

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the nine months ended 30 September 2023



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Note	30-Sep-23	31-Dec-22
Assets			
Cash and cash equivalents		154 559 074	144 894 220
Other receivables		65 748 853	57 154 791
Derivative financial assets		8 465 480	13 307 996
Current tax assets		17 157 682	17 560 988
Loans and advances	4	1 207 485 604	1 120 847 024
Other investments		44 197 938	40 194 473
Investment in associates		85 369 778	95 366 916
Goodwill		4 656 148	4 260 416
Property and equipment	5	5 960 361	6 107 391
Right-of-use assets		5 627 066	6 694 440
Intangible assets	5	39 770 120	43 146 170
Deferred tax assets		24 197 186	24 202 179
Total Assets		1 663 195 290	1 573 737 004
Liabilities			
Bank overdraft		5 339 543	4 153 005
Deposits from customers		107 891 180	112 462 088
Other payables		48 116 041	54 661 047
Current tax liabilities		4 491 765	9 625 046
Derivative financial liabilities		7 813 339	6 886 334
Reinsurance liabilities		-	1 479 924
Lease liabilities		6 613 829	7 526 218
Borrowings-Senior	6	1 190 724 770	1 081 423 699
Borrowings-Subordinated		126 090 512	123 766 160
Deferred tax liabilities		5 898 755	4 821 315
Total Liabilities		1 502 979 734	1 406 804 836
Equity			
Share capital and treasury shares	7	416 099 023	416 099 023
Reserves		(323 173 357)	(321 693 574)
Retained earnings		66 081 519	69 564 007
Equity attributable to owners of the Company		159 007 185	163 969 456
Non-controlling interests		1 208 371	2 962 712
Total Equity		160 215 556	166 932 168
Total Liabilities and Equity		1 663 195 290	1 573 737 004

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

Figures in US Dollar	Note	Three months ended		Nine months ended	
		30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Interest and other similar income		85 279 436	83 883 934	247 526 603	251 294 746
Interest and other similar expense		(57 870 721)	(48 099 774)	(159 647 622)	(141 680 018)
Net interest income		27 408 715	35 784 160	87 878 981	109 614 728
Lending related income		7 568 842	8 062 573	22 621 499	19 571 447
Income from insurance activities		665 289	440 163	1 625 273	1 534 148
Investment income		3 052 102	3 418 667	7 914 334	11 060 890
Other income		226 652	8 745 952	2 785 325	14 143 588
Non-interest Income		11 512 885	20 667 355	34 946 431	46 310 073
Operating income		38 921 600	56 451 515	122 825 412	155 924 801
Operating expenses		(28 994 414)	(37 364 040)	(86 150 341)	(97 127 290)
Foreign exchange losses		(1 373 371)	222 211	(526 755)	(954 638)
Operating profit before impairment on financial assets		8 553 815	19 309 686	36 148 316	57 842 873
Impairment on financial assets		(4 943 676)	(4 938 875)	(9 623 453)	(13 301 019)
Operating profit before share of post-tax results of associates		3 610 139	14 370 811	26 524 863	44 541 854
Share of post-tax results of associates		(799 057)	(943 505)	(310 980)	(2 815 256)
Operating profit before taxation		2 811 082	13 427 306	26 213 883	41 726 598
Taxation	3	(6 266 450)	(7 362 320)	(21 703 122)	(25 660 387)
(Loss)/profit for the period		(3 455 368)	6 064 986	4 510 761	16 066 211
Attributable to:					
Owners of the Company		(3 683 687)	5 342 419	3 711 650	14 559 683
Non-controlling interests		228 319	722 567	799 111	1 506 528
(Loss)/profit for the period		(3 455 368)	6 064 986	4 510 761	16 066 211
Earnings per share*					
Basic earnings per share		(0.11)	0.16	0.11	0.42
Diluted earnings per share		(0.11)	0.15	0.11	0.42
Basic weighted average number of shares *		34 430 450	34 430 450	34 430 450	34 430 450
Diluted weighted average number of shares *		34 646 849	34 684 865	34 646 849	34 684 865

* The basic and diluted weighted average number of shares excludes treasury shares.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Figures in US Dollar	Three months ended		Nine months ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Profit for the period	(3 455 368)	6 064 986	4 510 761	16 066 211
Other comprehensive income/(loss), net of taxation				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net fair value gain/(loss) on investments in equity instruments designated as at fair value through other comprehensive income	-	(5 000 000)	4 003 500	12 781 008
Total items that will not be reclassified subsequently to profit or loss	-	(5 000 000)	4 003 500	12 781 008
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange differences	(17 414 778)	(18 883 330)	(17 941 473)	(35 083 166)
Fair value gain/(loss) arising on hedging instruments	541 774	(5 997 543)	6 276 428	(8 313 899)
Total items that may be reclassified subsequently to profit or loss	(16 873 004)	(24 880 873)	(11 665 045)	(43 397 065)
Other comprehensive loss for the period, net of taxation	(16 873 004)	(29 880 873)	(7 661 545)	(30 616 057)
Total comprehensive loss for the period	(20 328 372)	(23 815 887)	(3 150 784)	(14 549 846)
Attributable to:				
Owners of the Company	(20 266 278)	(24 523 245)	(3 570 219)	(15 811 971)
Non-controlling interests	(62 094)	707 358	419 435	1 262 125
Total comprehensive loss for the period	(20 328 372)	(23 815 887)	(3 150 784)	(14 549 846)

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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	Capital Contribution	Total share capital and treasury shares	Translation reserve	Cash flow hedging reserve	Equity settled reserve	Other reserves	Total reserves	Retained earnings	Attributable to owners of the Company	Total non-controlling interests	Total
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	-	-	-	-	-	-	-	-	-	-	-	-	-	14 559 683	14 559 683	1 506 528	16 066 211
Other comprehensive (loss)/income	-	-	-	-	-	-	-	-	(34 838 763)	(8 313 899)	-	12 781 008	(30 371 654)	-	(30 371 654)	(244 403)	(30 616 057)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	-	(34 838 763)	(8 313 899)	-	12 781 008	(30 371 654)	14 559 683	(15 811 971)	1 262 125	(14 549 846)
Buy back of ordinary shares	-	-	-	-	(288 162)	-	-	(288 162)	-	-	(14 047)	-	(14 047)	-	(302 209)	-	(302 209)
Transfer of investment revaluation reserve upon disposal of investments in associates	-	-	-	-	-	-	-	-	(951 974)	-	-	(951 974)	(951 974)	951 974	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(436 534)	(436 534)	-	(436 534)
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	2 976 631	2 976 631	(2 976 631)	-	-	-
Balance at 30 September 2022	31 394	315 441 273	-	60 560 000	(6 777 324)	30 000 000	-	399 255 343	(388 988 758)	(5 795 905)	4 807 940	85 770 280	(304 206 443)	79 880 715	174 929 615	6 330 074	181 259 689
Balance at 01 January 2023	31 394	315 441 273	60 560 000	-	(6 777 324)	30 000 000	16 843 680	416 099 023	(398 511 025)	(7 509 466)	4 897 356	79 429 561	(321 693 574)	69 564 007	163 969 456	2 962 712	166 932 168
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	3 711 650	3 711 650	799 111	4 510 761
Other comprehensive (loss)/income	-	-	-	-	-	-	-	-	(17 561 797)	6 276 428	-	4 003 500	(7 281 869)	-	(7 281 869)	(379 676)	(7 661 545)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	-	(17 561 797)	6 276 428	-	4 003 500	(7 281 869)	3 711 650	(3 570 219)	419 435	(3 150 784)
Issue of shares	3 431	60 556 569	(60 560 000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of share-based payment	-	-	-	-	-	-	-	-	-	-	200 000	-	200 000	-	200 000	-	200 000
Retained earnings adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	(120 073)	(120 073)	-	(120 073)
Change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(1 471 979)	(1 471 979)	(1 856 066)	(3 328 045)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(317 710)	(317 710)
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	5 602 086	5 602 086	(5 602 086)	-	-	-
Balance at 30 September 2023	34 825	375 997 842	-	-	(6 777 324)	30 000 000	16 843 680	416 099 023	(416 072 822)	(1 233 038)	5 097 356	89 035 147	(323 173 357)	66 081 519	159 007 185	1 208 371	160 215 556

Note

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Nine months ended	
	30-Sep-23	30-Sep-22
Cash flows from operating activities		
Profit before taxation	26 213 883	41 726 598
Adjustments for:		
Share of post tax results of associates	310 980	2 815 256
Depreciation and amortisation	7 790 259	7 919 685
Gain on disposal of property and equipment and intangible assets	(2 220)	(17 992)
Unrealised exchange losses	594 497	3 655 348
Finance costs	159 648 451	141 680 018
Dividend income	(5 900 826)	(5 017 208)
Profit on disposal of associates	-	(2 792 350)
Movement in provision for credit impairment	12 757 135	16 667 042
Movement in provisions and share based payments	200 000	(262 503)
Reversal of impairment/(Impairment) of tax receivable	(1 730 000)	478 994
Profit before tax adjusted for non-cash items	199 882 159	206 852 888
Dividend received from equity instruments designated as at FVTOCI	5 900 826	5 017 208
Finance costs paid	(122 933 595)	(67 909 481)
Tax paid	(24 101 540)	(24 591 373)
Cash generated by operations before changes in working capital	58 747 850	119 369 240
Changes in working capital:		
Increase in other receivables	(24 985 095)	(15 162 556)
Increase in gross advances	(78 783 641)	(156 609 282)
Increase in deposits from customers	480 742	24 013 493
Decrease in other payables	(1 860 274)	(8 360 692)
Net cash used in operating activities	(46 400 418)	(36 749 797)
Cash flows from investing activities		
Proceeds on disposal of property and equipment and intangible assets	73 931	84 456
Purchase of property and equipment and intangible assets	(2 492 315)	(2 907 097)
Net movement in amount due to associates	29 628	15 385
Cash inflow from associates on repayment of loans	1 734 835	903 604
Net cash flows from disposal of associate	-	12 355 595
Net cash flows (used in)/generated by investing activities	(653 921)	10 451 943
Cash flows from financing activities		
Proceeds from issue of bonds	34 068 062	300 000 000
Repayment of bonds	(6 570 649)	(297 932 050)
Proceeds from borrowings	264 883 626	407 342 988
Repayment of borrowings	(234 261 075)	(384 287 415)
Repayment of lease liabilities	(1 997 687)	(1 873 666)
Dividend (paid)/received	317 710	(493 175)
Movement in equity settled reserves	-	(14 047)
Payment on buyback of shares	(3 084 573)	-
Movement in other reserves	4 425 349	3 839 067
Net cash flows generated by financing activities	57 780 763	26 581 702
Net increase in cash and cash equivalents	10 726 424	283 848
Cash and cash equivalents at the beginning of the period	140 741 215	125 799 531
Effect of foreign exchange rate changes	(2 248 108)	3 897 740
Cash and cash equivalents at the end of the period	149 219 531	129 981 119

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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
Golden Road 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 2022.

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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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

	30-Sep-23	31-Dec-22
Gross advances	1 277 732 038	1 186 701 846
Impairment provision	(70 246 434)	(65 854 822)
Net advances	1 207 485 604	1 120 847 024

Impairment provision

Opening balance	65 854 822	63 219 910
Impairment recognised in profit or loss	9 647 268	16 202 589
Utilisation of allowance for impairment	(8 013 769)	(2 855 812)
Foreign exchange and other movements	2 758 113	(10 711 865)
Closing balance	70 246 434	65 854 822

5. Property and equipment and intangible assets

During the period, the Group spent USD 2.5 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

6. Borrowings

	30-Sep-23			31-Dec-22		
	Senior	Subordinated	Total	Senior	Subordinated	Total
Corporate bonds	337 470 429	48 729 166	386 199 595	306 174 968	46 854 168	353 029 136
Other term loans	804 444 144	78 025 460	882 469 604	725 298 875	77 554 283	802 853 158
Revolving credit facility	68 143 993	-	68 143 993	66 926 616	-	66 926 616
Subtotal	1 210 058 566	126 754 626	1 336 813 192	1 098 400 459	124 408 451	1 222 808 910
Less: deferred transaction costs	(19 333 796)	(664 114)	(19 997 910)	(16 976 760)	(642 291)	(17 619 051)
Total	1 190 724 770	126 090 512	1 316 815 282	1 081 423 699	123 766 160	1 205 189 859

As at 30 September 2023, the Group has USD 33.6 million (2022: USD 112.7 million) undrawn committed facilities available.

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Figures in US Dollar

7. Share capital and treasury shares

	30-Sep-23	31-Dec-22
Share capital	34 825	31 394
Share premium	375 997 842	315 441 273
Share application monies	-	60 560 000
Capital Contribution	16 843 680	-
Limited-voting B Shares	30 000 000	30 000 000
Total share capital	422 876 347	406 032 667
Treasury shares	(6 777 324)	(6 777 324)
Total share capital and treasury shares	416 099 023	399 255 343
Number of Ordinary shares	34 826 074	31 394 663
Number of Limited-voting B Shares	30	30

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.