Day.

14.3 UNDERLYING ASSUMPTIONS FOR THE PROJECTIONS

The assumptions underlying the projections in the report of the Reporting Accountants on the projected financial information of the Issuer can be found on page 147 to page 152 of Appendix A (*Reporting Accountants Report*).

APPENDIX A: REPORTING ACCOUNTANTS REPORT

Kasapreko Company PLC

Summary of Historical and Forecast Financial Statements

Proposed GHS 600,000,000 Note Programme by Kasapreko Company Plc

Final Report

October 2023

Contents

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Private and confidential
The Board of Directors
Kasapreko Company PLC
D.T.D # 64 Off Spintex Road
Baatsonaa, Accra

Our ref MCSK.903/NDH

Contact Nathaniel D. Harlley

30 October 2023

Dear Sirs and Madams:

Independent reporting accountants' limited assurance report on the historical financial statements of Kasapreko Company PLC for the five years ended 31 December 2022 in respect to the proposed GHS 600,000,000 Note issuance Programme

We have reviewed the audited financial statements of Kasapreko Company PLC that comprises of the statement of financial performance for the years ended, cash flow statements, statement of financial positions as at 31 December 2018, 2019, 2020, 2021 and 2022, Statement of Changes in Equity and a summary of significant accounting policies and other information.

The financial statements for the year ended 31 December 2018 was audited by Deloitte Ghana and the period ended 31 December 2019, 2020, 2021 and 2022 were audited by Ernst and Young, Ghana. In respect of our review, the auditors issued clean audit opinions, and have considered the applicable International Financial Reporting Standards (IFRSs) for SMEs, as issued by the International Accounting Standards Board (IASB).

Management's Responsibility for the Financial Statements

Management of Kasapreko Company PLC is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS) for SMEs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Kasapreko Company PLC
Independent reporting accountants' limited assurance report on the historical financial statements of Kasapreko Company PLC for the five years ended 31 December 2022 in respect to the proposed GHS 600,000,000 Note issuance Programme
30 October 2023

Reporting Accountant's Responsibility

KPMG's responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not give a true and fair view of the financial positions of Kasapreko Company PLC as at 31 December 2018, 2019, 2020, 2021, 2022 and of its financial performance and cash flows for the years then ended, in accordance with the International Financial Reporting Standards for SMEs, as issued by the International Accounting Standards Board (IASB).

Yours faithfully

KPMG

Nathaniel D. Harlley (ICAG/P/1056)
Partner
For and on behalf of:
KPMG: (ICAG/F/2023/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

30 October 2023

Kasapreko Company PLC
Summary of Historical and Forecast Financial Statements
October 2023

1 Statement of Financial Position

Statement of Financial Position for Kasapreko Company PLC						
GH¢'000	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	CAGR 2018 - 2022
Non-current Assets						
Property, Plant & Equipment	124,256	255,017	280,065	326,824	639,800	51%
Due from Related Parties	80,000	134,661	135,030	135,719	48,823	-12%
Total Non-Current Assets	204,256	389,678	415,095	462,542	688,624	36%
Current Assets						
Inventory	98,242	125,052	104,408	193,680	364,210	39%
Trade & Other Accounts Receivable	37,927	64,315	86,845	59,118	99,998	27%
Prepayments	-	39	109	83,410	6,029	435%
Cash and Bank Balances	16,620	22,462	48,717	29,598	27,227	13%
Current Tax Assets	12,264	16,088	14,096	13,878	7,988	-10%
Total Current Assets	165,054	227,956	254,176	379,684	505,451	32%
Total Assets	**369,310**	**617,634**	**669,271**	**842,227**	**1,194,075**	**34%**
Equity						
Stated Capital	10,000	10,000	10,000	50,000	50,000	50%
Retained Earnings	133,752	137,914	168,996	158,558	138,096	1%
Shareholders' equity	143,752	147,914	178,996	208,558	188,096	7%
Current Liabilities						
Trade & Other Payables	116,690	232,699	231,223	296,014	342,783	31%
Contract Liabilities	-	4,706	11,436	17,236	19,368	60%
Interest-Bearing Loans & Borrowings	53,877	137,075	133,716	217,156	311,853	55%
Total Current Liabilities	170,566	374,479	376,375	530,405	674,004	41%
Non-Current Liabilities						
Interest-Bearing Loans & Borrowings	48,504	84,753	102,541	93,328	317,499	60%
Due to related party	-	-	-	-	5,686	
Deferred Tax Liabilities	6,487	10,488	11,359	9,936	8,791	8%
Total Non-Current Liabilities	54,991	95,241	113,900	103,263	331,975	57%
Total Liabilities	225,557	469,720	490,275	633,669	1,005,979	45%
Shareholders' Equity and Liabilities	**369,310**	**617,634**	**669,271**	**842,227**	**1,194,075**	**34%**

Source: KCP and KPMG Analysis

2 Statement of Profit or Loss

Statement of Profit or Loss for Kasapreko Company PLC						
GH¢'000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**	**CAGR 2018 - 2022**
Revenue	394,756	523,284	659,731	944,997	1,285,603	**34%**
Cost of Sales	(336,500)	(395,043)	(485,403)	(704,862)	(1,008,598)	**32%**
Gross Profit	58,256	128,242	174,328	240,135	277,005	**48%**
Gross Margins	*14.76%*	*24.51%*	*26.42%*	*25.41%*	*21.55%*	**10%**
Other Operating Income	12,179	3,247	3,854	9,982	15,135	**6%**
Operating Income	70,435	131,489	178,182	250,117	292,140	**43%**
General, selling and administrative expenses	(77,909)	(97,381)	(106,666)	(172,446)	(212,275)	**28%**
Profit Before Interest & Tax	(7,474)	34,107	71,516	77,671	79,866	
Finance Cost	(17,148)	(25,945)	(35,223)	(40,290)	(94,520)	**53%**
Profit Before Income Tax	(24,622)	8,162	36,293	37,382	(14,654)	
Income Tax	2,034	(4,001)	(5,211)	(7,620)	(5,808)	
Net Profit	**(22,588)**	**4,162**	**31,082**	**29,762**	**(20,462)**	***3%***

Source: KCP and KPMG Analysis

3 Statement of Changes in Equity

Statement of Changes in Equity for Kasapreko Company PLC

GH¢'000	Stated Capital	Retained Earnings	Total Equity
As at 1 January 2022	50,000	158,558	208,558
Loss for the year		(20,462)	(20,462)
As at 31 December 2022	**50,000**	**138,096**	**188,096**
As at 1 January 2021	10,000	168,996	178,996
Profit for the year		29,762	29,762
Transfer to stated capital	40,000	(40,000)	
Expenditure incurred in share issue		(200)	(200)
As at 31 December 2021	**50,000**	**158,558**	**208,558**
As at 1 January 2020	10,000	137,914	147,914
Profit for the year		31,082	
As at 31 December 2020	**10,000**	**168,996**	**178,996**
As at 1 January 2019	10,000	133,752	143,752
Profit for the year		4,162	4,162
As at 31 December 2019	**10,000**	**137,914**	**147,914**
As at 1 January 2018	10,000	156,340	166,340
Loss for the year		(22,588)	(22,588)
As at 31 December 2018	**10,000**	**133,752**	**143,752**

Source: KCP

4 Statement of Cash Flows

Cash Flow Statement					
GH¢'000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**
Operating activities					
Profit/ (loss) before income tax	(24,622)	8,162	36,293	37,382	(14,654)
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation	16,764	20,090	28,360	33,983	49,744
Loss on disposal of Property, Plant & Equipment	42	-	-	-	-
CAPEX expensed	-	-	2,125	-	-
Finance costs	-	25,945	35,223	40,290	94,520
Net foreign exchange differences	-	-	-	9,133	(1,087)
Bad debt	-	-	-	3,058	-
Provision for obsolete stocks	-	-	-	-	3,470
Provision for bad and doubtful debts	-	3,917	1,739	(282)	6,571
Working capital adjustments:					
Decrease/(increase) in trade and other accounts receivable	2,750	(25,599)	(24,270)	24,952	(47,451)
(Increase) in prepayments	-	(39)	(70)	(83,300)	77,381
(Increase)/decrease in inventory	(17,709)	(26,810)	20,643	(89,272)	(174,000)
Increase/(decrease) in trade and other accounts payable	29,297	116,009	(1,476)	64,791	46,769
Increase in contract liabilities	-	-	6,731	5,799	2,132
	6,523	121,675	105,299	46,532	43,395
Income tax paid	(4,140)	(3,824)	(2,348)	(8,825)	(1,063)
Net cash flows from operating activities	**2,383**	**117,852**	**102,951**	**37,707**	**42,333**
Investing activities					
Purchase of property, plant and equipment	(46,984)	(150,851)	(55,534)	(80,741)	(243,022)
Proceeds from sale of property, plant and equipment	145	-	-	-	-
Net (Receipts)/Payment of Related Party balances	-	(54,661)	(369)	(689)	6,895
Net cash flows used in investing activities	**(46,839)**	**(205,512)**	**(55,903)**	**(81,430)**	**(236,127)**
Financing activities					
Expenditure incurred on the issue of equity shares	-	-	-	(200)	-
Proceeds from borrowings	33,218	67,112	-	54,390	516,871
Repayment of borrowings			(19,981)	(9,214)	(209,797)
Loan from Related parties	22	-	-	-	-
Interest paid	-	(25,945)	(35,223)	(40,290)	(81,807)
Net cash flows from/(used) in financing activities	**33,240**	**41,168**	**(55,204)**	**4,687**	**225,267**
Net decrease / (increase) in cash and cash equivalents	(11,216)	(46,493)	(8,155)	(39,036)	31,472
Net foreign exchange difference	-	-	-	(9,133)	1,087
Cash and cash equivalents at the beginning of the year	27,837	16,620	(29,872)	(38,028)	(86,196)
Ending cash balance as at 31 December	**16,620**	**(29,872)**	**(38,028)**	**(86,196)**	**(53,637)**

Source: KCP

5 Review of accounting policies

5.1 Basis of Preparation and Accounting Policies

The significant accounting policies applied by Kasapreko Company PLC in the preparation of the financial statements provided in the previous section are set out below:

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB). The financial statements have also been prepared on a historical cost basis.

5.2 Functional and presentation currency

The financial statements are presented in Ghana Cedis (GH¢), which is the functional currency, rounded to the nearest Cedi.

5.3 Foreign currencies

In preparing the Financial Statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are carried at fair value and denominated in foreign currencies are adjusted using the exchange rates that were in effect on the date when the fair value was determined. However, non-monetary items in a foreign currency measured using historical cost are not subject to retranslation.

Exchange differences on monetary items are recognized in the profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

5.4 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS and SMEs requires the directors and management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstance.

These form the basis of making the judgements on carrying values of assets or liabilities that are not otherwise readily apparent. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Certain accounting policies have been identified where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements or estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.5 Property, plant and equipment

Property, plant, and equipment are recorded in the financial statements at their historical cost, less any accumulated depreciation and impairment losses. The historical cost encompasses expenses directly related to preparing the asset for its intended operational purpose.

If the Company incurs costs to replace parts of an asset that are expected to bring incremental future benefits, these costs are added to the carrying amount of the asset. The value of the replaced part is then removed from the balance. Routine repairs and maintenance, on the other hand, are expensed in the period they are incurred and are reflected in the profit or loss statement.

The carrying amount of property, plant, and equipment is measured as cost minus accumulated depreciation and impairment losses. Depreciation is systematically allocated over time to match the asset's cost, minus its residual value, to its projected useful life. This allocation is done using the straight-line method.

The current annual depreciation rates for each class of property, plant and equipment are as follows:

Leasehold land and buildings	5%
Plant and machinery	10%
Factory office and equipment	15%
Laboratory equipment	15%
Motor vehicles	25%
Computer hardware and software	15%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other gains/ (losses) – net' in the profit or loss.

5.6 Impairment of assets

Financial assets are impaired using the approach prescribed in IFRS 9, unless the asset is considered to be credit impaired on initial recognition, in which case those specific requirements as contained in IFRS 9 will be applied. This approach requires for the provision of expected credit losses rather than incurred credit loss as IAS 39 required. The estimation of impairments of financial assets is inherently uncertain and depends on many factors, including general economic conditions (current and forward looking), structural changes within Industries, changes in individual customer circumstances and other external factors such as legal requirements, regulatory specifications and governmental policy changes.

At each reporting date, property, plant and equipment, intangible assets, and investments are reviewed to determine whether there is any indication of an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

5.7 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

5.8 Sale of goods

Revenue from the sale of goods is recognized when the goods are invoiced to the customers net of excise duty, valued added tax and returns, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- the amount of revenue can be measured reliably.
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably. Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

5.9 Taxation

5.9.1 Income tax

Income tax expense represents the sum of the tax currently payable and deferred. The tax currently payable is based on taxable profit for the year.

5.9.2 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit or Loss and other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

5.9.3 Deferred tax

Deferred tax is calculated using the rate expected to apply in the period in which the assets will be realized or the liabilities settled. Deferred tax assets and liabilities are offset when they arise in the same tax reporting entities and relate to income taxes levied by the same taxation authority, and when a legal right to set off exists in the entity.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax relating to items recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in profit or loss.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

  Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

5.10 Trade and other accounts receivable

Most sales are made on the basis of normal credit terms, and the accounts receivable do not bear interest. Where credit is extended beyond normal credit terms, accounts receivable is measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

5.11 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at banks and on hand, short-term fixed deposits with an original maturity of three months or less, bank overdrafts which are repayable on demand. All the component of the cash and cash equivalent form an integral part of the Company’s cash management. Cash and cash equivalents are measured subsequently at amortised cost.

5.12 Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

5.13 Borrowing costs

Borrowing costs and other cost that the Company incurs in connection with the borrowing of funds are to be recognized as an expense in the profit or loss in the period in which they are incurred.

5.14 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

5.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

5.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

5.17 Financial Instruments - Initial recognition and subsequent measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets. Financial liabilities are classified and subsequently measured at amortised cost using the effective interest method.

5.18 Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial assets and financial liabilities are recognised initially at fair value plus transaction costs, except in the case of financial instruments recorded at fair value through profit or loss.

De-recognition of financial assets and financial liabilities financial assets.

A financial asset is de-recognised where:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either;
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the assets but has transferred control of the asset.

5.18.1 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

5.18.2 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

5.18.3 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

5.18.4 Employee benefits

The Company operates a defined contribution plan and a defined benefit plan. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Under the National pension scheme, the Company contributes 13.5% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pension. The Company's obligation is limited to the relevant contribution, which are settled on due dates. The pension liabilities and obligation therefore rest with SSNIT.

5.19 Recommendation on Basis of Preparation of Financial Statements and Accounting Policies

The historical financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB). In view of the fact that KCP is issuing debt instruments on the stock market, it now becomes a public interest entity (PIE), so it has to adopt full IFRS. This is necessary to better present the financial results of the Company for investors to make informed decisions. It is therefore recommended that, from 2023 onward, financial statements must be prepared in accordance with IFRS. Hence the forecast financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

6 Key notes on Historical Financial Analysis

Kasapreko has experienced a solid historical growth and has been able to expand its activity over the Historical Period (2018 - 2022), while improving its efficiency, profitability and operating indicators:

- Net profit trend moved from a loss of about GH¢ 22.6m in 2018 to a profit of about GH¢ 29.8m in 2021
- Inventory has increased over the years from GH¢ 98m in 2018 to GH¢ 364m in 2022 at a CAGR of 39%.
- Increase in its Property, Plant & Equipment portfolio by GH¢ 515m from GH¢ 124m in 2018 to GH¢ 639.8m in 2022.
- Amounts due from Related Parties has decrease by 61% over the review period.

Even though revenues, operating income and profit before interest and tax increased by 36%, 17% and 3% respectively in 2022, the Company made a net loss at the end of the period due to a 135% increase in financing costs. Likewise, the receivable amounts have increased over the years by GH¢ 62m.

Over the Historical Period, the Company has relied on; (i) Secured loans (GH¢ +482 m), and (ii) Overdrafts (GH¢ +44 m) to finance its expansion and operations.

Details of KCL's historical performance and position are provided as follows:

Statement of Financial Performance Analysis

Revenue

KCP earns revenues from the local and export sales of its manufactured alcoholic and non-alcoholic drinks. Historically, the Company has classified its total local revenues into local sales (sales from Accra

Factory products) and sales from its Kumasi factory (1D1F). Whilst both local sales and sales from the Kumasi factory are from products sold in the Ghanaian jurisdiction, the distinction has been made for ringfencing purposes, as income from Kumasi factory is taxed at a rate of 12.5%. For the purpose of analyses and reporting in this document, local sales refer to revenues from output from both the Accra and Kumasi factories. The Company's major export market is Nigeria.

The Company's revenues increased from GH¢395m in 2018 to GH¢1.3b in 2022, representing a CAGR of 34% over the review period. The table below shows the evolution of revenue over the historical review period.

Revenue

GH¢'000	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	CAGR (2018-2022)
Accra factory	346,063	447,444	577,080	510,516	429,584	*6%*
y-o-y % change	*40%*	*29%*	*29%*	*-12%*	*-16%*	
Kumasi factory (1D1F)	-	-	-	292,539	519,725	
y-o-y % change					*78%*	
Total local sales	***346,063***	***447,444***	***577,080***	***803,055***	***949,309***	***29%***
Export sales	48,693	75,840	82,651	141,942	336,294	*62%*
y-o-y % change	*22%*	*56%*	*9%*	*72%*	*137%*	
Total revenue	**394,756**	**523,284**	**659,731**	**944,997**	**1,285,603**	***34%***

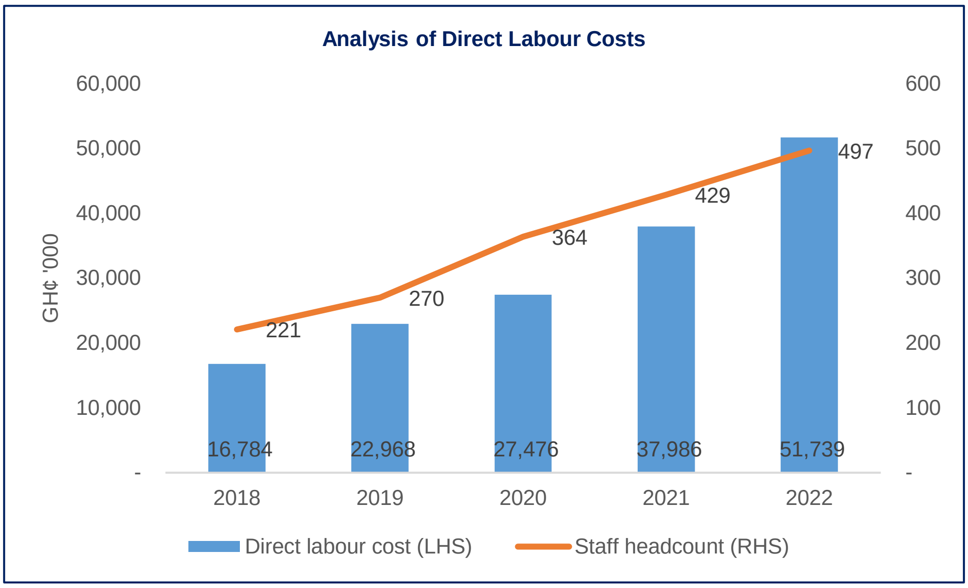
Throughout the review period, local sales made up an average of 84% of total revenues, making for the most significant driver of sales. The remaining portion of total revenues were contributed by export sales. Total local sales increased by a CAGR of 29%, whilst export sales grew by a higher rate of 62% over the review period.

Cost of Goods Sold

KCP's direct cost of sales comprises primarily of materials, labour, and depreciation expenses. Total cost of sales grew by a CAGR of 32% (slightly lower than that of revenues at 34%) from GH¢ 336.5m in 2018 to GH¢1b in 2022.

The key cost driver was direct materials comprising 78% of total cost of sales on average and grew by a CAGR of 30% throughout the review period.

Direct labour costs made up about 5% of total costs of sales on average and increased by a CAGR of 33% partly due to increasing staff numbers over the review period. Except for 2020, increases in labour cost were driven by both rising staff numbers and average cost per headcount. In 2020, a 20% increase in labour costs was solely driven by a 35% rise in staff count, since there was a decrease of 11% in the average labour cost per head. A detailed analysis for the review period is shown in the chart below.



Source: KCP and KPMG Analysis

Cost of Sales						
GH¢'000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**	**CAGR (2018-2022)**
Direct material costs	275,415	305,294	369,433	530,018	785,206	*30%*
y-o-y % change	*42%*	*11%*	*21%*	*43%*	*48%*	
Direct labour costs	16,784	22,968	27,476	37,986	51,739	*33%*
y-o-y % change	*32%*	*37%*	*20%*	*38%*	*36%*	
Depreciation of plant and machinery	12,847	16,051	20,989	24,381	32,506	*26%*
y-o-y % change	*21%*	*25%*	*31%*	*16%*	*33%*	
Electricity costs	-	-	10,702	24,282	24,605	
y-o-y % change				*127%*	*1%*	
Water	-	-	7,438	7,283	9,278	
y-o-y % change				*-2%*	*27%*	
Repairs and maintenance	-	-	11,498	21,846	23,942	
y-o-y % change				*90%*	*10%*	
Production losses (breakages & leakages)	-	-	20,974	18,373	12,009	
y-o-y % change				*-12%*	*-35%*	
Other factory costs	-	-	16,894	40,693	69,312	
y-o-y % change				*141%*	*70%*	
Factory overheads	31,453	50,730	-	-	-	*-100%*
y-o-y % change						
Total	**336,500**	**395,043**	**485,403**	**704,862**	**1,008,598**	***32%***

Source: KCP and KPMG Analysis

Selling, General & Administrative Expenses

KCP's selling, general and administrative (SG&A) expenses comprise mainly of marketing and public relations, employee costs, exchange losses, depreciation, and other administrative costs. Total SG&A expenses grew from GH¢ 77.9m in 2018 to GH¢ 212m in 2022, representative of a CAGR of 28% over the review period. SG&A expenses consumed 20% of revenues in 2018, and 17% of revenues in 2022, indicative of an improvement in Management's operational efficiency. Details of SG&A costs are provided in the table below.

Selling, General & Administrative Expenses						
GH¢'000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**	**CAGR (2018-2022)**
Depreciation	3,917	4,039	7,371	9,602	17,238	*45%*
y-o-y % change		*3%*	*82%*	*30%*	*80%*	
Marketing and public relations	23,667	24,778	13,185	18,537	23,869	*0.2%*
y-o-y % change		*5%*	*-47%*	*41%*	*29%*	
Donations	166	343	301	692	209	*6%*
y-o-y % change		*107%*	*-12%*	*129%*	*-70%*	
Employee costs	13,044	16,439	20,140	18,690	22,575	*15%*
y-o-y % change		*26%*	*23%*	*-7%*	*21%*	
Exchange loss	9,734	10,506	10,543	9,133	-	*-100%*
y-o-y % change		*8%*	*0%*	*-13%*	*-100%*	
Sales and distribution	-	-	12,556	41,435	62,946	
y-o-y % change				*230%*	*52%*	
Human resource costs	-	-	6,272	11,375	13,907	
y-o-y % change				*81%*	*22%*	
Insurance cost	-	-	1,955	1,963	2,547	
y-o-y % change				*0%*	*30%*	
Repairs and maintenance	-	-	6,208	11,404	7,944	
y-o-y % change				*84%*	*-30%*	
Travelling expenses	-	-	2,217	2,094	4,342	
y-o-y % change				*-6%*	*107%*	
Motor vehicle running costs	-	-	3,130	6,143	11,896	
y-o-y % change				*96%*	*94%*	
Shared service costs	-	-	6,232	6,777	9,233	
y-o-y % change				*9%*	*36%*	
Other administrative expenses	27,381	41,276	16,555	34,603	35,569	*7%*
y-o-y % change		*51%*	*-60%*	*109%*	*3%*	
Total	**77,909**	**97,381**	**106,666**	**172,446**	**212,275**	***28%***

Source: KCP and KPMG Analysis

Finance Costs

Finance costs comprise interest on the Company's borrowings (secured bank loans and overdrafts), and it grew by a CAGR of 53% over the review period.

Finance Costs						
GH¢ '000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**	**CAGR (2018-2022)**
Interest on borrowings	17,148	25,945	35,223	40,290	94,520	*53%*
y-o-y % change	*12%*	*51%*	*36%*	*14%*	*135%*	
Total	**17,148**	**25,945**	**35,223**	**40,290**	**94,520**	***53%***

Source: KCP and KPMG Analysis

Net Profit

The Company's net profit trend moved from a loss of about GH¢ 22.6m in 2018 to a profit of about GH¢29.8m in 2021, in line with increasing revenues over the review period. Notwithstanding, the extent of increase in net profit was generally lower than that of revenue and operating income, largely due to increasing financing costs.

Even though revenues, operating income and profit before interest and tax increased by 36%, 17% and 3% respectively in 2022, the Company made a net loss at the end of 2022 due to a 135% increase in financing costs.

The table below shows the Company's historical progression of revenues to net profit for the review period.

Statement of Profit or Loss for Kasapreko Company PLC						
GH¢'000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**	**CAGR 2018 - 2022**
Revenue	394,756	523,284	659,731	944,997	1,285,603	*34%*
% y-o-y change		*33%*	*26%*	*43%*	*36%*	
Gross Profit	58,256	128,242	174,328	240,135	277,005	*48%*
% y-o-y change		*120%*	*36%*	*38%*	*15%*	
Operating Income	70,435	131,489	178,182	250,117	292,140	*43%*
% y-o-y change		*87%*	*36%*	*40%*	*17%*	
Profit Before Interest & Tax	(7,474)	34,107	71,516	77,671	79,866	
% y-o-y change		*-556%*	*110%*	*9%*	*3%*	
Finance Cost	(17,148)	(25,945)	(35,223)	(40,290)	(94,520)	*53%*
% y-o-y change		*51%*	*36%*	*14%*	*135%*	
Profit Before Income Tax	(24,622)	8,162	36,293	37,382	(14,654)	
% y-o-y change		*-133%*	*345%*	*3%*	*-139%*	
Net Profit	**(22,588)**	**4,162**	**31,082**	**29,762**	**(20,462)**	***3%***
% y-o-y change		***-118%***	***647%***	***-4%***	***-169%***	

Source: KCP and KPMG Analysis

Statement of Financial Position Analysis

Assets

Kasapreko's total assets increased from GH¢ 369m in 2018 to about GH¢ 1.2b in 2022 at a CAGR of 34%. In this, Property, Plant and Equipment was the main component constituting 54% of total assets as at the end of 2022 financial year. The second and third highest contributors of total assets were Inventory and Due from related Parties contributing about 25% and 15% respectively.

The table and chart below provide a snapshot of the composition and trends of the total assets of Kasapreko from 2018 to 2022.

Balance sheet extract						
GH¢ '000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**	**Average of totals**
Assets						
Property, Plant & Equipment	124,256	255,017	280,065	326,824	639,800	44%
y-o-y % change	*32%*	*105%*	*10%*	*17%*	*96%*	
Inventory	98,242	125,052	104,408	193,680	364,210	14%
y-o-y % change	*22%*	*27%*	*-17%*	*86%*	*88%*	
Trade & Other Accounts Receivable	37,927	64,315	86,845	59,118	99,998	9%
y-o-y % change	*-7%*	*70%*	*35%*	*-32%*	*69%*	
Due from Related Parties	80,000	134,661	135,030	135,719	48,823	14%
y-o-y % change	*0%*	*68%*	*0%*	*1%*	*-64%*	
Cash and Bank Balances	16,620	22,462	48,717	29,598	27,227	4%
y-o-y % change	*-40%*	*35%*	*117%*	*-39%*	*-8%*	
Current Tax Assets	12,264	16,088	14,096	13,878	7,988	2%
y-o-y % change	*51%*	*31%*	*-12%*	*-2%*	*-42%*	
Prepayments	-	39	109	83,410	6,029	2%
y-o-y % change			*178%*	*76275%*	*-93%*	
Total Assets	**369,310**	**617,634**	**669,271**	**842,227**	**1,194,075**	**100%**
y-o-y % change		*67%*	*8%*	*26%*	*42%*	

Source: KCP and KPMG Analysis

Kasapreko Company PLC
Summary of Historical and Forecast Financial Statements
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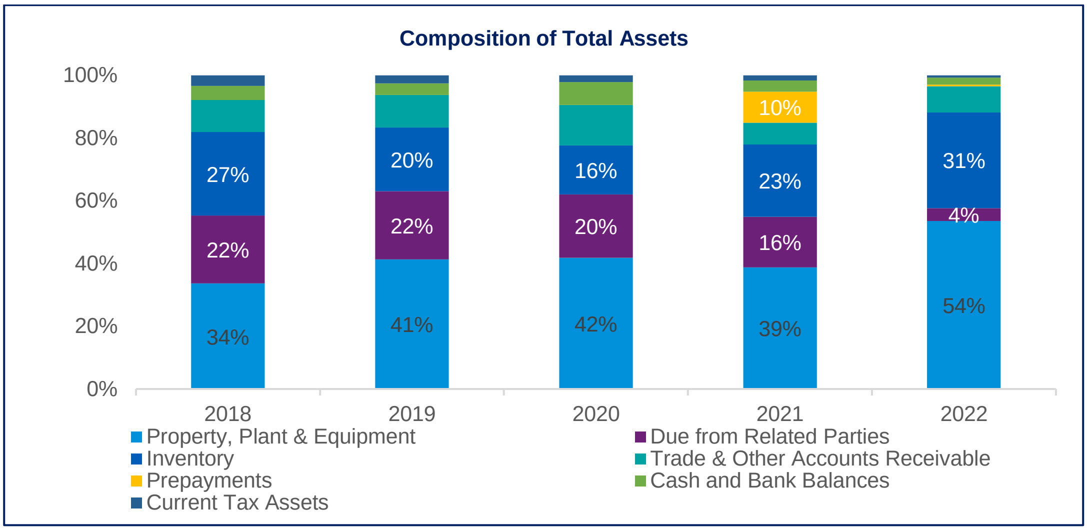


Source: KCP and KPMG Analysis

Property, Plant & Equipment

Kasapreko has grown its Property, Plant & Equipment (PPE) portfolio by GH¢ 515m from GH¢ 124m in 2018 to GH¢ 639.8m in 2022. This is primarily attributed to Company's decision to expand its operations into Kumasi. Hence, investments made by the Company in its PPE infrastructure in both 2019 and 2022 represented a 105% and 96% increment respectively from its previous years. Overall, PPE have increased at a CAGR of 51% over the period under review.

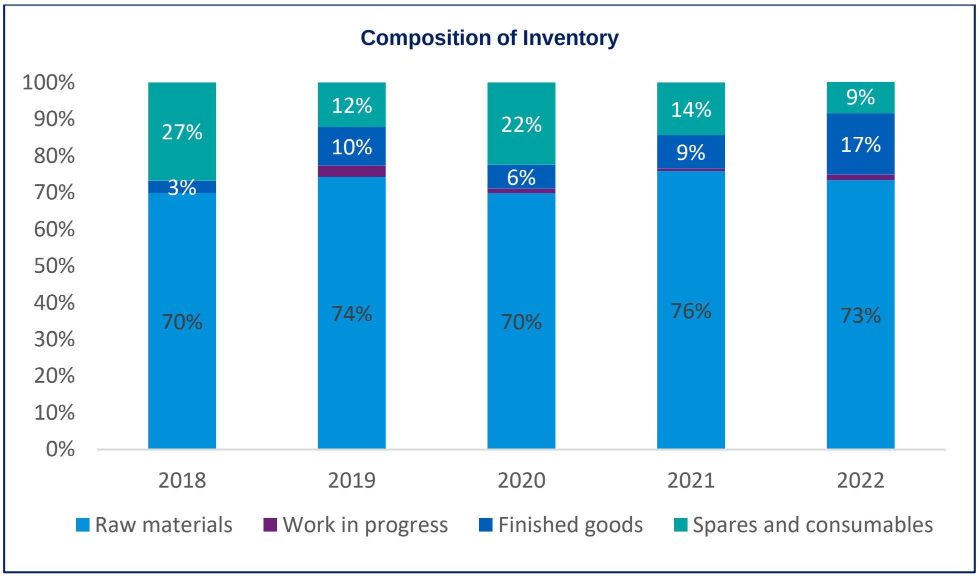
Inventory

The Company's inventory can be broken down into raw materials, work-in-progress, finished goods, and spares and consumables. The inventory amount has increased over the years from GH¢ 98m in 2018 to GH¢ 364m in 2022 at a CAGR of 39%. The largest component of the Company's inventory as at 2022 is its raw materials used in the production process. This accounted for 73% of the total inventory as at the end of 2022 financial year. The second and third largest components of inventory is finished goods and spares and consumables accounting for 17% and 9% respectively. In 2022, the Company made a provision of GH¢ 3.47m for obsolete inventory.

The table and chart below highlight the composition of Kasapreko's inventory.

Inventory						
GH¢'000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**	**Average of totals**
Raw materials	68,714	92,868	72,932	146,959	267,518	73%
y-o-y % change	*2%*	*35%*	*-21%*	*102%*	*82%*	
Work in progress	-	3,883	1,295	1,265	5,197	1%
y-o-y % change			*-67%*	*-2%*	*311%*	
Finished goods	3,279	13,116	6,768	17,757	60,990	12%
y-o-y % change	*164%*	*300%*	*-48%*	*162%*	*243%*	
Spares and consumables	26,249	15,185	23,413	27,700	33,975	14%
y-o-y % change	*122%*	*-42%*	*54%*	*18%*	*23%*	
Provision for obsolesce Inventory write	-	-	-	-	(3,470)	0%
y-o-y % change					*0%*	
Total	**98,242**	**125,052**	**104,408**	**193,680**	**364,210**	**100%**
y-o-y % change	*22%*	*27%*	*-17%*	*86%*	*88%*	

Source: KCP and KPMG Analysis



Source: KCP and KPMG Analysis

The Company's inventory turnover ratio and days have averaged 5 and 69 days respectively over the years under review. Below is a table summarizing the inventory turnover ratio and days over the review period.

Ratio Analysis	2018	2019	2020	2021	2022	Average
Inventory Turnover Ratio	4.9	4.9	5.9	6.4	4.9	5
Inventory Turnover Days	74	75	62	57	75	69

Source: KCP and KPMG Analysis

Trade & Other Accounts Receivable

The trade and other accounts receivable have increased over the years under review from GH¢ 37m in 2018 to GH¢ 99.99m as at 2022. The account is primarily made up of Trade receivables, provisions for bad and doubtful debt, Related parties and Other Receivables. The largest contributor to this account as at the end of the 2022 financial year was the trade receivables account representing 99% of the total amount with the Other receivable accounting for the remaining 1%.

The trade receivable amount increased by 95% in 2019 and 78% in 2022. This was primarily due to the increase in production due to new investments made in PPE for those years. Historically, the provisions made for bad or doubtful debt has also increased from GH¢ 3.9m in 2019 to GH¢ 11.9m in 2022 at a CAGR of 45%. Consequently, this has reduced the 2022 trade receivable amount by 11%.

The Other Accounts Receivable records receivables from the sale of items or services other than the main products of the Company to other non-related companies. This includes plastic bottles, bottling and packaging services, and Co2 sales. Historically, the amount has increased from GH¢ 0.35m in 2018 to GH¢ 0.78m in 2022 at a CAGR of 22%. The Company experienced fluctuations in 2019 and 2022 with 424% and 184% increments from its previous year amounts respectively. This was due to increased production of products and services for other companies for those years.

The table and chart below provide a snapshot of the composition and trends of the total trade and other receivable accounts of Kasapreko from 2018 to 2022.

Kasapreko Company PLC
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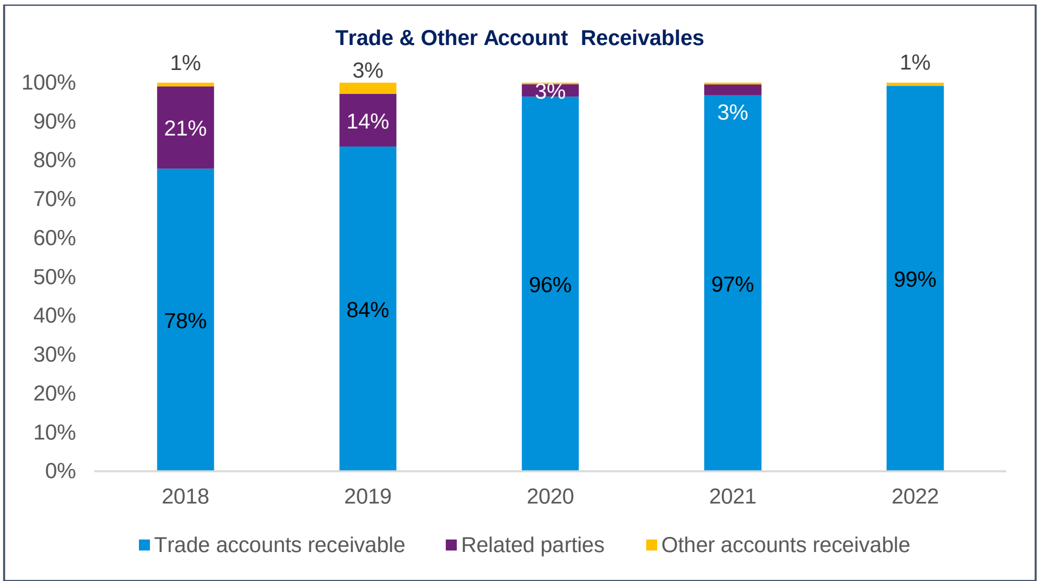
Trade & Other Acc. Receivables						
GH¢'000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**	**CAGR**
Trade accounts receivable	29,525	57,650	89,400	62,590	111,192	39%
y-o-y % change	*-8%*	*95%*	*55%*	*-30%*	*78%*	
Provision for bad and doubtful debts	-	(3,917)	(5,687)	(5,404)	(11,975)	45%
y-o-y % change			*45%*	*-5%*	*122%*	
	29,525	53,734	83,714	57,185	99,217	35%
y-o-y % change	*-8%*	*82%*	*56%*	*-32%*	*74%*	
Related parties	8,051	8,740	2,840	1,657	-	-100%
y-o-y % change	*5%*	*9%*	*-68%*	*-42%*	*-100%*	
Other accounts receivable	351	1,841	292	275	781	22%
y-o-y % change	*-54%*	*424%*	*-84%*	*-6%*	*184%*	
Total	**37,927**	**64,317**	**86,845**	**59,117**	**99,998**	**27%**
y-o-y % change	*-7%*	*70%*	*35%*	*-32%*	*69%*	

Source: KCP and KPMG Analysis



Source: KCP and KPMG Analysis

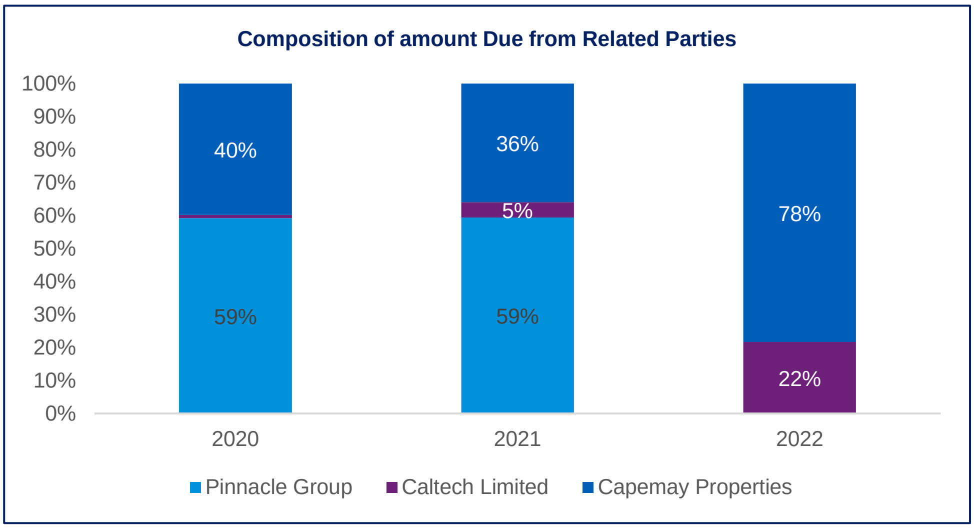
Due from Related Parties

Kasapreko transacts business with other related businesses in the course of their operations. These amounts receivable is unsecured in nature and bears no interest. Over the review period, there has been a decrease in the amount receivable from related parties by a CAGR of 12%. There were 3 main contributors to this account, namely, Pinnacle Group, Capemay Properties and Caltech Limited. The receivables from Capemay Properties however pertained to loans obtained from Stanbic Bank in 2019, which Kasapreko guaranteed and assumed on behalf of the entity. The largest contributor to the account as at the end of the review period was Capemay Properties accounting for 78% of the total balance. The second largest contributor was Caltech Limited also accounting for 22%. As of the end of the review period, the Company did not have any receivables outstanding from the Pinnacle Group. This is because the Pinnacle Group transferred parcels of land with a market value of GH¢ 85.69m to the Company as a form of payment to offset the loan amount taken in 2016.

A highlight of the composition of this account is provided in the table and chart below.

Due from Related Parties							
GH¢'000	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	Average of totals	CAGR
Pinnacle Group	-	-	80,000	80,593	-	30%	-100%
y-o-y % change				*1%*	*-100%*		
Capemay Properties	-	-	53,830	48,751	21,966	26%	-16%
y-o-y % change				*-9%*	*-22%*		
Caltech Limited	-	-	1,200	6,375	10,576	3%	197%
y-o-y % change				*431%*	*66%*		
Intercompany receivable	80,000	134,661	-	-	-	40%	
y-o-y % change	*0%*	*68%*					
Total	**80,000**	**134,661**	**135,030**	**135,719**	**48,823**	100%	
y-o-y % change	*0%*	*68%*	*0%*	*1%*	*-64%*		

Source: KCP and KPMG Analysis



Source: KCP and KPMG Analysis

Interest-Bearing Loans & Borrowings

This account primarily comprises of secured bank loans and overdrafts. Throughout the specified period, the entity obtained several secured bank loans from the following banks: Access Bank Ghana Plc, GCB Bank Plc, Ecobank Ghana Plc, Stanbic Bank Ghana Limited, Societe Generale Ghana Plc, and First National Bank Ghana Limited. The loans were secured by various assets of KCP and sister companies, including a tripartite legal mortgage on a commercial property called Amenfie Plaza, a charge over Krone machinery, a legal mortgage on an undeveloped 1.43-acre parcel of land in the South Legon development area, a pari-passu legal mortgage on the Kasapreko factory premise situated at DTD #64, Spintex Road, a pari-passu legal mortgage on a property at Park Ridge Residential Estates, a legal mortgage on a property in Tema Community 1 known as Nicholas Plaza, as well as a fixed and floating charge over the Kumasi Factory, and land situated at Tetteh Quashie inter-change area in Accra. The Company also obtained facilities from two international banks, namely KBC Bank NV in Belgium and Landesbank Baden-Wuerttemberg (LBBW) in Germany to finance 85% of the acquisition cost for three machines sourced from Krones AG, Husky Injection Molding Systems, and DE SMET S.A. Engineers and Contractors.

On average, the largest contributor to this account has been the secured bank loans constituting about 75% over the review period. This was primarily due to the infrastructural investments made by the Company in its new factory in Kumasi. As such, the PPE value increased from GH¢ 124m in 2018 to GH¢ 255m in 2019 representing 105% increment. Subsequently, the PPE value also increased from

GH¢ 326m in 2021 to GH¢ 639m in 2022 representing a 96% increment. As at year end 2022, secured bank loans made up 87% of Kasapreko's total Interest-bearing loans & borrowings with bank overdrafts constituting 13%.

Interest-Bearing Loans & Borrowings						
GH¢'000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**	**Average of totals**
Secured bank loans	65,723	169,493	149,512	194,689	548,488	**75%**
y-o-y % change		*158%*	*-12%*	*30%*	*182%*	
Bank overdraft	36,658	52,334	86,745	115,795	80,864	**25%**
y-o-y % change		*43%*	*66%*	*33%*	*-30%*	
Total	**102,381**	**221,829**	**236,257**	**310,484**	**629,352**	**100%**

Source: KCP and KPMG Analysis

Below are the terms and conditions for the Interest-bearing Loans & Borrowings

GCB Bank Plc loan facility

Kasapreko obtained a secured loan facility of the foreign exchange currency equivalent of GH¢ 21m on 14th April 2021 to support the establishment of deferred letters of credit for the importation of raw materials as well other machines and equipment incidental to the core operations of the entity. The loan has a tenor of sixty (60) months with an interest rate of GRR plus a margin per annum.

Ecobank Ghana Plc loan facility

The Company secured a medium-term loan of GH¢ 171.7m from Ecobank Ghana Limited in March 2022 to finance the construction of the Alcohol Rectification Plant at the company's plot in the commercial warehouse area at Tema Harbour payable over a period of sixty (60) months, maturing in February 2027.The interest rate applicable on this facility is GRR plus a margin per annum. The facility is secured by a legal mortgage over an undeveloped 1.43-acre parcel of land numbered as 10 Indian Ocean Street situated in South Legon, and a legal mortgage over commercial bare plot of land of 2.189 acres at Spintex Road.

Stanbic Bank Ghana loan facility

This is a medium-term loan facility of GH¢ 100m to support the financing of the development cost of the new factory in Kumasi as well as other general corporate purposes. The facility has a tenor of six (6) years with an interest rate of GRR plus a margin per annum payable on a quarterly basis. KCP also secured an SBLC facility of GH¢ 35m to support the importation of equipment and machinery used in the construction and installation of carbonated soft drinks production plant, bottled water production plant, and a blow mould machine for the Kumasi Factory. This has a tenor of five (5) years. The facilities are secured by a legal mortgage over the property located at Tema Community 1, Nicholas Plaza, legal mortgage, fixed and floating charge over Kumasi Factory, legal mortgage over land located at Tetteh Quarshie, charge over Debt Service Reserve Account and Collection Account, as well as Pari Passu legal mortgage (with Access Bank) over property located at Park Ridge Residential Estates.

Standard Chartered Bank Plc loan facility

The Company obtained an unsecured short-term loan of GH¢ 65.3m on 2nd December 2022 to support the establishment of deferred letters of credit for the importation of raw materials as well as other machines and equipment incidental to the core operations of the business. The tenor for this facility is 120 days with an interest rate of GRR plus a margin per annum.

First Atlantic Bank loan facilities

KCP obtained a long-term facility of GH¢ 7.5m from the First Atlantic Bank on 1st July 2021 to support working capital. The tenor of this facility is thirty (30) months with an interest rate of GRR plus a margin per annum. The Company also obtained a short-term facility of GH¢ 30m for the importation of raw materials repayable in months with an interest rate of GRR plus a margin per annum. The two facilities are secured by a legal mortgage over a commercial property (Amenfie Plaza) at Spintex, Pari-Passu legal mortgage over a building located at Park Ridge Estates located at Spintex.

Societe Generale Ghana loan facility

KCP obtained a medium-term facility of GH¢ 30m to finance the importation of various equipment to expand existing production capacity in the manufacturing of water and other alcoholic drinks. The tenor of this facility Is sixty (60) months with an interest rate of GRR plus a margin per annum. The loan is secured by a legal mortgage over a commercial property (Factory building & equipment, office complex and residential property) at Nungua, Accra. Pari-Passu legal mortgage over building located at Park Ridge Estates located at Spintex with First Atlantic Bank Ghana Limited

Consolidated Bank Ghana loan facility

This is a short-term secured revolving facility of GH¢ 23m for the importation of raw materials from foreign suppliers for the production of alcohol and non-alcoholic beverages and blending of spirit. The facility has a tenor of 120 days with an interest rate of GRR plus a margin per annum and is secured by the assignment of receivables and sale proceeds to the bank supported by a cash collection agreement and hypothecation /charge over stock.

KBC Bank NV, Belgium loan

This is an asset financing facility of $3,3m for the purchase of a Preform Molding Machine from Husky Injection Molding System. The loan has a tenor of five (5) years with an average interest rate of 8% per annum.

KBC Bank NV, Belgium Export Credit Agreement

This is an Export Credit Agreement (ECA) of €5.3m to finance the purchase of an Alcohol Rectification Machine from De Smit SA -Engineers and Contractors payable over Seven (7) years with an average interest rate of 8% per annum.

Landesbank Baden- Wuerttemberg (LBBW), Germany

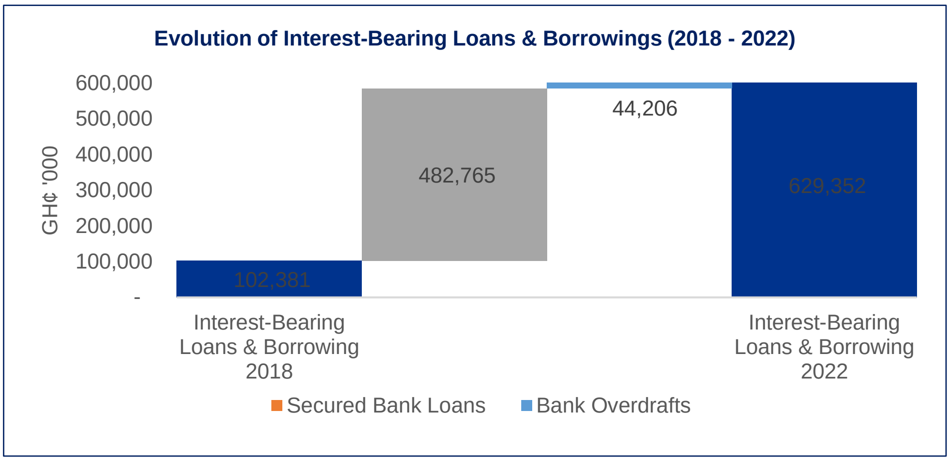
This is an Export Credit Agreement (ECA) of €5.7m to finance the purchase of Water and CSD bottling line in Kumasi from Krone AG, Germany, payable over Seven (7) years with an average interest rate of 8% per annum.

Interest-Bearing Loans & Borrowing as at 31 December 2022	
Non-Current	**GH¢'000**
First Atlantic Bank (FAB)	1,250
EcoBank	102,500
Societe Generale Ghana Plc	3,788
Stanbic	57,750
Landesbank Baden-Wuerttemberg (LBBW) (EUR)	62,751
KBC Bank NV (USD)	33,230
KBC Bank NV (EUR)	56,230
Subtotal	**317,499**
Current	
First Atlantic	32,092
Ecobank bank	55,806
GCB	17,948
Stanbic	35,764
Societe Generale Ghana Plc	2,858
CBG Bank	21,235
Stanchart	65,286

Interest-Bearing Loans & Borrowing as at 31 December 2022	
Bank Overdraft	80,864
Subtotal	**311,853**
Total	**629,352**

Source: KCP and KPMG Analysis

The bridge chart below presents the evolution of Interest-Bearing Loans & Borrowings over the historical review period.



Source: KCP and KPMG Analysis

Contingent Liabilities

As at the end of December 2022, the Company had in place Letters of Credit (LCs) with several commercial banks in Ghana. Details are provided in the table below.

Contingent liabilities				
Banks	**Average maturity**	**US$**	**EUR**	**GBP**
First Atlantic Bank	31 March 2023	9,710,949	549,215	
GCB Bank	09 March 2023	3,593,620	1,487,937	138,022
Consolidated Bank Ghana	13 February 2023		419,552	
Societe Generale Ghana Plc	26 February 2023	1,108,380	1,861,111	
Total		**14,412,949**	**4,317,815**	**138,022**

Source: KCP and KPMG Analysis

Trade & Other Payables

The trade and other payables account is mainly made up of trade accounts payable, accrued liabilities, related parties and other accounts payable. The total value has grown from GH¢ 116.69m in 2018 to GH¢ 342.78m in 2022 at a CAGR of 31%. As at the end of the review period, trade accounts payable constituted the largest balance on the account representing 73% while accrued liabilities, related parties and other accounts payable representing 12%, 10% and 5% respectively.

The trade accounts payable consists of amounts owed to suppliers as at the end of the year. Purchases typically enjoy an average credit period of 3 months, with no interest being levied on trade accounts payable. The Company experienced fluctuations in the trade accounts payable, witnessing a 103% increase in 2019 and a 47% increment in 2021 compared to their respective amounts from the previous year. Amidst huge investments made in PPE and high demand for those periods, the company increased its purchasing from suppliers which led to the increments observed. The novel Covid-19 pandemic was also a major factor for this increase in 2019 as the company had to increase its production.

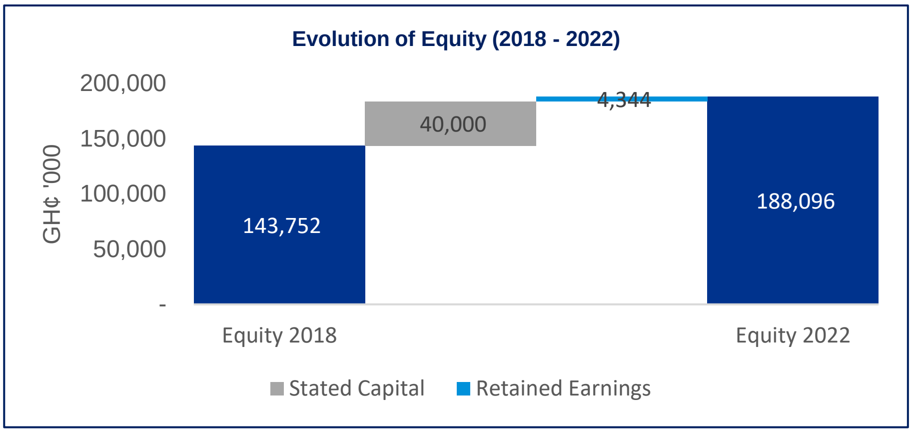
Accrued Liabilities increased from GH¢ 3.06m in 2020 to GH¢ 40.56m in 2022. This increase was primarily driven by increments in excise duty, value-added tax (VAT) and statutory levies over the period.

Equity

The equity position of Kasapreko increased from GH¢ 143.75m in 2018 to GH¢ 208.56m in 2021. This increase was driven by the continuous declaration of profit after tax from 2019 to 2021 of GH¢ 65m in total. The Company however recorded a loss after tax of GH¢ 20.46m in 2022 which decreased its retained earnings to GH¢ 188.096m in 2022. The stated capital of the Company also increased from GH¢ 10m in 2020 to GH¢ 50m in 2021 as a result of a GH¢ 40m transfer made from the retained earnings account.

Equity					
GH¢'000	**2018 Audited**	**2019 Audited**	**2020 Audited**	**2021 Audited**	**2022 Audited**
Stated Capital	10,000	10,000	10,000	50,000	50,000
y-o-y % change	*-*	*-*	*-*	*400%*	*-*
Retained earnings	133,752	137,914	168,996	158,558	138,096
y-o-y % change	*-*	*3%*	*23%*	*-6%*	*2%*
Total Equity	**143,752**	**147,914**	**178,996**	**208,558**	**188,096**

The bridge chart below presents the evolution of equity over the historical review period.



Source: KCP and KPMG Analysis

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Kasapreko Company PLC
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Baatsonaa, Accra

Our ref MCSK.903/NDH

Contact Nathaniel D. Harlley

30 October 2023

Dear Sirs and Madams:

Independent reporting accountants' limited assurance report on the forecast financial statements of Kasapreko Company PLC

We have examined the forecast financial statements of Kasapreko Company PLC which comprise the statement of financial position, statement of profit and loss, and statement of cash flows for the period 2023 to 2027. These forecast financial statements have been prepared for inclusion in the Prospectus of the company for the purpose of raising up to GH¢ 600 million of debt on the Ghana Fixed Income Market.

These forecast financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Directors' responsibility

The Directors of Kasapreko Company PLC are responsible for the forecast, including the assumptions set out in the Prospectus to the Company, on which it is based and for the financial information from which it has been prepared. This responsibility includes determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast, whether the forecast has been properly compiled on the basis stated and whether the forecast is presented on a basis consistent with the accounting policies of Kasapreko Company PLC.

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the forecast prepared by Kasapreko Company PLC. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3400. This standard requires us to obtain sufficient appropriate evidence as to whether:

- Management's best-estimate assumptions on which the forecast is based are not unreasonable and are consistent with the purpose of the information;
- The forecast is properly prepared on the basis of the assumptions;

- The forecast is properly presented and all material assumptions are adequately disclosed; and
- The forecast is prepared and presented on a basis consistent with the accounting policies of Kasapreko Company PLC for the period concerned.

In a limited assurance engagement, the evidence gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention which causes us to believe that:

- the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;
- the forecast has not been properly compiled on the basis stated;
- the forecast has not been properly presented and all material assumptions are not adequately disclosed; and
- the forecast is not presented on a basis consistent with the accounting policies of Kasapreko Company PLC.

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material; accordingly, no assurance is expressed regarding the achievability of the forecast.

Yours faithfully

KPMG

Nathaniel D. Harlley (ICAG/P/1056)
Partner
For and on behalf of:
KPMG: (ICAG/F/2023/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

30 October 2023

7 Key assumptions of the forecast financial statements

Note Issuance

KCP is seeking to raise GH¢ 600m through debt issuance, which is structured in four distinct tranches. The primary objective for the issuance is to address existing high-interest short-term and medium-term loans, as well as to fund working capital investments and capital expenditure projects.

The first tranche comprises a GH¢ 200m note with a 5-year maturity and a semi-annual coupon rate of 21.6%. This note is slated for issuance in November 2023 and is intended to refinance the existing high-interest short-term and medium-term loans.

The second tranche involves a GH¢ 150m note with a 3-year maturity, carrying a semi-annual coupon rate of 25.5%. Its issuance is scheduled for April 2024 and aims to fund the company's working capital requirements.

Tranches three and four, on the other hand, are earmarked to finance KCP's capital expenditure initiatives. Tranche three consists of a 4-year note with a semi-annual coupon rate of 22.25% and a face value of GH¢ 150m, to be issued in April 2026. Tranche four is designed as a 5-year note with a face value of GH¢ 100m, offering a semi-annual coupon rate of 21.00%. Its issuance is set for April 2027.

The financial forecasts prepared by KCP are predicated on the assumption that these notes will be issued in a timely manner and deployed for their intended purposes as stated above.

Income

KCP generates income from two predictable and recurring sources. First, revenue generated from its ordinary course of business activities, i.e., the sale of its products. Second, income generated from contract bottling for other companies.

KCP expects production volumes to grow averagely by about 24%, 7.9%, 12.0%, 10.0%, and 9.6% in 2023, 2024, 2025, 2026, and 2027, respectively in anticipation of increased demand and improved working capital availability. Similarly, Management projects average price growth 25%, 4.9%, 9.2%, 4.5%, and 4.0% in 2023, 2024, 2025, 2026, and 2027, respectively.

Cumulatively, these result in an overall revenue growth of approximately 55%,13.2%, 22.3%, 15.0%, and 14.0% for 2023, 2024, 2025, 2026, and 2027, respectively.

KCP forecasts a consistent growth of 5% in other incomes from 2024 to 2027, spurred by growth in fees charged for contract bottling. Management expects other income to grow by approximately 14% in 2023.

Depreciation Policy

A depreciation policy consistent with historical financial statements were used. There were no changes KCP’s depreciation policy.

Exchange Rates

KCP is exposed to volatilities in exchange rates from project finance loans denominated in US dollars and Euros, as well as from foreign creditors. The following exchange rates were used for the forecasts.

Kasapreko Company PLC
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October 2023

Exchange Rates	2023	2024	2025	2026	2027
GH₵/US$	11.4	10.85	10.94	10.83	11.08
GH₵/€	12.43	11.94	12.25	12.12	12.41

Source: Fitch Solutions

Operating Expenses

Operating expenses are classified under cost of sales and selling, general and administrative expenses. Assumptions underlying the individual components, without assumptions on depreciation and exchange rates, are presented in the tables below:

Cost of Sales growth rate assumptions	2023	2024	2025	2026	2027	Average % (2023 - 2027)
Direct material costs (% y-o-y)	53%	14%	24%	15%	14%	24%
Direct labor costs (% y-o-y)	72%	12.4%	25.0%	27.0%	21.0%	31.6%
Electricity costs (% y-o-y)	48%	5.1%	10.0%	4.2%	4.0%	14.3%
Water (% y-o-y)	54%	5.1%	10.0%	4.2%	4.0%	15.5%
Repairs and maintenance (% y-o-y)	0%	5.1%	10.0%	4.2%	4.0%	4.6%
Production losses (% y-o-y)	30%	5.1%	10.0%	4.2%	4.0%	10.6%
Other factory costs (% y-o-y)	-23%	5.1%	10.0%	4.2%	4.0%	-0.02%

Source: KCP

Selling, General & Administrative Expenses growth rate assumptions	2023	2024	2025	2026	2027	*Average (2023 - 2027)*
Marketing (% y-o-y)	*29%*	*12%*	*10%*	*9%*	*9%*	*14%*
Donations (% y-o-y)	*-26%*	*12%*	*10%*	*9%*	*9%*	*3%*
Employee costs y-o-y % change	*56%*	*20%*	*20%*	*20%*	*20%*	*27%*
Sales and distribution (% y-o-y)	-13%	12%	10%	9%	9%	*5%*
Human resource (% y-o-y)	*25%*	*12%*	*10%*	*9%*	*9%*	*13%*
Insurance cost (% y-o-y)	10%	12%	10%	9%	9%	*10%*
Repairs and maintenance (% y-o-y)	*92%*	*12%*	*10%*	*9%*	*9%*	*26%*
Traveling expenses (% y-o-y)	14%	12%	10%	9%	9%	*11%*
Motor vehicle running (% y-o-y)	135%	12%	10%	9%	9%	*35%*
Shared services costs (% y-o-y)	31%	12%	10%	9%	9%	*14%*
Others (% y-o-y)	144%	8%	10%	9%	9%	*36%*

Source: KCP

Taxation

KCP's incomes from Kumasi factory, local sales, and exports are taxed at 12.5%, 25%, and 8%, respectively. Revenue-weighted average tax rates were computed over the forecast horizon as income taxes.

Working Capital

Management projects end-of-year inventory to average 31.8% of cost of sales. About 5.7% of revenue is forecasted as receivables for the year end between 2024 to 2027 while year-end receivables for 2023 is projected to be about 6% of receivables. The average receivable days is projected at 21 days. This is consistent with Management's current drive to expedite the efficiency of working capital to enhance cashflows from operations. In 2021 and 2022, KCP reduced the receivable days to an average of about 26 days, compared to average of 43 days between 2018 and 2020. Currently, Kasapreko gives no credit for CSD and water, contrary to past practices. In addition, the credit terms for Spirit and alcohol products have been revised to 14 days, from 21 days adopted previously. Forecast for payables ranges from 33% to 27% of cost of sales. Management forecasts payables to cost of sales ratio to decline from 0.33 to 0.30 between 2023 to 2024 and thereafter, decline to 0.27 from 2025 to 2027.

Capital Expenditure

Additional investment in Capex of GH¢75.6 million is forecasted in 2023. Subsequent investments of GH¢150 million and GH¢100 million will made in 2026 and 2027, respectively.

Kasapreko Company PLC
Summary of Historical and Forecast Financial Statements
October 2023

7.1 Income Statement

Income statement							
GH¢' 0000	**2022 Audited**	**2023 Forecast**	**2024 Forecast**	**2025 Forecast**	**2026 Forecast**	**2027 Forecast**	**CAGR (2023-2027)**
Revenue	1,285,603	1,994,993	2,259,580	2,763,030	3,178,701	3,623,217	16%
Cost of sales	(1,008,598)	(1,482,383)	(1,685,194)	(2,058,635)	(2,362,075)	(2,685,835)	16%
Gross Profit	**277,005**	**512,610**	**574,386**	**704,395**	**816,626**	**937,382**	**16%**
Gross Margin	*22%*	*25.69%*	*25.42%*	*25.49%*	*25.69%*	*25.87%*	
Other operating Income	15,135	14,501	15,226	15,988	16,787	17,626	5%
Operating Income	**292,140**	**527,111**	**589,612**	**720,382**	**833,413**	**955,008**	**16%**
General, selling and administrative expenses	(212,275)	(336,641)	(337,660)	(391,127)	(429,588)	(479,704)	9%
Profit Before Interest & Tax	79,866	190,470	251,953	329,255	403,825	475,304	26%
Finance cost	(94,520)	(149,582)	(132,384)	(90,848)	(111,067)	(108,930)	-8%
Profit/(Loss) Before Income Tax	(14,654)	40,889	119,569	238,407	292,758	366,374	73%
Tax Expense	(5,808)	(34,978)	3,124	(39,277)	(48,256)	(60,282)	15%
Net Profit	**(20,462)**	**5,911**	**122,693**	**199,130**	**244,502**	**306,092**	**168%**

Source: KCP and KPMG Analysis

Kasapreko Company PLC
Summary of Historical and Forecast Financial Statements
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7.2 Statement of Financial position

Statement of Financial Position							
GH¢' 0000	2022 Audited	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	CAGR (2023-2027)
Non-current Assets							
Property, Plant & Equipment	639,800	636,067	544,088	452,109	490,629	469,150	-7%
Right-of-Use Asset	-	1,694	1,160	638	161	-	
Due from Related Parties	48,823	39,640	27,261	10,576	10,576	10,576	-28%
Total Non-Current Assets	**688,624**	**677,401**	**572,510**	**463,322**	**501,366**	**479,726**	-8%
Current Assets							
Inventory	364,210	471,398	535,892	654,646	751,140	854,096	16%
Trade & Other Accounts Receivable	99,998	119,196	128,774	157,465	181,154	206,487	15%
Prepayments	6,029	5,521	6,276	7,667	8,797	10,003	16%
Cash and Bank Balances	27,227	45,390	78,985	267,353	557,607	776,613	103%
Current Tax Assets	7,988	10,513	12,479	8,894	6,393	2,357	-31%
Total Current Assets	**505,451**	**652,018**	**762,406**	**1,096,025**	**1,505,092**	**1,849,556**	30%
Total Assets	**1,194,075**	**1,329,419**	**1,334,916**	**1,559,348**	**2,006,458**	**2,329,282**	15%
Equity							
Stated Capital	50,000	50,000	50,000	50,000	50,000	50,000	0%
Retained Earnings	138,096	144,007	266,701	465,831	710,333	1,016,425	63%
Shareholders' equity	**188,096**	**194,007**	**316,701**	**515,831**	**760,333**	**1,066,425**	53%
Current Liabilities							
Trade & Other Payables	342,783	486,963	503,873	553,773	635,399	722,490	10%
Contract Liabilities	19,368	19,368	19,368	19,368	19,368	19,368	0%
Interest-Bearing Loans & Borrowings	311,853	389,719	114,770	136,672	277,058	200,000	-15%
Total Current Liabilities	**674,004**	**896,050**	**638,011**	**709,813**	**931,824**	**941,858**	1%
Non-Current Liabilities							
Interest-Bearing Loans & Borrowings	323,184	199,788	361,441	318,432	301,392	312,063	12%
Deferred Tax Liabilities	8,791	39,573	18,764	15,272	12,909	8,937	-31%
Total Non-Current Liabilities	**331,975**	**239,362**	**380,205**	**333,704**	**314,301**	**321,000**	8%
Total Liabilities	1,005,979	1,135,412	1,018,215	1,043,517	1,246,125	1,262,857	3%
Shareholders' Equity and Liabilities	**1,194,075**	**1,329,419**	**1,334,916**	**1,559,348**	**2,006,458**	**2,329,282**	15%

Source: KCP and KPMG Analysis

Kasapreko Company PLC
Summary of Historical and Forecast Financial Statements
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7.3 Statement of Cash Flow

Cash Flow Statement						
GH¢' 000	**2022 Audited**	**2023 Forecast**	**2024 Forecast**	**2025 Forecast**	**2026 Forecast**	**2027 Forecast**
Operating activities						
Profit before income tax	(14,654)	40,889	119,569	238,407	292,758	366,374
Adjustments to reconcile profit before tax to net cash flows:						
Depreciation and amortisation	49,744	79,674	92,513	92,502	111,956	121,640
Finance costs	94,520	149,582	132,384	90,848	111,067	108,930
Net foreign exchange differences	(1,087)	20,773	(13,054)	4,082	(2,665)	5,501
Provision for obsolete stock	3,470	-	-	-	-	-
Provision for bad and doubtful debts	6,571	9,975	9,141	6,927	5,720	6,116
Working capital adjustments:						
Decrease/(increase) in trade and other accounts receivable	(47,451)	(29,173)	(18,720)	(35,619)	(29,409)	(31,449)
(Increase) in prepayments	77,381	508	(755)	(1,391)	(1,130)	(1,206)
(Increase)/decrease in inventory	(174,000)	(107,188)	(64,494)	(118,754)	(96,494)	(102,956)
Increase/(decrease) in trade and other accounts payable	46,769	144,181	16,910	49,900	81,625	87,091
Increase in contract liabilities	2,132	-	-	-	-	-
	43,395	309,220	273,494	326,902	473,429	560,042
Income tax paid	(1,063)	(6,720)	(19,651)	(39,183)	(48,118)	(60,218)
Net cash flows from operating activities	**42,333**	**302,499**	**253,843**	**287,720**	**425,311**	**499,824**
Investing activities						
Purchase of property, plant and equipment	(243,022)	(77,635)	-	-	(150,000)	(100,000)
Proceeds from sale of property, plant and equipment	-	-	-	-	-	-
Due from related parties	6,895	9,183	12,379	16,685	-	-
Net cash flows used in investing activities	**(236,127)**	**(68,451)**	**12,379**	**16,685**	**(150,000)**	**(100,000)**
Financing activities						
Proceeds from borrowings	516,871	200,000	150,000	-	150,000	100,000
Repayment of borrowings	(209,797)	(245,530)	(263,297)	(21,107)	(26,654)	(166,387)
Interest paid	(81,807)	(149,582)	(132,384)	(90,848)	(111,067)	(108,930)
Net cash flows from/(used) in financing activities	**225,267**	**(195,112)**	**(245,681)**	**(111,955)**	**12,279**	**(175,317)**
Net (decrease) in cash and cash equivalents	31,472	38,936	20,541	192,450	287,589	224,507
Net foreign exchange difference	1,087	(20,773)	13,054	(4,082)	2,665	(5,501)
Cash and cash equivalents at the beginning of the year	(86,196)	27,227	45,390	78,985	267,353	557,607
Cash and cash equivalents at 31 December	**(53,637)**	**45,390**	**78,985**	**267,353**	**557,607**	**776,613**

Source: KCP

8 Review of Forecast Financial Statements

8.1 Forecast Income Statement

Selling, general & administrative expenses

Between 2018 and 2022, selling, general, and administrative expenses experienced significant growth at a CAGR of 28.48%. However, KCP's Management has taken measures to manage costs, resulting in savings of about 18% of the budget for the first half of 2023. Despite such savings, Management has maintained the original budget of GH¢ 336m in 2023 for prudence purposes. From this forecast, selling, general, and administrative expenses are expected to grow at a CAGR of 9% to 2027.

In 2023, Management forecasts an overall growth of 58.5% in selling, general, and administrative expenses compared to 2021. Subsequently, KCP anticipates a slowdown in growth due to declining inflationary pressures and continued cost reduction strategies. The projected average growth rates from 2024 to 2027 are 0.3%, 15.9%, 9.8%, and 11.7%, respectively.

It is worth noting that certain components of these expenses, such as exchange losses, depreciation and amortisation, may affect the analysis of selling, general, and administrative expenses. When excluding these factors, the 'controllable costs' in selling, general, and distribution expenses have grown at a CAGR of 32% and averaged 15.4% of total revenue between 2018 and 2022. Management foresees these costs growing at a CAGR of 11.1% and averaging 13.2% of forecasted revenue from 2023 to 2027. Year-on-year growth rates in these costs, excluding depreciation, amortisation and exchange gains/losses, are projected to be 47.5%, 11.8%, 11.3%, 10.6%, and 10.7% in 2023, 2024, 2025, 2026, and 2027, respectively.

Forecasts for exchange gains/losses are based on budget considerations, forecasts for foreign currency creditors, foreign loans, and projected exchange rates. Management utilized exchange rate forecasts from Fitch Solutions to inform these projections. It is worth noting that the ROU asset amortisation represents amortization of prepayments for warehouses which were previously expensed as other administrative expenses.

Selling, General & Administrative Expenses							
GH¢'000	**2022 Audited**	**2023 Forecast**	**2024 Forecast**	**2025 Forecast**	**2026 Forecast**	**2027 Forecast**	***CAGR (2023 - 2027)***
Depreciation	17,238	27,972	29,016	29,016	36,516	36,516	*7%*
ROU Amortisation		578	533	523	477	161	
Marketing and public relations	23,869	30,728	34,415	37,856	41,264	44,977	*10%*
Marketing y-o-y % change		*29%*	*12%*	*10%*	*9%*	*9%*	
Donations	209	155	174	191	208	227	*10%*
Donations y-o-y % change		*-26%*	*12%*	*10%*	*9%*	*9%*	
Employee costs	22,575	35,212	42,254	50,705	60,846	73,015	*20%*
Employee costs y-o-y % change		*56%*	*20%*	*20%*	*20%*	*20%*	
Exchange loss (Gains)		20,773	(13,054)	4,082	(2,665)	5,501	
Sales and distribution	62,946	54,518	61,060	67,166	73,211	79,800	*10%*
Sales and distribution y-o-y % change		*-13%*	*12%*	*10%*	*9%*	*9%*	
Human resource costs	13,907	17,429	19,521	21,473	23,405	25,512	*10%*
HR y-o-y % change		*25%*	*12%*	*10%*	*9%*	*9%*	
Insurance cost	2,547	2,812	3,150	3,465	3,776	4,116	*10%*
Insurance cost y-o-y % change		*10%*	*12%*	*10%*	*9%*	*9%*	
Repairs and maintenance	7,944	15,240	17,069	18,776	20,466	22,308	*10%*
Repairs and maintenance y-o-y % change		*92%*	*12%*	*10%*	*9%*	*9%*	
Travelling expenses	4,342	4,955	5,550	6,105	6,654	7,253	*10%*
Traveling y-o-y % change		*14%*	*12%*	*10%*	*9%*	*9%*	
Motor vehicle running costs	11,896	27,991	31,350	34,485	37,589	40,972	*10%*

Selling, General & Administrative Expenses							
Motor y-o-y % change		*135%*	*12%*	*10%*	*9%*	*9%*	
Shared service costs	9,233	12,064	13,512	14,863	16,201	17,659	*10%*
Shared services y-o-y % change		*31%*	*12%*	*10%*	*9%*	*9%*	
Other administrative expenses	35,569	86,214	93,111	102,422	111,640	121,687	*9%*
Others y-o-y % change		*142%*	*8%*	*10%*	*9%*	*9%*	
Total	**212,275**	**336,641**	**337,660**	**391,127**	**429,588**	**479,704**	***9%***

Source: KCP and KPMG Analysis

Finance cost

Cost of existing loans

According to Management, KCP had GH¢ 311.9m in total short-term loans at the beginning of 2023, with an interest cost of 31%. The GH¢ 200m note to be raised in Q4 2023 will be used to settle portions of these short-term loans.

The long-term loans consist of foreign loans amounting to approximately US$5.3 million owed to Landesbank Baden-Württemberg, with an interest cost of 8% to be settled by 2029. Additionally, KCP owes approximately US$3.04 million (to be settled by 2026) and about €4.77 million (to be settled by 2030) to KBC Bank, each attracting 8% interest with semi-annual payments.

Local loans include outstanding balances owed to First Atlantic Bank, Ecobank Ghana, SG Ghana, and Stanbic Bank. A balance of GH¢ 1.25m at the beginning of 2023 incurs a cost of 26.5%, to be settled within 2023. GH¢ 102.5m of the outstanding balance will be paid off by 2025 year-end at a cost of 36.41% per annum with monthly repayment schedules. An amount of approximately GH¢ 3.79m incurs an annual interest rate of 36.5% and is projected to be settled by 2026 year-end with quarterly repayments. Lastly, GH¢ 57.75m of outstanding loans attracts quarterly repayments and costs KCP 31% per annum, projected to be settled by the end of 2025.

Although the terms of most of the local loans extend beyond 2024, the model assumes that KCP's earnings will be sufficient to pay off the outstanding balances on these loans in 2024.

Cost of new notes

The first tranche comprises a GH¢ 200m note with a 5-year maturity and a semi-annual coupon rate of 21.6%. This note is slated for issuance in November 2023.The second tranche is a GH¢ 150m note with a 3-year maturity, carrying a semi-annual coupon rate of 25.5%. Its issuance is scheduled for April 2024. Tranche three consists of a GH¢ 150m 4-year note with a semi-annual coupon rate of 22.25%, to be issued on 30th April 2026. Tranche four is designed as a 5-year note, offering a semi-annual coupon rate of 21.00% with a face value of GH¢ 100m, and its issuance is set for 30th April 2027.

Total Finance Cost						
GH¢'000	**2022 Audited**	**2023 Forecast**	**2024 Forecast**	**2025 Forecast**	**2026 Forecast**	**2027 Forecast**
Interest on existing debt	94,520	140,582	63,684	9,398	7,367	5,605
Interest costs of new notes		9,000	68,700	81,450	103,700	103,325
	94,520	**149,582**	**132,384**	**90,848**	**111,067**	**108,930**

Source: KCP and KPMG Analysis

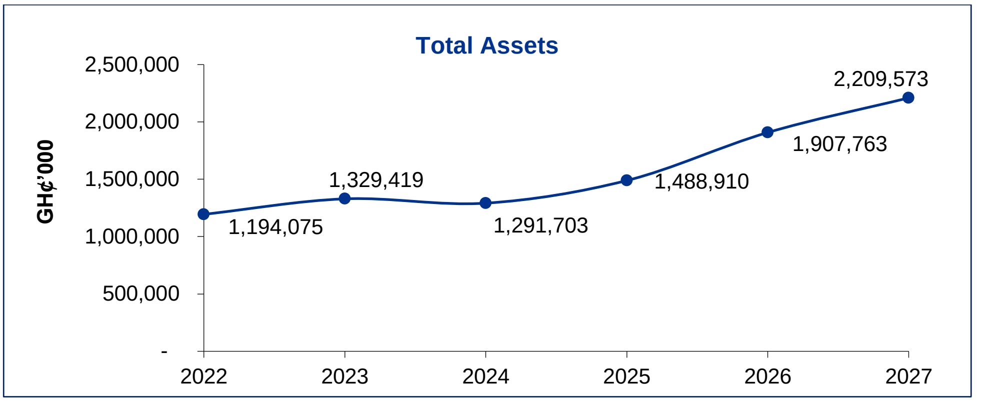
Operating and net profitability

Between 2018 and 2022, the EBITDA margin (excluding exchange gains and losses) averaged 11.4%. The highest margin of 16.7% occurred in 2020, while the lowest, 4.8%, was in 2018. For the forecast period, Management projects an average margin of 15.5%, ranging between 14.6% and 16.6%.

Historically, net profits were significantly impacted by high finance costs, exchange losses, depreciation of non-current assets, and elevated operating costs. In 2022, KCP incurred a loss of GH¢ 20.5m, with a negative profit margin of -1.6%. However, Management foresees a recovery in 2023, projecting a net profit margin of 0.3%. The average net profit margin is forecasted to be 5.8% between 2023 and 2027. Management expects active cost management, replacement of high-cost debt with lower-cost funding sources, and the macroeconomic recovery from IMF support to contribute to enhanced profitability.

8.2 Forecast Balance Sheet

Assets



Source: KCP and KPMG Analysis

Property plant and equipment

KCP's non-current assets mainly comprises PPEs and Due from related parties. The Company projects a decreasing growth trend in its PPEs from GH¢ 639.8m in 2022 to GH¢ 452.1m in 2025. However, it is expected to increase by 9% in 2026 and will decline by 4% in 2027. The expected increment in PPEs in 2026 will result from an intended investment of about GH¢ 150m and GH¢ 100m respectively from the proceeds of the Note issuance in its capex to finance the acquisition of plants and machinery and motor vehicles.

The Company's capex in plant and machinery will constitute the highest of about 71% on average over the forecast period as shown in the table below.

Capex						
GH¢'000	**2023**	**2024**	**2025**	**2026**	**2027**	**Avg % of total**
Buildings	22,330	-	-	-	-	7%
Leasehold Land	-	-	-	-	-	0%
Plant & Machinery	11,746	-	-	120,000	100,000	71%
FF, Office/Factory Equipment	5,831	-	-	-	-	2%
Laboratory Equipment	1,705	-	-	-	-	1%
Motor Vehicles	29,950	-	-	30,000	-	18%
Computer Hardware & Software	3,800	-	-	-	-	1%
Capital Work- in Progress (CWIP)	-	-	-	-	-	0%
Total	**75,362**	**-**	**-**	**150,000**	**100,000**	**100%**

Source: KCP and KPMG Analysis

Right-of-use (ROU) Asset

As at the end of the 2022 financial year, Kasapreko PLC had about GH¢2.3 million in prepayment for warehouses. These are five-year arrangement with owners to provide support for distributers who sell exclusively the Company's products. As per IFRS 16, this qualifies as an operating lease arrangement and an adoption of full IFRS resulted in the recognition of the right-of-use asset. Management expects no future rent payments and therefore, no liability element is recognised and the ROU asset is equivalent to the prepayment.

ROU Asset - Warehouses (Operating Lease)		GH¢'000
Balance	01/01/2023	2,272
ROU Amortisation for 2023		(578)
Closing Balance	**31/12/2023**	**1,694**
Opening Balance	01/01/2024	1,694
ROU Amortisation for 2024		(533)
Closing Balance	**31/12/2024**	**1,160**
Opening Balance	01/01/2025	1,160
ROU Amortisation for 2025		(523)
Closing Balance	**31/12/2025**	**638**
Opening Balance	01/01/2026	638
ROU Amortisation for 2026		(477)
Closing Balance	**31/12/2026**	**161**
Opening Balance	01/01/2027	161
ROU Amortisation for 2027		(161)
Closing Balance		**(0)**

Source: KCP

Due from Related Parties

Due from related parties will mainly be receivables from its sister companies, Caltech Limited and Capemay properties. These were amounts given to them for the running of their businesses and in support of operational activities. However, the receivables from Capemay properties relates to loans from Stanbic bank which KCP guaranteed and took on their behalf. Hence the projected amounts of GH¢ 29.1m in 2023 and GH¢ 16.7m in 2024 will be the repayments loan amounts KCP expects to receive from Capemay properties to settle the debt with Stanbic bank on its behalf. The review of the forecast shows that the above loan amounts will be completely paid by 2024.

According to management, the expected receivable amounts from Caltech on the other hand is non-interest-bearing loan to Caltech by KCP in support of its operational activities. The table below shows the breakdown of due from related parties over the forecast period.

Due from Related Parties						
GHS'000	**2022 Audited**	**2023**	**2024**	**2025**	**2026**	**2027**
Caltech Limited	10,576	10,576	10,576	10,576	10,576	10,576
Capemay Properties	38,247	29,064	16,685	-	-	-
Total	**48,823.45**	**39,640.11**	**27,261.11**	**10,576.11**	**10,576.11**	**10,576.11**

Source: KCP and KPMG Analysis

Current Assets

The company's current assets over the forecast period will mainly comprise of inventories, trade and other account receivables, prepayments, cash and bank balances and current tax assets. Current assets are projected to contribute about 68% of the Company's total assets on average over the forecast period. It is therefore expected to increase consistently from GH¢ 651m in 2023 to GH¢ 1.8b in 2027. The Company projects inventories to constitute the bulk of the Company's current assets which will represent about 56% on average over the forecast period. This will be followed by cash and bank balance which will constitute about 29% and trade and other account receivables will constitute 14%. Current tax assets of GH¢ 7.9m recorded as at 2022 is projected to increase to GH¢ 10.5m in 2023 and decline to GH¢ 2.4m by 2027. Current tax assets will constitute about 1% of total current assets on average.

Liabilities

Over the forecast period the Company's liabilities will be categorised under current and non-current liabilities. The company's liabilities are projected to increase consistently from GH¢ 1.1b in 2023 to GH¢ 1.3b in 2027 at a CAGR of 3%. Current liabilities which will include trade and other payables, contract liabilities and interest-bearing & borrowing will constitute the bulk of about 72% of the Company's liabilities at a CAGR of 2%. Non-current liabilities on the other hand will mainly comprise long term interest-bearing and borrowing will be expected to constitute about 28% of total liabilities at a CAGR of 3%. The table below shows trend in current and non-current liabilities.

Liabilities	2022	2023	2024	2025	2026	2027		
GH¢'000	**Historical**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Forecast**	**Avg % of total**	**CAGR**
Current Liabilities	674,004	896,050	638,011	709,813	931,824	941,858	72%	1%
Non-current liabilities	331,975	239,362	380,205	333,704	314,301	321,000	28%	8%
Total	**1,005,979**	**1,135,412**	**1,018,215**	**1,043,517**	**1,246,125**	**1,262,857**	**100%**	**3%**
y-o-y		***13%***	***-10%***	***2%***	***19%***	***1%***		

Source: KCP

8.3 Sensitivity Analysis – Exchange rates

Due to KCP's foreign currency exposure, sensitivity analysis is conducted on the exchange rates. Exchange rates are predicted based on relative purchasing power parity – using relative inflation differentials to predict prices/rates. Inflation forecasts for Ghana and USA were obtained from the IMF while inflation for the Euro zone area was obtained from Fitch Solutions. It is also important to note that exchange rates for 2023 are not based on the purchasing power parity but on the most recent issue of Ghana's country risk report by Fitch Solutions.

The table below shows the projected average depreciation of 8.9% and 9.0% of the cedi against the US dollar and Euro, respectively between 2024 and 2027. The slowdown in the average depreciation is reasonable given expectations of rising investor confidence in the Ghanaian economy resulting from the International Monetary Fund (IMF) support and expected success of the ongoing debt restructuring, which would provide balance of payment support and fiscal sustainability.

Inflation forecasts					
	2023	**2024**	**2025**	**2026**	**2027**
Ghana	42.2%	23.2%	11.5%	8%	8%
USA	4.1%	2.8%	2.4%	2.2%	2.1%
Euro Area	5.5%	2.4%	2.0%	2.3%	2.3%

Source: IMF and Fitch Solutions

Kasapreko Company PLC
Summary of Historical and Forecast Financial Statements
October 2023

Exchange rate and depreciation forecast						
	2023	2024	2025	2026	2027	Average (2024 – 2027)
GH¢/US$	11.4	13.66	14.88	15.72	16.63	**15.22**
Depreciation (%) - GH¢/US$	27.5%	16.6%	8.2%	5.4%	5.5%	**8.9%**
GH¢/€	12.43	14.95	16.35	17.26	18.22	**16.70**
Depreciation (%) - GH¢/€	30.4%	16.9%	8.5%	5.3%	5.3%	**9.0%**

Source: Fitch Solutions, KCP and KPMG Analysis

8.3.1 Extracts – Financial Statements

The impact of the predicted exchange rates on the financial statements are highlighted in "red" in the extracts income statement, statement of financial position and statement of cash flow below. Details are reported in Appendix 2.

Impact on profitability

Changes in the exchange rates would impact exchange gains or losses in the selling, general, and administrative (SG&A) expenses as well as the finance cost. Since no changes in rates were made to 2023 forecasts, there have been no significant impact to profitability for the year. Beyond 2023, the average ratio of SG&A to revenue increases to 0.15, from 0.14 in the base case. The average operating profit margin declines to 11%, from 12% for the base case. Likewise, average net profit margin declines to 4.7%, from 5.8% already reported.

Impact on financial leverage

The interest coverage ratio decreases to 2.66, from 2.96 reported in the base case projection. In addition, financial leverage (total assets to equity ratio) increases to 4.2, from 3.8 for the base case.

Income statement Extract							
GH₵'000	2022 Audited	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	CAGR (2023-2027)
Revenue	1,285,603	1,994,993	2,259,580	2,763,030	3,178,701	3,623,217	16%
Gross Profit	**277,005**	**512,610**	**574,386**	**704,395**	**816,626**	**937,382**	**16%**
Gross Margin	*22%*	*25.69%*	*25.42%*	*25.49%*	*25.69%*	*25.87%*	
Operating Income	**292,140**	**527,111**	**589,612**	**720,382**	**833,413**	**955,008**	**16%**
Profit Before Interest & Tax	79,866	190,470	180,361	302,266	381,349	461,369	25%
Finance cost	(94,520)	(149,582)	(134,556)	(94,024)	(114,206)	(111,554)	-7%
Profit/(Loss) Before Income Tax	(14,654)	40,889	45,805	208,242	267,143	349,815	71%
Net Profit	**(20,462)**	**5,911**	**48,929**	**168,965**	**218,886**	**289,533**	**165%**

Source: KCP & KPMG Analysis

Statement of Financial Position Extract						
GH₵ '000	2022 Audited	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Total Non-Current Assets	688,624	677,401	572,510	463,322	501,366	479,726
Total Current Assets	505,451	652,018	719,194	1,025,588	1,406,397	1,729,848
Total Assets	**1,194,075**	**1,329,419**	**1,291,703**	**1,488,910**	**1,907,763**	**2,209,573**
Shareholders' equity	188,096	194,007	242,936	411,901	630,788	920,321
Total Current Liabilities	674,004	902,997	649,407	724,062	942,936	941,858
Total Non-Current Liabilities	331,975	232,415	399,360	352,947	334,040	347,394
Total Liabilities	1,005,979	1,135,412	1,048,767	1,077,009	1,276,975	1,289,252
Shareholders' Equity and Liabilities	**1,194,075**	**1,329,419**	**1,291,703**	**1,488,910**	**1,907,763**	**2,209,573**

Source: KCP & KPMG Analysis

Kasapreko Company PLC
Summary of Historical and Forecast Financial Statements
October 2023

Cash Flow Statement Extract						
GHC' 000	**2022 Audited**	**2023 Forecast**	**2024 Forecast**	**2025 Forecast**	**2026 Forecast**	**2027 Forecast**
Net cash flows from operating activities	42,333	302,499	265,966	292,677	429,521	502,546
Net cash flows used in investing activities	(236,127)	(68,451)	12,379	16,685	(150,000)	(100,000)
Net cash flows from/(used) in financing activities	225,267	(195,112)	(217,302)	(112,190)	6,498	(182,396)
Net (decrease) in cash and cash equivalents	31,472	38,936	61,044	197,172	286,018	220,150
Cash and cash equivalents at 31 December	**(53,637)**	**45,390**	**47,896**	**213,997**	**480,203**	**680,917**

Source: KCP & KPMG Analysis

Kasapreko Company PLC
Summary of Historical and Forecast Financial Statements
October 2023

Contact us

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BENTSI-ENCHILL
LETSA & ANKOMAH

K127s3

1 November 2023

Securities and Exchange Commission
30, Third Circular Road
Cantonments, Accra, Ghana
Attention: The Director-General

Ghana Stock Exchange
5th Floor, Cedi House
Liberia Road, Accra, Ghana
Attention: The Managing Director

Standard Chartered Bank Ghana PLC (acting as Note Trustee (as defined below))
Standard Chartered Bank Building
87 Independence Avenue, Accra, Ghana
Attention: Beverly Frimpong

Dear Sirs,

KASAPREKO COMPANY PLC: OPINION OF LEGAL COUNSEL IN CONNECTION WITH THE ESTABLISHMENT OF A GHS 600,000,000 NOTE ISSUANCE PROGRAMME AND ADMISSION OF NOTES THEREUNDER ON THE GHANA FIXED INCOME MARKET OF THE GHANA STOCK EXCHANGE

1. INTRODUCTION

1.1 Basis of introduction

We have acted as legal counsel to Kasapreko Company Plc, a public company limited by shares and incorporated under the laws of Ghana (the **Issuer**), in connection with the establishment of a GHS 600,000,000 note programme (the **Note Programme**), under which the Issuer will issue notes (the **Notes**), from time to time by public offer and/or private placement, and procure the admission of the Notes on the Ghana Fixed Income Market of the Ghana Stock Exchange (the **GFIM Listing**).

1.2 Documents examined

1.2.1 For the purpose of giving this opinion, we have examined final drafts and/or executed versions of the following documents (together, the **Programme Documents** and, each, a **Programme Document**):

1.2.1.1 the prospectus which sets out, among others, the terms and conditions of the Notes (**Prospectus**), and to be issued by the Issuer upon the approval of the Securities and Exchange Commission of Ghana (**SEC**);

1.2.1.2 the trust deed to be entered into between the Issuer and Standard Chartered Bank Ghana PLC (**SCB Ghana**), under which the Issuer

LEGAL PRACTITIONERS, NOTARIES PUBLIC & TRADEMARK AGENTS

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Seth Asante
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appoints SCB Ghana as the trustee for the holders of the Notes (**Note Trustee**);

1.2.1.3 the agency agreement to be entered into between the Issuer, SCB Ghana and the Central Securities Depositories (GH) Limited (**CSD**), under which the Issuer appoints SCB Ghana as paying bank for the Note Programme and the CSD as the calculation agent, registrar and transfer agent for the Note Programme;

1.2.1.4 the escrow account agreement to be entered into between the Issuer, Databank Brokerage LTD and Consolidated Bank Ghana LTD (**CBG**), under which the Issuer appoints CBG as the escrow agent for the purpose of the escrow of the proceeds of the issuance of any tranche or series of the Notes until paid to the Issuer; and

1.2.1.5 the issuer account agreement to be entered into between the Issuer, the Note Trustee and CBG under which the Issuer appoints CBG as the account bank for the debt service account required to be opened and maintained by the Issuer under the Prospectus.

1.2.2 Unless otherwise indicated, all expressions defined in the Prospectus have the same meanings when used in this opinion.

1.2.3 In addition, we have examined originals or copies (certified to our satisfaction) of the following documents:

1.2.3.1 the certificate of incorporation of the Issuer dated 9 August 2023

1.2.3.2 the constitution of the Issuer dated 16 June 2023 (the **Issuer Constitution**);

1.2.3.3 the written resolution of the board of directors of the Issuer dated 9 June 2023, approving and authorising (among others) the issuance of the Notes, the application for the GFIM Listing, the terms and conditions of the Programme Documents, the execution of the Programme Documents and the appointment of each and any director of the Issuer to sign the Programme Documents on behalf of the Issuer (the **Written Board Resolution**);

1.2.3.4 the written resolution of the shareholders of the Issuer dated 9 June 2023, approving and authorising the establishment of the Note Programme; and

1.2.3.5 the letter dated 29 September 2023 from Ecobank Ghana PLC (**Ecobank**) to the Issuer evidencing its approval of the Note Programme as required under the loan agreement dated 23 March 2023 (the **Ecobank Facility**) and entered into by the Issuer and Ecobank (the **Ecobank Consent Letter**).

1.2.4 We have also examined such other documents, searches and records as are necessary under the laws of Ghana to enable us give this opinion.

1.3 **Scope and purpose of the opinion**

1.3.1 We are qualified to practise law only in Ghana. This opinion is limited to matters of the laws of Ghana as in force and applied at the date of this opinion. We have not investigated the laws of any country other than Ghana and we express no opinion on the laws of any other jurisdiction.

1.3.2 This opinion is given on the basis of the assumptions set out in Schedule A (*Assumptions*) and is subject to the qualifications set out in Schedule B (*Qualifications*).

1.3.3 This opinion is given for the purpose of the Programme Documents only and on the basis that we will not be liable to any person in any circumstances where, or to the extent that, we would not have been liable to the Note Trustee.

2. OPINION

Based on the preceding paragraphs, we are of the opinion that:

2.1 **Incorporation and capacity**

2.1.1 The Issuer is duly incorporated as a public company limited by shares under the laws of Ghana.

2.1.2 The Issuer has perpetual corporate existence and the capacity to sue or be sued in its name.

2.1.3 To the best of our knowledge and upon due enquiry:

2.1.3.1 the Issuer has all the necessary power and authority to own its property and assets and to carry on its business as currently authorised under the Issuer Constitution;

2.1.3.2 no steps have been (or are being taken) to appoint any administrator, trustee, receiver, liquidator or analogous person or body over (or to wind up or dissolve) the Issuer; and

2.1.3.3 no moratorium has been declared on the payment of any indebtedness of the Issuer.

2.2 **Powers and authorisations**

The Issuer:

2.2.1 has the power to enter into (and perform its obligations under) the Programme Documents;

2.2.2 has taken all necessary action to authorise the entry into (and the performance of its obligations under) the Programme Documents; and

2.2.3 has taken all necessary action to authorise the signature and delivery of all notices, certificates, communications and other documents to be delivered by it under the Programme Documents.

2.3 **Legal validity and enforceability**

Subject to the execution of the relevant Programme Documents and paragraph 2.8.3 below, each obligation (expressed to be assumed by the Issuer under each Programme Document) constitutes the legal, valid and binding obligation of the Issuer enforceable against it in accordance with the terms of the relevant Programme Document.

2.4 **Regulatory approvals and consents**

2.4.1 The Prospectus is required to be approved by the SEC in accordance with the Securities Industry Act, 2016 (Act 929) as amended.

2.4.2 The GFIM Listing is required to be approved by the Ghana Stock Exchange in accordance with the listing rules under the manual for the Ghana Fixed Income Market dated 5 April 2022 (the **GFIM Manual**).

2.4.3 Apart from the approvals referred to under this paragraph 2.4, no regulatory approvals, consents, licensing or authorisations are required for the establishment of the Note Programme, the issuance of the Notes, the GFIM Listing or the execution of the Programme Documents.

2.5 **Prospectus and the Notes**

2.5.1 The Prospectus complies with the relevant provisions of Schedule 5 of the Securities and Exchange Commission Regulations, 2003 (LI 1728) and Schedule 10 of the Companies Act, 2019 (Act 992) (the **Companies Act**).

2.5.2 The Issuer's obligations under the Notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall rank *pari passu* among themselves and (save for such obligations as may be preferred by virtue of any Applicable Law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

2.6 **Contractual obligations**

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing the Issuer from entering into and performing its obligations under the transactions contemplated by the Note Programme, with the exception of the Ecobank Facility. The Issuer is required, under the terms of the Ecobank Facility to seek the prior consent of Ecobank to undertake the Note Programme. Ecobank has (through the Ecobank Consent Letter) provided its consent to the Note Programme.

2.7 **The Issuer Constitution**

2.7.1 The Issuer Constitution complies with all legal requirements on the contents of the constitution of a public company.

2.7.2 The issuance of the Notes (pursuant to the admission rules under the GFIM Manual) will not contravene any provision of the Issuer Constitution.

2.7.3 The Note Programme does not contravene any provision of the Issuer Constitution or any Applicable Law.

2.8 **Taxes and stamp duty**

2.8.1 The statements in the Prospectus regarding taxation in Ghana are correct in all material respects.

2.8.2 In accordance with the Income Tax Act, 2015 (Act 896) (as amended), interest payments under the Notes will be subject to withholding tax of 8%, except in relation to noteholders who are exempt from withholding tax.

2.8.3 Each of the Programme Documents (except the Prospectus) will be subject to a nominal stamp duty of GHS 0.50 in accordance with the Stamp Duty Act, 2005 (Act 689) (as amended) in order to be admissible in evidence (and enforceable) in the courts of Ghana.

2.9 **Registrations and filings**

2.9.1 No registration or filing is required at any registry for any Programme Document to be valid, binding and enforceable in accordance with their respective terms.

2.9.2 However, the Prospectus is required to be filed with the Companies Registry, in accordance with the Companies Act. There will be no legal effect on the Prospectus if it is not duly filed.

Yours faithfully,

Frank Nimako Akowuah
(Partner: Financial Institutions and Capital Markets)
Bentsi-Enchill, Letsa & Ankomah

Schedule A

Assumptions

In giving this opinion, we have assumed (and this opinion is given on the basis) that:

1. all original documents supplied to us are complete, authentic and up-to-date, and that all copy documents supplied to us are complete and conform to the originals;

2. all disclosures made to us by the Issuer and its officers (as reflected in the Prospectus) are materially correct as at the date of this opinion and no event has occurred which undermines or may undermine the correctness of those disclosures.

We have found nothing to indicate that the above assumptions are not justified.

Schedule B

Qualifications

This opinion is subject to the following qualifications:

1. we have not independently verified the information contained in the Prospectus. Accordingly, nothing contained in the Prospectus is to be construed (or shall be relied upon) as a promise, warranty or representation (whether to the past or the future) by us, regarding the accuracy or completeness of such information at any time;

2. the enforcement of the Programme Documents may be limited by any laws relating to bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally; and

3. any claims may be (or become) barred under laws relating to the limitation of actions or may be or become subject to set-off or counterclaim.

APPENDIX C: UNAUDITED FINANCIAL STATEMENTS FOR H1-2023

Unaudited Statement of Profit or Loss and Comprehensive Income for the period ended 30 June 2023

	30 June 2023 GHS	30 June 2022 GHS
Revenue	914,823,960	520,355,023
Cost of sales	(701,078,800)	(409,027,287)
Gross Profit	**213,745,160**	**111,327,736**
Other operating income	15,252,121	4,234,035
General and administrative expenses	(147,113,513)	(80,209,594)
Operating Profit	**81,883,767**	**35,352,176**
Finance costs	(70,761,567)	(25,699,313)
Profit Before Income Tax	**11,122,200**	**9,652,863**
Income tax expense	(2,224,440)	(1,857,379)
Profit for the Year	**8,897,760**	**7,795,485**
Other comprehensive income	-	-
Total Comprehensive Income for the Period	**8,897,760**	**7,795,485**

Unaudited Statement of Financial Position for the Period Ended 30 June 2023

	30 June 2023 GHS	30 June 2022 GHS
ASSETS		
Non-Current Assets		
Property, plant and equipment	623,482,260	496,636,172
Due from related parties	39,378,661	47,976,727
Total Non-Current Assets	**662,860,921**	**544,612,898**
Current Assets		
Inventory	380,140,274	235,471,126
Trade and other accounts receivable	231,012,029	150,906,142
Prepayments	1,984,058	1,723,268
Cash and bank balance	43,157,906	2,909,162
Current tax assets	8,486,853	25,676,500
Total Current Assets	**664,781,119**	**416,686,199**
Total Assets	**1,327,642,040**	**961,299,097**
EQUITY		
Stated capital	50,000,000	50,000,000
Retained earnings	146,994,108	176,247,467
Total Equity	**196,994,108**	**226,247,467**
LIABILITIES		
Non-Current Liabilities		
Interest-bearing loans and borrowings	275,605,012	230,865,537
Deferred tax liabilities	9,935,899	12,345,418
Total Non-Current Liabilities	**285,540,911**	**243,210,955**
Current Liabilities		
Trade and other accounts payable	359,903,595	394,987,066

	30 June 2023 GHS	30 June 2022 GHS
Contract liabilities	19,528,239	4,830,773
Interest-bearing loans and borrowings	465,675,187	92,022,836
Total current liabilities	845,107,021	491,840,675
Total Liabilities	**1,130,647,932**	**735,051,630**
Total Equity and Liabilities	**1,327,642,040**	**961,299,097**

Unaudited Statement of Changes in Equity for the Period Ended 30 June 2023

	Stated Capital GHS	Retained Earnings GHS	Total Equity GHS
Balance at 1 January 2023	50,000,000	138,096,348	188,096,348
Profit for the period	-	8,897,760	8,897,760
Balance at 30 June 2023	**50,000,000**	**146,994,108**	**196,994,108**
Balance at 1 January 2022	50,000,000	158,558,103	208,558,103
Profit for the period	-	(20,461,755)	(20,461,755)
Balance at 31 December 2022	**50,000,000**	**138,096,348**	**188,096,348**

Unaudited Statement of Cashflow for the Period Ended 30 June 2023

	30 June 2023 GHS	30 June 2022 GHS
Operating Activities		
Profit before income tax	11,122,200	9,652,863
Adjustments for:		
Depreciation	29,351,391	23,762,080
Finance costs	70,761,567	25,699,313
Net Foreign Exchange (Gain)/Loss	(11,236)	8,857,617
Provision for bad and doubtful debts	1,146,466	2,601,775
Working capital adjustments:		
(Increase) in trade and other accounts receivable	(131,513,347)	(103,586,597)
(Increase)/Decrease in prepayments	4,044,528	81,686,423
Decrease/(increase) in inventory	(15,930,384)	(41,790,851)
(Decrease)/increase in trade and other accounts payable	17,121,078	98,973,178
Increase in contract liabilities	160,356	(12,404,809)
Cash generated from operations	**(13,747,380)**	**93,450,992**
Income tax paid	(3,718,714)	(3,422,892)
Net cash flows from operating activities	**(17,466,094)**	**90,028,100**
Investing Activities		
Purchase of property, plant and equipment	(12,674,180)	(193,574,668)
(Increase)/Decrease in amounts due from related parties	9,444,791	87,741,965
Net cash flows used in investing activities	**(3,229,389)**	**(105,832,702)**
Financing Activities		
Proceeds from borrowings	107,387,936	14,814,689
Repayment of borrowings	-	-
Interest paid	(70,761,567)	(25,699,313)

	30 June 2023 GHS	30 June 2022 GHS
Net cash flows from financing activities	**36,626,368**	**(10,884,625)**
Net Increase/(decrease) in cash and cash equivalents	**15,930,885**	**(26,689,227)**
Cash and cash equivalents at the beginning of the year	27,227,021	29,598,389
Cash and cash equivalents at the end of the period	**43,157,906**	**2,909,162**

APPENDIX D: CERTIFICATE OF INDEBTEDNESS AS OF H1-2023

Deloitte.

Deloitte & Touche
The Deloitte Place, Plot No. 71, Off
George Walker Bush Highway,
North Dzorwulu.
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20 October 2023

The Board of Directors

Kasapreko Company PLC

Accra

Dear Sir,

Report on Factual Findings in Connection with the Certification of Indebtedness of Kasapreko Company PLC to Banks and Related Party as at 30 June 2023

We have performed the procedures agreed with you and enumerated below with respect to the indebtedness of Kasapreko Company PLC to banks and related party as at 30 June 2023.

Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS 4400) applicable to agreed-upon procedures engagements.

The procedures were performed solely to certify the indebtedness of Kasapreko Company PLC to banks and related party as at 30 June 2023 and are summarized as follows:

I. Obtained the ledger details of outstanding overdrafts, loan facilities with Banks and Bi-laterals and bonds as at 30 June 2023;
II. Agreed the ledger balances to the trial balance and management accounts as at 30 June 2023;
III. Circularized to third parties to confirm the existence and valuation of the indebtedness as at 30 June 2023 or obtained statements from these third parties;
IV. We compared the confirmations to the amounts referred to in (I). For amounts which did not agree, we obtained reconciliations from Kasapreko Company PLC.
V. Certified the indebtedness as at 30 June 2023 upon the completion of the procedures.

On the basis of the work done, the indebtedness of Kasapreko Company PLC to banks and related party as at 30 June 2023 was as follows:

Description	Amount (GHS)	Appendix
Long term loans	353,372,888	Appendix A
Short term loans	271,809,663	Appendix A
Overdrafts	116,791,101	Appendix A
Related party loan	9,498,645	Appendix A
Total Indebtedness	**751,472,297**	

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the indebtedness as of 30 June 2023.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

This report relates only to the accounts and items specified above and in the appendix A and does not extend to any financial statements of Kasapreko Company PLC, taken as a whole.

FOR DELOITTE & TOUCHE

...PARTNER...

Deloitte & Touche

The Deloitte Place, Plot No. 71,

Off George Walker Bush Highway,

North Dzorwulu, Accra

20 October 2023

Appendix A – Loans by Tenure

Description	Maturity	Outstanding Indebtedness as at 30 June 2023
Long term loans		**GHS**
Ecobank Ghana PLC	31 July 2027	101,164,233
GCB Bank PLC	30 April 2026	14,959,454
Stanbic Bank Ghana	30 June 2027	71,875,000
Societe Generale Bank Ghana PLC	30 September 2028	9,561,946
First Atlantic Bank Limited	24 June 2024	2,798,258
KBC Bank NV	23 June 2027	30,611,575
KBC Bank NV	25 November 2030	62,043,141
Landesbank Baden - Wuerttemberg	18 May 2029	60,359,281
		353,372,888
Short term loans		
Ecobank Ghana PLC	31 March 2024	98,683,225
GCB Bank PLC	30 November 2023	14,555,351
Stanbic Bank Ghana	30 August 2023	8,000,000
Standard Chartered Bank	13 July 2023	5,319,190
Standard Chartered Bank	09 July 2023	5,295,182
Standard Chartered Bank	26 July 2023	4,003,051
First Atlantic Bank Limited	27 June 2023	70,289,170
First Atlantic Bank Limited	22 July 2023	31,173,600
First Atlantic Bank Limited	30 June 2023	13,688,004
First Atlantic Bank Limited	22 July 2023	7,098,731
First Atlantic Bank Limited	22 July 2023	4,971,225
First Atlantic Bank Limited	22 July 2023	3,507,528
First Atlantic Bank Limited	22 July 2023	3,144,151
First Atlantic Bank Limited	22 June 2023	371,193
Consolidated Bank Ghana Limited	29 July 2023	1,710,062
		271,809,663
Overdrafts		
Ecobank Ghana PLC	31 March 2024	15,222,695
Ecobank Ghana PLC	31 March 2024	9,829,809
GCB Bank PLC	31 August 2023	19,411,886
Stanbic Bank Ghana	30 August 2024	10,169,751
Standard Chartered Bank Ghana PLC	07 July 2024	1,679,836
Societe Generale Bank Ghana PLC	30 November 2023	25,937,419
First Atlantic Bank Limited	25 July 2023	10,321,853
First National Bank Ghana Limited	30 December 2023	24,217,853
		116,791,101
Related Party Loan		
Loan from Managing Director	07 July 2028	9,498,645
Total Indebtedness		**751,472,297**

Appendix B – Loans by Counterparty

Bank/ Facility type	Confirmation per bank
Ecobank Ghana PLC	**GHS**
Long term loan	101,164,233
Short term loan	98,683,225
Overdraft	25,052,503
	224,899,961
GCB Bank PLC	
Long term loan	14,959,454
Short term loan	14,555,351
Overdraft	19,411,886
	48,926,691
Stanbic Bank Ghana	
Long term loan	71,875,000
Short term loan	8,000,000
Overdraft	10,169,751
	90,044,751
Societe Generale Bank Ghana PLC	
Long term loan	9,561,946
Overdraft	25,937,419
	35,499,365
First Atlantic Bank Limited	
Long term loan	2,798,258
Short term loan	134,243,602
Overdraft	10,321,853
	147,363,713
Standard Chartered Bank	
Short term loan	14,617,423
Overdraft	1,679,836
	16,297,259
First National Bank Ghana Limited	
Overdraft	24,217,853
	24,217,853
Consolidated Bank Ghana Limited	
Short term loan	1,710,062
	1,710,062
KBC Bank NV	
Long term loan	92,654,716
	92,654,716
Landesbank Baden - Wuerttemberg	
Long term loan	60,359,281
	60,359,281

Related Party	
Director's loan	9,498,645
Total Indebtedness	**751,472,297**

Appendix C – Foreign Currency Denominated Loans

Loans in Foreign Currency (USD)

Counterparty/ Bank	Balance as at 30 June 2023	Exchange Rate	Balance in GHS
KBC Bank NV	2,705,876	11.313	30,611,575
Ecobank Ghana PLC	868,895	11.313	9,829,809
GCB Bank PLC	1,286,604	11.313	14,555,351
	4,861,375		**54,996,735**

Loans in Foreign Currency (EUR)

Counterparty/ Bank	Balance as at 30 June 2023	Exchange Rate	Balance in GHS
KBC Bank NV	5,054,431	12.275	62,043,140
Landesbank Baden Wuerttemberg	4,917,253	12.275	60,359,281
	9,971,685		**122,402,421**

APPENDIX E: FORM OF APPLICATION FORM

APPLICATION FORM

KASAPREKO

Incorporated as a public limited liability company in the Republic of Ghana with registration number PL000290823

APPLICATION FORM FOR TRANCHE/SERIES [•]

Issue of [•] Year [•] Rate [•] [•] Notes

Under the GHS 600,000,000 Note Programme

Applicants must complete all sections of the application form. Please read Section E (*Instructions for Completing Application Form*) below for guidance. Application lists will close at 5 pm on [•].

SECTION A		
Name of applicant		
Postal address (P. O. Box or Private Bag)		
Name of contact person		
Telephone number		
Facsimile number		
E-mail address		
Tax status (Y/N)		
Central Securities Depository account details:		
Depository participant code	Depository account number	Account type
[•]	[•]	[•]

SECTION B (Subscription amount)			
	A Nominal value (GHS)	B Issue Price (%)	C Total consideration (C = A x B)
Amount applied for	[•]	[•]	[•]

SECTION C (Declaration)
To: The Board of Directors of Kasapreko Company PLC I/We, the undersigned, warrant that I/we have full legal capacity to contract on behalf of the applicant stated in Section A overleaf (the **Applicant**), and on behalf of the Applicant irrevocably and unconditionally apply for and agree to take up the nominal value of the Notes stated in Column A in Section B overleaf at the price stated in Column B in Section B, or any lesser nominal value of the Notes that may be allotted to the Applicant in terms of the Prospectus and the Conditions. Where a lesser nominal value of the Notes is allotted to the Applicant, I agree that the relevant amount payable by the Applicant in terms of Column C in Section B overleaf will be reduced *pro rata* to the lesser nominal value so allotted. I/We acknowledge that the Applicant will be unconditionally liable for payment in respect of the Notes allotted and that such

payment will be made in full accordance with the payment procedures set out under Section 12 (*Subscription and Sale Information*) of the Prospectus by **10am** on **[•]**.
Signature:
Full Name:
Capacity:
Date:

SECTION D (Instructions: Payment of entitlements)
Interest payments and the principal repayment in respect of the Notes and refunds, if any, that are due in respect of bids where payments have been made at the time of application are to be made to:
into my current account (Account details for the CSD account):
Name of bank:
Bank branch:
Bank account number:
Sort code:
SWIFT code:

SECTION E (Instructions for completing application form)

1. **Completing this form:**

A. All alterations to this application form must be authenticated by full signature. All applications must be made without conditions stated by the applicants.

B. Under no circumstances whatsoever may the name of the applicant be changed and if this is done then the application form will be invalid.

C. All Applicants must open and maintain a Central Securities Depository account for the entire duration of the Notes.

D. Guide to completing the application form:

Section A:

Provide the following details:

(a) Full name of applicant

(b) Postal address (e.g. P. O. Box 1235)

(c) Name of contact person if the applicant is not the same person completing the forms in the case of individuals or representatives of an institutional applicant.

(d) Telephone number on which the applicant can be contacted e.g., 0302-123456.

(e) E-mail address to receive communication regarding this offer such as allotment notification etc.

(f) Tax status: State your tax status as either '**Y**' if the applicant is subject to pay withholding tax or '**N**' if exempted by law. For guidance, mutual funds licensed by the SEC or approved Pension Fund Schemes licensed by the National Pensions Regulatory Authority of Ghana are exempted by law from paying withholding tax on interest income.

(g) Central Securities Depository account details:

- Depository participant code e.g. ABC-P, BCDN-C etc.
- Depository account number e.g., 0000123456789
- Client type: local individual (LI), LC (Local Company), FI (Foreign Individual), Foreign Company (FC), Fund (FU), Joint Account (JA)

Section B (Subscription amount):

(a) Amount applied must be in lots of GHS [•].

(b) Nominal amount of the application

(c) Issue Price for [•] is [•] %

(d) Total consideration: Nominal Value x Issue Price

Section C (Declaration)

Applications are made subject to the provisions of the Prospectus to which this form is attached. This must be completed by the Applicant if an individual or his/her attorney if one has been appointed or the authorised representatives of a legal person or institutional investor.

Section D (Instructions for the payment of entitlement)

The Applicant must provide information instructions relating to the payment of entitlements from the investment (coupon and principal) by the Paying Bank. All applicants should confirm the details of the bank account details from the depository member who set-up their CSD account. The Paying Bank will be said to have paid entitlements due an applicant to the bank account information provided by the Registrar for the Programme (Central Securities Depository).

E. Applications are irrevocable and shall not be withdrawn or amended without the written consent of the Issuer. The Issuer reserves the right to accept or reject any application in whole or in part. The Arrangers will notify successful applicants of amounts allotted to them no later than [•] hrs (GMT) on [•], [•].

2. **Acceptance**

By signing an application form the applicant undertakes to pay the Issuer on the Issue Date in same-day funds the purchase price for the Notes allotted in accordance with the provisions of the Applicable Pricing Supplement.

3. **Settlement Procedure**

Payment of the subscription price for the Notes may be made by bank transfer or remittance, to be made on the instructions of the successful applicant to his/her/its bank for the funds to be credited to the Issuer's bank account, with details below:

Account Name: Kasapreko Company PLC - Escrow Account
Bank Name: Consolidated Bank Ghana LTD
Account Number: 1790588150001
Bank Branch: Manet Tower 3
Branch Sort Code: 340100
SWIFT: CBGHGHAC

4. **Delivery of Notes**

The Notes will be credited to each successful applicant's Central Securities Depository account against cleared funds within 2 Business Days of the Issue Date.

5. **General**

The Prospectus and any contracts resulting from an acceptance of an application for the Notes shall be governed and construed in accordance with Ghanaian law.

APPENDIX F: FORM OF APPLICABLE PRICING SUPPLEMENT

DATE: [---------]

KASAPREKO

Incorporated as a public company limited by shares in the Republic of Ghana with registration number PL000290823

Issue of [Aggregate Nominal Amount of Series/Tranche] under the GHS 600,000,000 Note Programme

Series [•] Tranche [•]

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Notes, as set out in the Prospectus dated _________ 2023.

The Notes may be redeemed at the option of the Issuer on the terms contained in the Conditions. This Applicable Pricing Supplement contains the final terms and conditions of the Notes and must be read in conjunction with the Prospectus. Where there is any inconsistency between the terms of this Applicable Pricing Supplement and the Prospectus, this Applicable Pricing Supplement will prevail.

The Issuer represents that it has taken all reasonable care to ensure that the information contained in this Applicable Pricing Supplement is true and accurate in all material respects as of the date hereof and there are no other material facts in relation to the Issuer the omission of which would make misleading any statement herein, whether of fact or of opinion.

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denotes directions for completing the Applicable Pricing Supplement.*]

1	Description of the Notes	
1.1	Issuer	
1.2	Issue	
1.2.1	Tranche number	
1.2.2	Series number	
1.3	Principal Amount	
1.3.1	Tranche	
1.3.2	Series	
1.4	Offer open date and time	
1.5	Issue Date	
1.6	Specified denomination of Notes	

1.7	Minimum Subscription Amount	
1.8	Subscription multiples beyond Minimum Subscription Amount	
1.9	Issue Price	[*] % of aggregate Principal Amount (*plus accrued interest from (insert date) if applicable*)
1.10	Status of the Notes	
1.11	Final Redemption Amount	
1.12	Closing date for subscription	
1.13	Date for notification of allotment	
1.14	Details of the Note Trustee	
2	Interest provisions	
2.1	Fixed Rate Note provisions	(*Delete if not applicable*)
2.1.1	Fixed Rate of Interest	% rate applicable
2.1.2	Broken amount	(*Provide details of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount*)
2.1.3	Day Count Fraction	(*Applicable/Not Applicable*)
2.1.	Fixed Coupon Amount	
2.1.5	Interest Commencement Date	
2.1.6	Interest Determination Dates	
2.1.7	Interest Payment Dates	(*) each year
2.1.8	Maturity Date	
2.1.9	Default interest	*2%*
2.1.10	Calculation Agent	Central Securities Depository (Ghana) Limited
2.1.11	Other terms relating to the method of calculating Interest for the Fixed Rate Notes	(*Not Applicable/provide details*)
2.2	Floating Rate Notes	(*Delete if not applicable*)
2.2.1	Interest Commencement Date	
2.2.2	Interest Rate	(*Reference Rate plus the Margin to be applied at the beginning of each interest payment period*)
2.2.3	Interest Periods	
2.2.4	Interest Payment Dates	

2.2.5	Interest Determination Date	
2.2.6	Reference Rate	
2.2.7	Method for determining Reference Rate	(Provide details)
2.2.8	Business Day Convention	(*Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (Provide details)*)
2.2.9	Maximum Rate of Interest	
2.2.10	Minimum Rate of Interest	
2.2.11	Margin	*(* per cent or basis points*)
2.2.12	Step up Margin	
2.2.13	Day Count Fraction	
2.2.14	Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating Interest on Floating Rate Notes, if different from those set out in the Conditions	
2.2.15	Maturity Date	
2.2.16	Calculation Agent	Central Securities Depository (GH) Limited
2.2.17	Default interest	*2%*
3	**Redemption provisions**	
3.1	Redemption/Payment basis	(*Redemption at par or other (specify)*)
3.2	Issuer's Early Redemption	(*Applicable/Not applicable*)
3.3	Issuer's Optional Redemption	(*Applicable/Not applicable*)
3.4	Other terms applicable on Redemption	(*specify*)
4	**Distribution**	
4.1	Method of distribution	The Notes under this Series or Tranche will be distributed by [*private placement on a non-syndicated basis*]
4.2	Details of Dealer	
5	**Security or Guarantee provisions**	
5.1	Details of [Security] [Guarantee]	*Not applicable*
5.2	Details of [Chargor] [Guarantor]	*Not applicable*
5.3	[Secured Amount] [Guaranteed	*Not applicable*

	Amount]	
5.4	Nature of [Security] [Guarantee]	*Not applicable*
5.5	Enforcement of the [Security] [Guarantee]	*Not applicable*
5.6	Expiry of [Security] [Guarantee]	*Not applicable*
5.7	Governing law of the [Security] [Guarantee]	*Not applicable*
5.8	Dispute Resolution for the [Security] [Guarantee]	*Not applicable*
6	**Financial covenants**	
6.1	Financial covenants	(*Applicable/Not applicable*)
7	**General provisions**	
7.1	Date of approval for issuance by board of directors and shareholders of Issuer	
7.2	Form of Notes	All Notes will be in dematerialised form and electronically registered on the Central Securities Depository
7.3	Additional selling restrictions	(*provide details if any*)
7.4	Settlement procedures and instructions	
7.5	Bank account to which payments are to be made	
7.6	Listing	Ghana Fixed Income Market
7.7	Tax	Interest earned on Notes is subject to 8% withholding tax unless exempted by law (*attach copy of certificate of exemption where applicable*)
7.8	Governing law	Ghanaian law
7.9	ISIN Code	
7.10	Clearing system	
IMPORTANT DATES AND TIMES FOR OFFER		
Offer opening date and time		
Offer closing date and time		Completed application forms must be received by Dealers at their Specified Offices before or on........
Allotment date		All applicants will be notified of their allotment by fax/email/telephone no later than...........
Payment date		Payment for good value by successful

	applicants must be received by ....
Issue Date	The Notes will be issued by the Issuer by ....
Book closure date	
Delivery date	Notes will be credited to CSD accounts of successful paid up (receipt of cleared funds in Issuer's designated account) applicants within 2 Business Days of Issue date
Listing on the GFIM	Issued Notes will be listed for trading within 5 Business Days of Issue Date

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. [*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing persons involved and the nature of the interest*.]

RESPONSIBILITY

The Issuer and its board of directors accept responsibility for the information contained in this Applicable Pricing Supplement which, when read together with the Prospectus, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of Kasapreko Company PLC

By: By:

Duly authorised signatory Duly authorised signatory

APPENDIX G: FORM OF GLOBAL NOTE CERTIFICATE

KASAPREKO

(Incorporated as a public company limited by shares in the Republic of Ghana with registration number PL000290823)

CERTIFICATE NUMBER	SERIES NUMBER	TRANCHE NUMBER

ISIN

GHS 600,000,000 NOTE PROGRAMME

Issue of Senior (Floating/Fixed Rate) Notes Due……

GLOBAL NOTE CERTIFICATE

This Global Note Certificate certifies that **Standard Chartered Bank Ghana PLC** of Standard Chartered Bank Building, 87 Independence Avenue, Accra, Ghana holds this certificate as Note Trustee on behalf of the persons specified in the Register as the registered holders (the **Noteholders**) of [Principal Amount] of Senior [Floating/Fixed Rate] Notes referred to above (the **Notes**) of Kasapreko Company PLC (the **Issuer**). The Notes are subject to the terms and conditions (the **Conditions**) in the Prospectus dated __________ 2023. Expressions defined in the Conditions have the same meanings in this Global Note Certificate, unless otherwise defined herein.

The Issuer, for value received, promises in accordance with the Conditions to pay to the Noteholders on the Redemption Date (or such earlier date as the amount payable upon prepayment in accordance with Conditions), the Principal Amount of: [amount in figures](amount in words) (or so much thereof as may then be outstanding) and to pay interest on such Principal Amount from the Issue Date in arrears at the rates, in the amounts and on the dates for payment provided for in the Conditions and the Applicable Pricing Supplement together with such other sums and additional amounts (if any) as may be payable under the Conditions and the Applicable Pricing Supplement.

For the purposes of this Global Note Certificate, (a) the Noteholders represented by this Global Note Certificate are bound by the provisions of the Prospectus, the Trust Deed, the Agency Agreement and the Applicable Pricing Supplement, (b) the Issuer certifies that the Noteholders are entered in the Register as the holders of the Note(s) represented by this Global Note Certificate, (c) this Global Note Certificate is evidence of entitlement only, (d) title to the Note(s) represented by this Global Note Certificate passes only on due registration on the Register, and (e) only the duly registered Noteholders represented by this Global Note Certificate are entitled to payments in respect of the Note(s) represented by this Global Note Certificate.

This Global Note Certificate shall not become valid for any purpose until authenticated by or on behalf of the CSD.

This Global Note Certificate shall be governed by, and constructed in accordance with, the laws of Ghana.

IN WITNESS whereof the Issuer has caused this Global Note Certificate to be executed on its behalf.

KASAPREKO COMPANY PLC

By:	By:
Duly authorised signatory	Duly authorised signatory

CERTIFICATE OF AUTHENTICATION

This Global Note Certificate is duly authenticated by or on behalf of Central Securities Depository (GH) Limited as Registrar (without recourse, warranty or liability)

By:	By:
Duly authorised signatory	Duly authorised signatory

ISSUER

Kasapreko Company PLC
D.T.D Number 64, Off Spintex Road
Accra, Ghana

JOINT LEAD ARRANGERS

Databank Brokerage LTD
61 Barnes Road, Adabraka
Accra, Ghana

Consolidated Bank Ghana LTD
First Floor, Manet Tower 3, Airport City
Accra, Ghana

SPONSORING BROKER

Databank Brokerage LTD
61 Barnes Road, Adabraka
Accra, Ghana

NOTE TRUSTEE & PAYING BANK

Standard Chartered Bank Ghana PLC
Standard Chartered Bank Building
87 Independence Avenue
Accra, Ghana

REGISTRAR, TRANSFER AGENT AND CALCULATION AGENT

Central Securities Depository (GH) LTD
4th Floor Cedi House
Accra, Ghana

REPORTING ACCOUNTANT

KPMG
Marlin House, 13 Yiyiwa Drive, Abelemkpe
Accra, Ghana

DSR ACCOUNT BANK & ESCROW AGENT

Consolidated Bank Ghana LTD
First Floor, Manet Tower 3, Airport City
Accra, Ghana

LEGAL ADVISER

Bentsi-Enchill, Letsa & Ankomah
4 Momotse Avenue
Adabraka, Accra
Ghana

AUDITORS

Ernst and Young (Ghana) Limited
60 Rangoon Lane, Cantonments City
Accra, Ghana

www.kasapreko.com