

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the three months ended 31 March 2022



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Note	31-Mar-22	31-Dec-21
Assets			
Cash and bank balances		135 262 043	146 811 956
Reinsurance Asset		1 336 056	1 567 037
Other receivables		84 470 945	62 373 693
Derivative financial instruments		716 920	6 727 809
Current tax assets		16 490 474	16 360 496
Loans and advances	4	1 096 475 112	1 053 142 831
Other investments		46 814 553	34 033 545
Investment in associates		109 534 790	109 576 621
Goodwill		4 339 084	4 275 171
Property and equipment	5	7 225 023	7 835 818
Right-of-use assets		6 141 895	6 262 535
Intangible assets	5	47 693 135	48 359 254
Deferred tax assets		24 679 269	26 055 792
Total Assets		1 581 179 299	1 523 382 558
Liabilities			
Bank overdraft		18 047 573	21 012 425
Deposits from customers		123 770 175	104 466 846
Other payables		50 456 423	52 922 024
Current tax liabilities		10 174 287	8 635 385
Other financial liabilities		1 543 823	1 543 823
Lease liabilities		6 819 782	6 685 464
Borrowings	6	1 146 089 943	1 128 772 353
Deferred tax liabilities		2 967 178	2 795 960
Total Liabilities		1 359 869 184	1 326 834 280
Equity			
Share capital and treasury shares	7	399 543 505	399 543 505
Reserves		(261 175 576)	(275 845 399)
Retained earnings		77 950 859	67 782 223
Equity attributable to owners of the Company		216 318 788	191 480 329
Non-controlling interests		4 991 327	5 067 949
Total Equity		221 310 115	196 548 278
Total Liabilities and Equity		1 581 179 299	1 523 382 558

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

Figures in US Dollar	Note	Three months ended	
		31-Mar-22	31-Mar-21
Interest and other similar income		82 447 252	79 088 347
Interest and other similar expense		(45 149 578)	(39 184 923)
Net interest income		37 297 674	39 903 424
Lending related income		7 207 442	5 739 006
Income from insurance activities		628 409	754 490
Investment income		3 410 867	1 013 671
Other income		2 760 047	1 678 957
Non-interest Income		14 006 765	9 186 124
Operating income		51 304 439	49 089 548
Operating expenses		(28 973 705)	(30 875 243)
Foreign exchange losses		(841 342)	(876 831)
Operating profit before impairment on financial assets		21 489 392	17 337 474
Impairment on financial assets		(3 346 502)	(7 988 767)
Operating profit before share of post-tax results of associates		18 142 890	9 348 707
Share of post-tax results of associates		(960 009)	(263 240)
Operating profit before taxation		17 182 881	9 085 467
Taxation	3	(8 537 263)	(5 539 423)
Profit for the period		8 645 618	3 546 044
Attributable to:			
Owners of the Company		8 123 382	2 801 035
Non-controlling interests		522 236	745 009
Profit for the period		8 645 618	3 546 044
Earnings per share*			
Basic earnings per share		0.24	0.08
Diluted earnings per share		0.23	0.08
Basic weighted average number of shares *		34 499 058	34 630 104
Diluted weighted average number of shares *		34 753 473	34 801 935

* The basic and diluted weighted average number of shares excludes treasury shares and includes shares to be issued for convertible equity instruments

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Figures in US Dollar	Three months ended	
	31-Mar-22	31-Mar-21
Profit for the period	8 645 618	3 546 044
Other comprehensive income/(loss), net of taxation		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net fair value gain on investments in equity instruments designated as at fair value through other comprehensive income	17 781 008	-
Share of other comprehensive loss of associates	-	(162 831)
Total items that will not be reclassified subsequently to profit or loss	17 781 008	(162 831)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign exchange differences	1 164 132	(6 297 474)
Fair value loss arising on hedging instruments	(2 828 921)	-
Total items that may be reclassified subsequently to profit or loss	(1 664 789)	(6 297 474)
Other comprehensive income/(loss) for the period, net of taxation	16 116 219	(6 460 305)
Total comprehensive income/(loss) for the period	24 761 837	(2 914 261)
Attributable to:		
Owners of the Company	24 838 459	(3 311 667)
Non-controlling interests	(76 622)	397 406
Total comprehensive income/(loss) for the period	24 761 837	(2 914 261)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in US Dollar	Share capital	Share premium	Share application monies	Convertible equity instrument	Treasury shares	Limited -voting B Shares	Total share capital and treasury shares	Translation reserve	Cash flow hedging reserve	Put option on own shares	Equity settled reserve	Other reserves	Total reserves	Retained earnings	Attributable to owners of the Company	Total non-controlling interests	Total
Balance at 01 January 2021	31 384	315 336 346	104 937	60 560 000	(3 893 087)	30 000 000	402 139 580	(357 911 586)	-	(2 406 602)	4 380 024	41 186 658	(314 751 506)	68 668 593	156 056 667	15 995 860	172 052 527
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	2 801 035	2 801 035	745 009	3 546 044
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(5 949 871)	-	-	-	(162 831)	(6 112 702)	-	(6 112 702)	(347 603)	(6 460 305)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(5 949 871)	-	-	-	(162 831)	(6 112 702)	2 801 035	(3 311 667)	397 406	(2 914 261)
Change in ownership interests	-	-	-	-	-	-	-	(4 525)	-	-	-	-	(4 525)	-	(4 525)	(3 441 387)	(3 445 912)
Transfer to reserves	-	-	-	-	-	-	-	-	-	3 279 672	3 279 672	-	3 279 672	(3 279 672)	-	-	-
Balance at 31 March 2021	31 384	315 336 346	104 937	60 560 000	(3 893 087)	30 000 000	402 139 580	(363 865 982)	-	(2 406 602)	4 380 024	44 303 499	(317 589 061)	68 189 956	152 740 475	12 951 879	165 692 354
Balance at 01 January 2022	31 394	315 441 273	-	60 560 000	(6 489 162)	30 000 000	399 543 505	(354 149 995)	2 517 994	-	4 821 987	70 964 615	(275 845 399)	67 782 223	191 480 329	5 067 949	196 548 278
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	8 123 382	8 123 382	522 236	8 645 618
Other comprehensive income	-	-	-	-	-	-	-	1 762 990	(2 828 921)	-	-	17 781 008	16 715 077	-	16 715 077	(598 858)	16 116 219
Total comprehensive income for the period	-	-	-	-	-	-	-	1 762 990	(2 828 921)	-	-	17 781 008	16 715 077	8 123 382	24 838 459	(76 622)	24 761 837
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	(951 974)	(951 974)	951 974	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	(1 093 280)	(1 093 280)	1 093 280	-	-	-
Balance at 31 March 2022	31 394	315 441 273	-	60 560 000	(6 489 162)	30 000 000	399 543 505	(352 387 005)	(310 927)	-	4 821 987	86 700 369	(261 175 576)	77 950 859	216 318 788	4 991 327	221 310 115

Note

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Three months ended	
	31-Mar-22	31-Mar-21
Cash flows from operating activities		
Profit before taxation	17 182 881	9 085 467
Adjustments for:		
Share of post tax results of associates	960 009	263 240
Depreciation and amortisation	2 433 304	2 804 571
Loss on disposal of property and equipment and intangible assets	(703)	(2 617)
Unrealised exchange gains/(losses)	(1 767 145)	336 226
Finance costs	45 149 578	39 184 923
Dividends income	(830 000)	(1 795 503)
Movement in provision for credit impairment	4 399 318	9 253 343
Movement in provisions and share based payments	(132 499)	-
Profit before tax adjusted for non-cash items	67 394 743	59 129 650
Dividend received from equity instruments designated as at FVTOCI	830 000	1 795 503
Finance costs paid	(40 036 629)	(39 159 371)
Tax paid	(5 422 142)	(1 916 307)
Cash generated by operations before changes in working capital	22 765 972	19 849 475
Changes in working capital:		
(Increase)/decrease in other receivables	(6 870 009)	14 003 515
Increase in gross advances	(54 448 821)	(30 770 697)
Increase in deposits from customers	25 574 317	2 758 164
Increase in other payables	23 921 604	2 762 365
Net cash generated by operating activities	10 943 063	8 602 822
Cash flows from investing activities		
Proceeds on disposal of property and equipment and intangible assets	1 818	34 662
Purchase of property and equipment and intangible assets	(871 483)	(1 387 873)
Net movement in amount due to associates	7 364	-
Cash inflow from associates on repayment of loans	196 081	-
Net cash flows used in investing activities	(666 220)	(1 353 211)
Cash flows from financing activities		
Repayment of bonds	(251 893)	-
Proceeds from borrowings	105 164 072	94 516 270
Repayment of borrowings	(119 649 395)	(115 832 044)
Repayment of lease liabilities	(481 495)	(524 329)
Net cash flows used in financing activities	(15 218 711)	(21 840 103)
Net decrease in cash and cash equivalents	(4 941 868)	(14 590 492)
Cash and cash equivalents at the beginning of the period	125 799 531	170 683 007
Derecognition of subsidiary	-	(7 212 371)
Effect of foreign exchange rate changes	(3 643 193)	(11 771 359)
Cash and cash equivalents at the end of the period	117 214 470	137 108 785

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Background

Bayport Management Ltd (the "Company") is incorporated in Mauritius and listed on the Stock Exchange of Mauritius. The Company is a holding company to the following legal entities:

Name of subsidiaries	Place of incorporation
Bayport Financial Services Limited	Zambia
Bayport Savings and Loans Limited	Ghana
Bayport Financial Services (T) Limited	Tanzania
Bayport Financial Services Uganda Limited	Uganda
Money Quest Investments (Proprietary) Limited	Botswana
Bayport Colombia S.A.	Colombia
Bayport Asesores Ltda	Colombia
Bayport Financial Services Mozambique (MCB), S.A	Mozambique
Actvest Mexico S.A.PI de C.V, E.N.R	Mexico
Financiera Fortaleza, S.A de C.V, SOFOM E.N.R	Mexico
Desembolsos 48H SA DE CV	Mexico
Cashfoundry Limited	United Kingdom
Actvest Limited	Mauritius
Bayport Latin America Holdings Ltd	Mauritius
Bayport International Headquarter Company (Pty) Limited	South Africa
Actvest Proprietary Limited	South Africa
Bayport Financial Services (USA), Inc.	United States
Sugaree Insurance Company Limited	Bermuda

Both the Company's registered office, Bellerive Corporate Management Services (Mauritius) Ltd and the Company's principal place of business, are located at 3rd Floor, Ebene Skies, Rue De L'Institut, Ebene, Mauritius.

2. Basis of preparation

2.1 Statement of compliance

The unaudited condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

2.2 Significant accounting policies

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain financial instruments which are at fair value.

The same accounting policies and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2021.

2.3 Functional and presentation currency

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States Dollars using exchange rates prevailing at the reporting date. Income and expenditure are translated at average rates of exchange for the period while balances are translated at month end rates.

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(continued)

Figures in US Dollar

3. Taxation

Income tax for the period is accrued taking into consideration non-deductible expenditure during the period for each entity within the Group.

4. Loans and advances

	31-Mar-22	31-Dec-21
Gross advances	1 162 396 832	1 116 362 741
Impairment provision	(65 921 720)	(63 219 910)
Net advances	1 096 475 112	1 053 142 831
Impairment provision		
Opening balance	63 219 910	51 173 835
Impairment recognised in profit or loss	3 361 875	18 907 689
Utilisation of allowance for impairment	375 628	(23 142 480)
Foreign exchange movements	(1 035 693)	16 280 866
Closing balance	65 921 720	63 219 910

5. Property and equipment and intangible assets

During the period, the Group spent USD 0.9 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

6. Borrowings

	31-Mar-22			31-Dec-21		
	Senior	Subordinated	Total	Senior	Subordinated	Total
Corporate bonds	296 280 776	81 568 956	377 849 732	304 325 129	79 197 423	383 522 552
Other term loans	726 260 498	20 467 719	746 728 217	727 453 229	20 000 000	747 453 229
Revolving credit facility	34 421 267	-	34 421 267	12 028 614	-	12 028 614
Subtotal	1 056 962 541	102 036 675	1 158 999 216	1 043 806 972	99 197 423	1 143 004 395
Less: deferred transaction costs	(12 817 059)	(92 214)	(12 909 273)	(14 119 696)	(112 346)	(14 232 042)
Total	1 044 145 482	101 944 461	1 146 089 943	1 029 687 276	99 085 077	1 128 772 353

As at 31 March 2022, the Group has USD 127.4 million (2021: 195.6 million) undrawn committed facilities available.

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(continued)

Figures in US Dollar

7. Share capital and treasury shares

	31-Mar-22	31-Dec-21
Share capital	31 394	31 394
Share premium	315 441 273	315 441 273
Share application monies	-	-
Convertible equity instrument	60 560 000	60 560 000
Limited-voting B Shares	30 000 000	30 000 000
Total share capital	406 032 667	406 032 667
Treasury shares	(6 489 162)	(6 489 162)
Total share capital and treasury shares	399 543 505	399 543 505
Number of Ordinary shares	31 394 663	31 394 663
Number of Limited-voting B Shares	30	30

8. Events after the reporting period

During May 2022, senior social bonds of USD 250 million and subordinated social bonds of USD 30 million was successfully issued on the Nasdaq Stockholm Sustainable Bond market. The bonds are unsecured carrying interest rates of 13% and 15% respectively and are due to mature in 2025. The company intends to repurchase outstanding senior and subordinated bonds due in 2022.

The above unaudited condensed consolidated Financial Statements are issued pursuant to Listing Rules 11.3 and 11.5 of the Stock Exchange of Mauritius Ltd, the Securities Act 2005 of Mauritius.

The Board of Directors of Bayport Management Ltd accepts full responsibility for the accuracy of the information contained in these unaudited condensed consolidated Financial Statements.