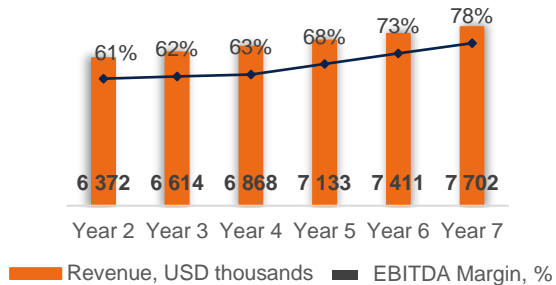




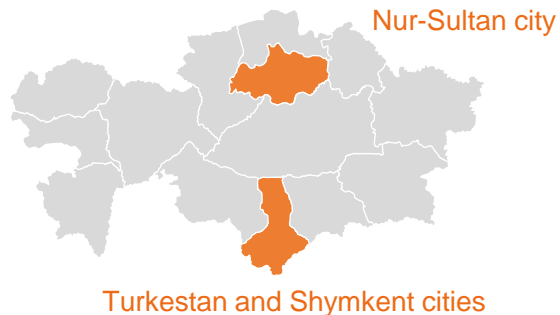
The School construction project in Nur-Sultan



Project Profitability



Location



Product

Capacity	2000 pupils
Domestic demand	3 337 783 pupils

Valuation Metrics

Total Investment	US\$18,6 million
Project NPV	US\$21,9 million
Project IRR	12.8%
Payback Period	9 years

Sukuk

Return	6% for USD/10% for KZT
Maturity	10 years for USD/10 years for KZT



The Project

The project involves construction of a middle school for 2000 pupils in Nur-Sultan. The school is intended to provide educational services for students on improved state educational system. Estimated school area will comprise 20 thousand sq. meters and include modern and ergonomic equipment. Total number of schools planned for construction under the Project is 20, currently construction of 5 schools is in process.



The Company

The company was established more than 20 years ago and is one of the industry leaders for the provision of educational services and international student recruitment.



The Market

Kazakhstan is geographically one of the largest of the former Soviet republics and has one of the lowest population densities globally. The country has transitioned from lower-middle-income to upper-middle-income status in less than two decades with its GDP per capita risen sixfold and poverty incidence fallen sharply since 2002.

The government of Kazakhstan has made systematic changes and reforms that have contributed to Kazakhstan's best rank on record (#25) in Ease of Doing Business by World Bank 2020.

Due to rapid population growth caused by migration and demographic processes in the last decade and low technical conditions of schools, Kazakh urban schools suffer from a shortage of student places and operate in plural shifts. It was estimated that by 2025 total deficit may reach 0.5 million of student places. In order to cover for this deficit, it is planned to construct around 800 schools. Current deficit in Nur-Sultan comprises of over 25 thousand student places.



Reasons for Engagement

In order to facilitate attraction of investments for construction of middle schools, government of Kazakhstan offered several incentives for potential investors and project initiators, such as:

- State in-kind grant in the form of land
- Reimbursement CAPEX: circa \$651 (new school) or \$318 (reconstruction of old school) per 1 pupil annually over 8 years
- Reimbursement of OPEX: circa \$1,083 per 1 pupil annually over the whole period of school operations
- Concessional financing competitive interest rate



Investment Opportunity

The Project manager is planning to issue an Islamic security (Sukuk al Wakalah certificate) on the AIX (Astana International Exchange) for US\$10.4 million (or KZT4.4 billion). The issuer is to receive a payment as return annually as well as dissolution at maturity.