



Daakye Bond Programme Investor Roadshow Presentation

April 2021



Agenda

A

Education Policy of Ghana

B

Overview of Daakye Trust PLC

C

Daakye Trust PLC's Bond Programme

D

Financial Performance

E

Proposed Offer and Timelines

F

Q & A



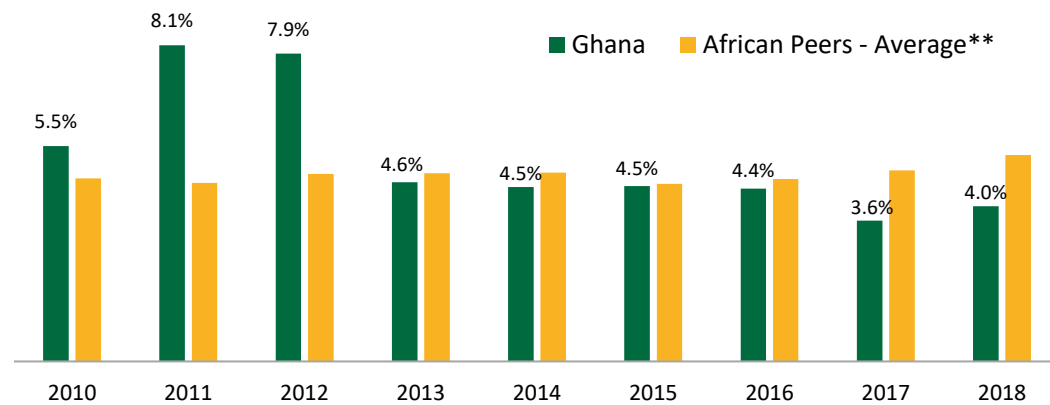
A / Education Policy of Ghana

Financing Ghana's Education Policy

Eliminating cost barriers to education has widened the infrastructure deficit in the education sector

- Between 2013 and 2016, ~35% of Junior High School graduates failed to continue to the secondary level and ~25% of those who enrolled dropped out at some stage due to cost barriers.
- The Free Compulsory Universal Basic Education (FCUBE) and free SHS programmes have reduced the cost barrier to basic and secondary level education in Ghana and given full effect to achieve the SDG 4.
- The resultant increase in enrolment figures has resulted in the need for investment in education infrastructure to support the provision of free and quality education.

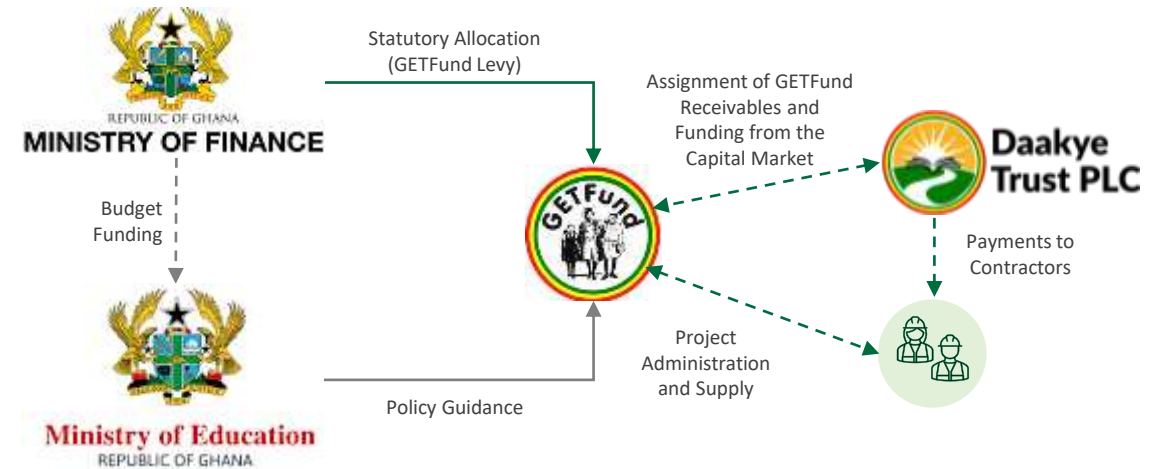
Ghana's investment in education as a share of GDP falls below the average for peers....



Source: World Bank

**Selected peers include Cote d'Ivoire, Kenya, Senegal, and Sierra Leone, South Africa

...however, a well coordinated policy and funding strategy reflect renewed commitment to improve investment in education.





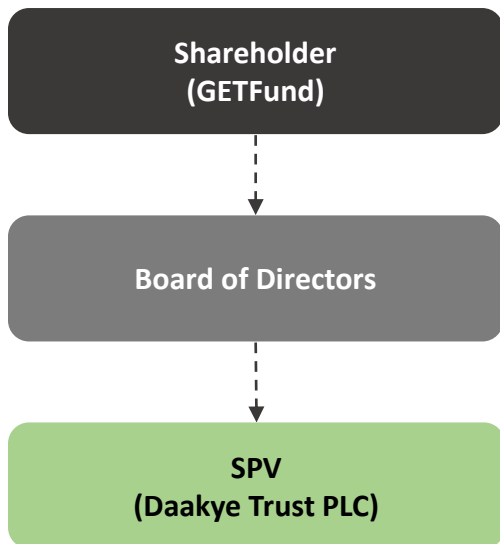
B / Overview of Daakye Trust PLC

Overview of Daakye Trust PLC

About Daakye Trust PLC

Background	Daakye Trust PLC (The Issuer) is a Special Purpose Vehicle (SPV), which was established by the GETFund in May 2020
Objective	The objective of the SPV is to issue debt securities to settle GETFund's Creditor and Contractor Debt. The debt issuance will be backed by a portion of GETFund receivables, which has been assigned to the SPV in an assignment agreement
Funding Source	A portion of the 2.5% GETFund Levy, in accordance with the government budgetary allocation and after adjustment for the capping policy, has been assigned to the issuer for debt service

Company Structure



Financial Reporting and Audit Appointments



KPMG is the Corporate Manager for the SPV, Daakye Trust PLC. The corporate manager handles the day-to-day administration of the SPV



Ernst & Young (EY) is the SPV's Auditor



PricewaterhouseCoopers (PWC) is the Reporting Accountant for the Bond Programme

Profile and Experience of the Board

Daakye Trust PLC's Board is constituted by five (5) Directors who are highly experienced and well respected in various fields such as accounting, macro-economic management, fiscal and public debt policy formulation and management



Mr. Stephen Antwi-Asimeng
Chairman

Chief Executive Officer of SAA Capital Limited

- *Years of Experience:* Over 28
- *Expertise:*
 - Banking, investment, corporate finance and private equity advisory
- *Served as:*
 - Member of an adhoc team of experts on private equity and venture capital at the Economic Commission of Africa (ECA)
 - *Member of the Board of Africa Venture Capital & Private Equity Association for 6 years from 2004*



Mr. Hayford Amoh
Non-Executive Director

Director of Internal Audit and a Technical Advisor – Assurance to the MOF

- *Years of Experience:* Over 10
- *Expertise:*
 - Auditing, risk management, corporate finance, import finance management, front loading and social accounting
- *Served as:*
 - Member of the technical experts of the F15 Group of Finance Ministers in Africa on Financing the African Union
 - Member of the Fiscal Risk Committee of Ghana



Mr. Samuel Arkhurst
Non-Executive Director

Chief Economics Officer and Director of Treasury & Debt Management Division of MOF

- *Years of Experience:* Over 28
- *Expertise:*
 - Macroeconomic analysis, budgeting, public financial management and debt management
- *Served as:*
 - Board member, CPC Limited
 - Board Member, Ghana Export-Import Bank
 - Board Member, E.S.L.A. PLC
 - Member of the Fiscal Risk Committee of Ghana



Mr. Emmanuel Addo
Non-Executive Director

Managing Director of Admedia Ltd

- *Years of Experience:* Over 27
- *Expertise:*
 - Marketing communications and advertising
- *Served as:*
 - Ex-president of the Advertising Association of Ghana (AAG)
 - Serves as a member of the AAG Executive Council
 - Serves as a member of Executive Committee of the Ghana Employers Association



Mr. Frederick Dennis
Non-Executive Director

Audit Partner at KPMG

- *Years of Experience:* Over 19
- *Expertise:*
 - Audit and Assurance in financial market services and consumer market sector in Ghana
- *Served in:*
 - A range of multinational and local companies across various industries within and outside Ghana



C / Daakye Trust PLC's Bond Programme

Background to the Bond Programme



Government approval to issue debt

- GETFund secured approval from Parliament and Cabinet in 2018 to raise medium-term debt funding up to US\$1.5 billion in Ghana Cedis (GHS) and use a portion of its revenues to service this debt.



Establishment of the Bond Programme

- To achieve the approved financing target, GETFund opted for a **GHS 5.5 billion** Bond Programme using a special purpose vehicle, Daakye Trust PLC, to enable it:
 - ✓ **secure the funds required to develop educational infrastructure** under multiple tranches; and
 - ✓ **consolidate its funding needs for educational infrastructure** including syndicated loans from commercial banks.
- GETFund appointed transaction advisors **to establish the Bond Programme** to issue and list bonds in tranches on the Ghana Fixed Income Market (GFIM).



Funding educational infrastructure through multiple tranches

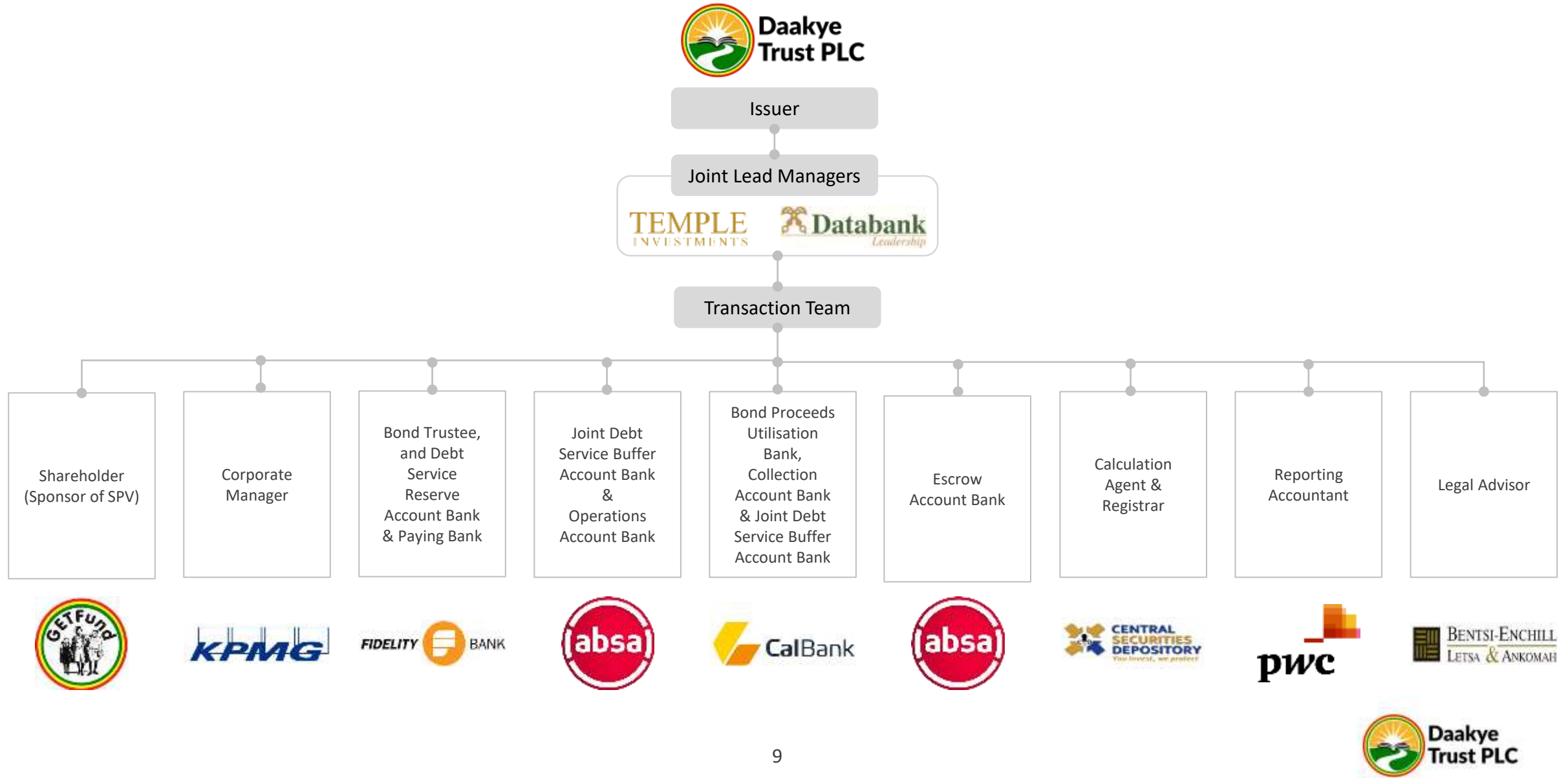
- Funding for GETFund under the listed bond solution will be phased over time to achieve the target **GHS equivalent of US\$1 billion**.
- Daakye has **listed bonds worth GHS1.39 billion** on the GFIM for its maiden issuance.



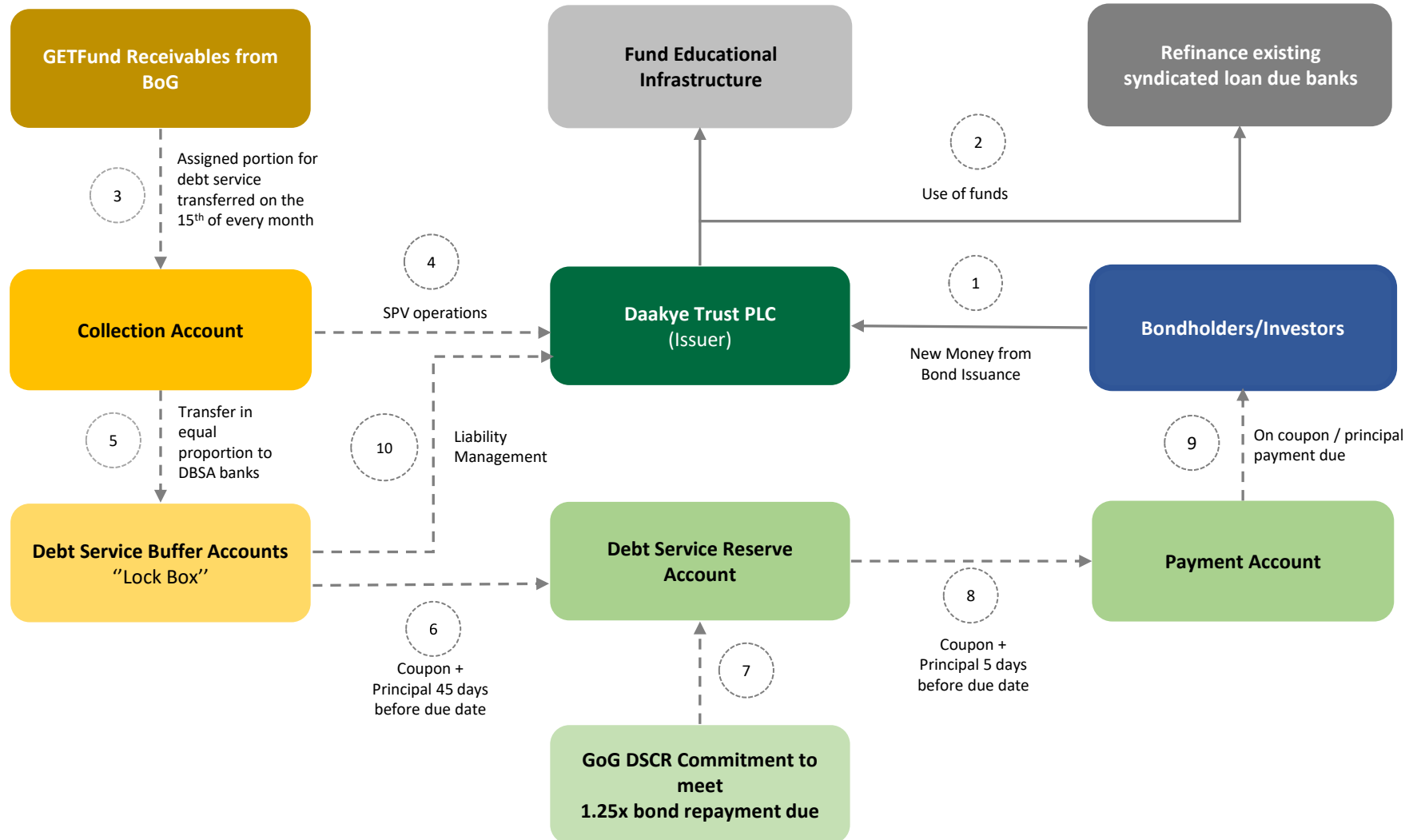
Regulatory approvals

- Daakye received **SEC and GSE approval to issue and list bonds under the GHS5.5 billion Bond Programme** from time to time.
- Daakye has also received **waivers from BoG, NPRA and NIC** for banks, pension fund schemes and insurance companies to participate meaningfully in issuances under the Bond Programme.

Daakye Bond Programme Transaction Parties

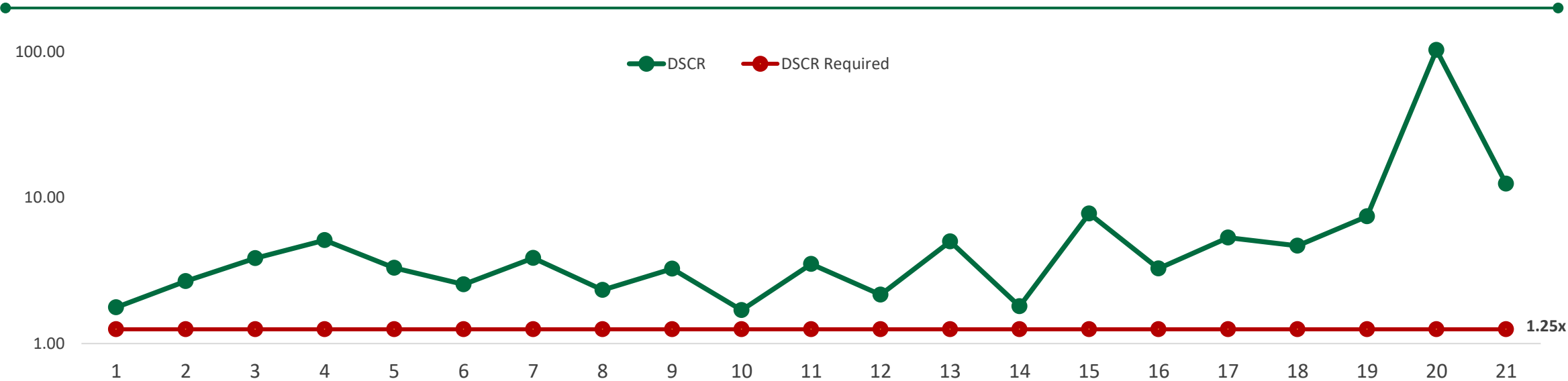


Daakye Bond Programme - Transaction Structure



Financial Model Output

Debt Service Coverage Output for Base Scenario



Minimum DSCR	Average DSCR
1.69x	8.90x

- DSCR is based on the base case scenario after taking into consideration the issuance of Tranche D1 (GHS 1.39 billion) as well as subsequent issuances.
- Model to be tested prior to every issuance to ensure the Daakye’s ability to maintain the minimum DSCR of 1.25x.



Benefits of the Bond Programme

1

Expand Sources of Funding

The Bond Programme has allowed GETFund access to capital markets to raise additional funds needed to make significant investments in Ghana's educational system.

2

Bonds are Listed and Tradable

The Bonds are listed and tradable on the GFIM. Since the listing of Tranche D1, **total value traded is ~GHS278M** (turnover ratio of 20%).

3

Broad Regulatory Support

Daakye has received concessions from the BoG, NPRA and NIC for the classification of the bonds as zero-risk weighted, as corporate debt with the issuer limit of 10% and as government bonds respectively.

4

Independent Operation of SPV

An independent Corporate Manager (KPMG) has been appointed to manage the SPV operations for compliance of the Bond Programme and efficient management of funding for educational infrastructure development.

5

Refinance GETFund's Syndicated Loans

The Bond Programme allowed the syndicated loan banks to convert about GHS1.11 billion of their syndicated loans into the Bond Programme which has improved liquidity of the asset for the banks.

6

Settle Contractor Claims

Daakye's Bond Programme has afforded GETFund much needed funds to settle contractor claims.

Use of Funds

Use of Funds per Daakye's Prospectus

Settle GETFund's Contractor Debts

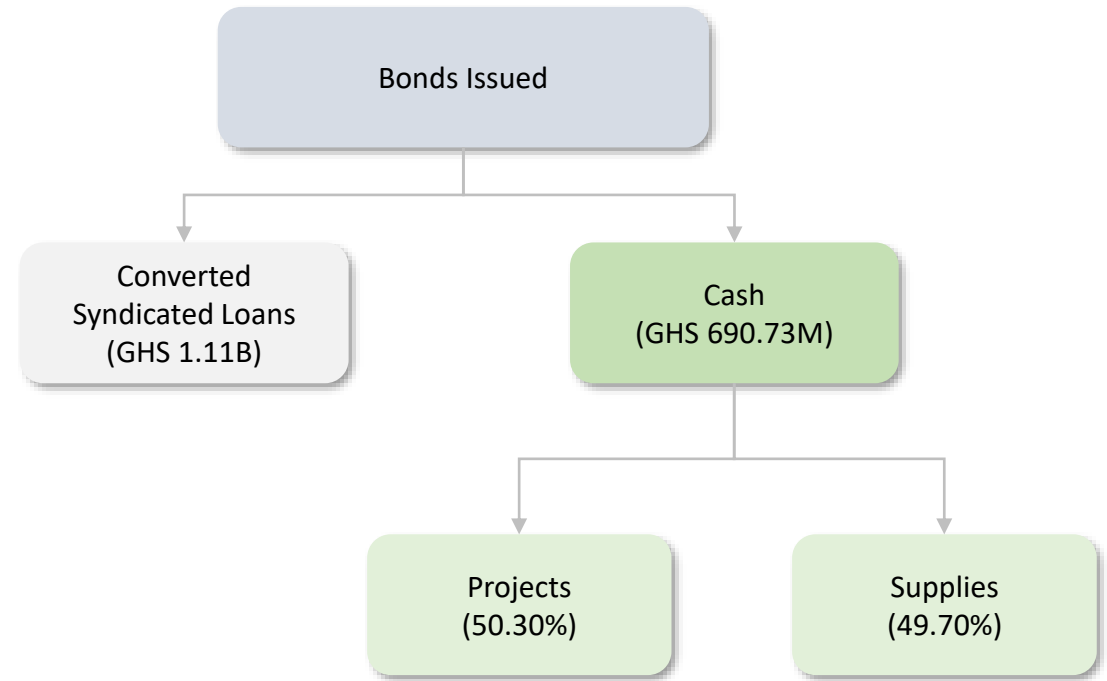
The outstanding amounts payable to Contractors in connection with the:

- supply of educational materials or equipment
- construction and/or completion of educational infrastructure

Settle GETFund's Creditor Debts

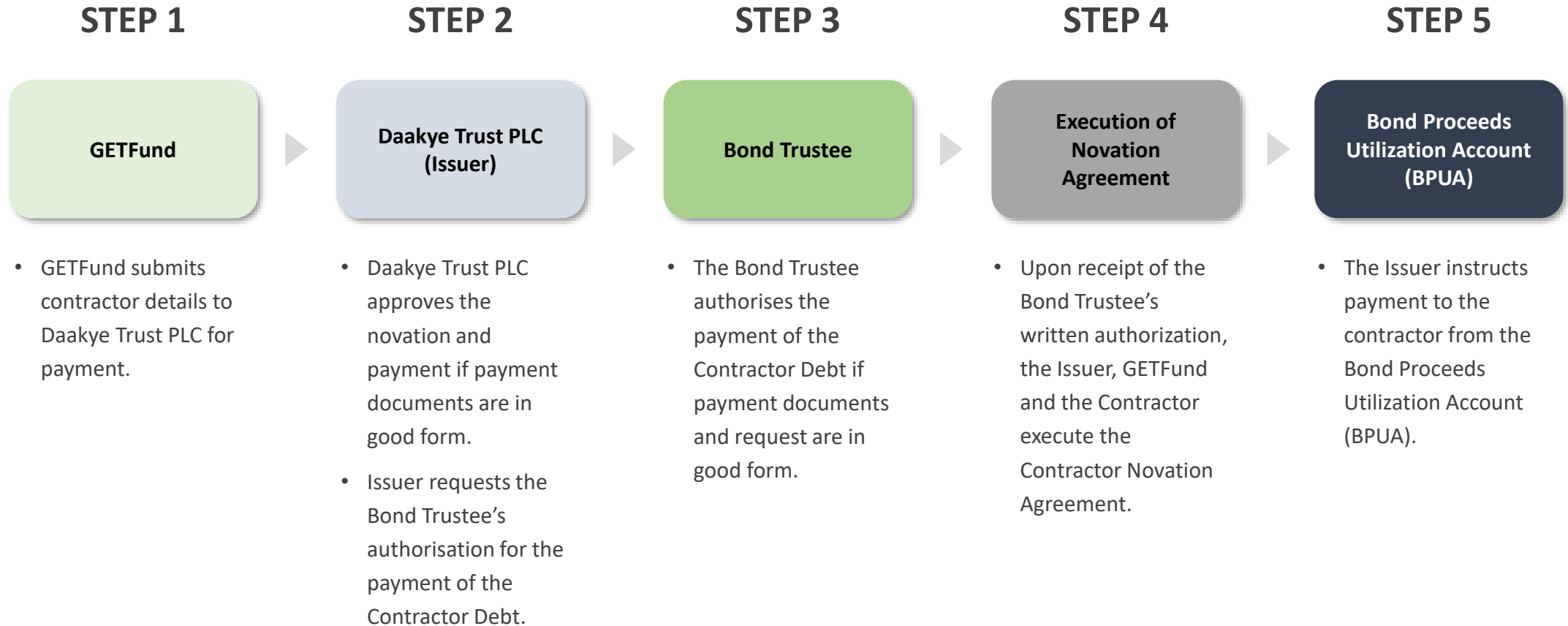
The accrued indebtedness of GETFund towards the Syndicated Loan banks refinanced under the Programme, the details of which is set out in each Creditor Novation Agreement.

Use of Proceeds - Tranche D1



- Projects comprise infrastructure developed at various Secondary and Tertiary institutions including dormitories, classrooms and lecture halls.
- Supplies include expenditure on Teaching and Learning Materials (TLMs), vehicles, and furniture for educational institutions.

Contractor Debt Settlement Process





D / Financial Performance

Financial Performance – Collections, Payments and Debt Service Provision

Daakye has, to date, received all assigned amounts per the assignment agreement, made all authorized contractor payments and transferred 1.25x of the debt service amount due for the first coupon payment in line with the bond terms

Collections from Controller and Accountants' General Department (CAGD) and Bank of Ghana as per the Assignment Agreement

	September – December 2020		January – March 2021	
	Expected	Actual	Expected	Actual
Total Collections (GHS)	205,838,313.14	205,838,313.14	196,503,880.53	196,503,880.53
<i>Actual vs. Expected Collections (%)</i>		100%		100%
Monthly Assigned Funds (GHS)	51,459,578.28	51,459,578.28	65,501,293.51	65,501,293.51

Payments Made by Daakye Trust PLC as at 31st March 2021

Payments to Contractors (GHS)	690,733,386.85
Transfer to Debt Service Reserve Account (GHS)*	181,905,893.12

*Transfer of 1.25x of the Debt Service Amount on 12th March 2021 (45 days before due date)



E / Proposed Offer and Timelines

Proposed Offer and Issuance Target for 2021

Proposed Offer for April 2021

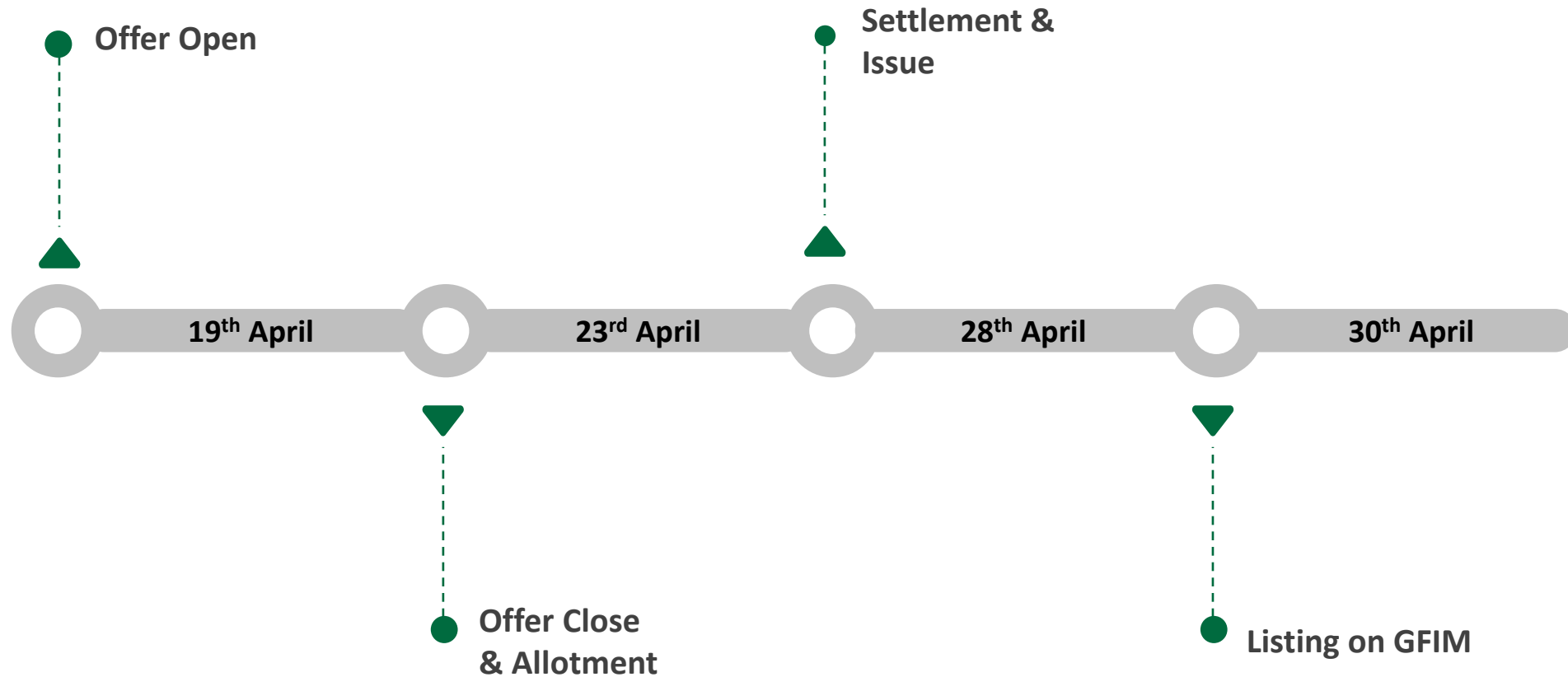
Tranche D1 (Re-tap)		Tranche D2 (New Issue)	
Maturity	18 October 2027	Maturity	[•] April 2031
Coupon	20.90%	Coupon	[•] %
Tenor	7 Years (5.6-Years WAL)	Tenor	10 Years (9-Years WAL)

- Total amount targeted for 2021 is between **GHS 600m – GHS1 billion** subject to market conditions.
- The financial model proved resilient to accommodate the target amount to ensure the minimum **DSCR of 1.25x** is maintained.

Indicative Terms for April 2021 Issuance

Issuer	Daakye Trust PLC	
Sponsor	Ghana Education Trust Fund	
Programme Size	GHS 5,500,000,000	
Status	Senior Unsecured (backed by receivables from the GETFund Levy)	
Tranche	Tranche D1 (Re-tap)	Tranche D2 (New Issue)
Issue Size	[•]	[•]
Coupon Rate	20.90%	[•]
Coupon Payment	Semi-annually	Semi-annually
Issue Price	[TBD]	100% of par value
Coupon Structure	Fixed rate	Fixed rate
Tenor	7-years (5.6-years WAL)	10-Years (9-Years WAL)
Re-Issue/Settlement Date	[•]	[•]
Maturity Date	18 October 2027	[•] April 2031
Denomination	GHS200,000 x GHS1,000	GHS200,000 x GHS1,000
Day Count	Actual/364	Actual/364
Principal Repayment	Amortised in the last 3 years of the bond (30%, 35% and 35%)	
Use of Proceeds	Finance education infrastructure and refinancing	
Currency	Ghana Cedi	
Listing	Ghana Fixed Income Market	
Governing Law	Ghanaian Law	
Joint Lead Managers	Databank Brokerage Limited & Temple Investments Limited	

Timetable for April 2021 Issuance



Q & A

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