

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the nine months ended 30 September 2020



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Note	30-Sep-20	31-Dec-19
Assets			
Cash and bank balances		137 973 862	118 353 716
Other receivables		43 578 634	64 261 513
Current tax assets		11 505 314	14 191 509
Loans and advances	4	906 821 066	1 034 327 321
Other investments		23 980 537	20 870 981
Investment in associates	5	92 053 789	113 111 018
Goodwill		6 902 020	7 743 342
Property and equipment	6	7 504 896	11 269 971
Right-of-use assets		6 349 416	9 338 463
Intangible assets	6	55 447 383	56 900 604
Deferred tax assets		26 926 719	24 242 445
Total Assets		1 319 043 636	1 474 610 883
Liabilities			
Bank overdraft		3 145 169	49 893 877
Deposits from customers		75 449 597	74 954 133
Other payables		60 446 079	61 497 225
Current tax liabilities		3 745 770	3 068 022
Other financial liabilities		3 652 692	3 345 070
Lease liabilities		6 661 885	8 834 505
Borrowings	7	1 017 374 761	1 044 519 383
Deferred tax liabilities		22 130	33 923
Total Liabilities		1 170 498 083	1 246 146 138
Equity			
Share capital and treasury shares	8	402 270 124	404 568 832
Reserves		(337 392 370)	(244 360 014)
Retained earnings		69 124 304	51 434 289
Equity attributable to owners of the Company		134 002 058	211 643 107
Non-controlling interests		14 543 495	16 821 638
Total Equity		148 545 553	228 464 745
Total Liabilities and Equity		1 319 043 636	1 474 610 883

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Figures in US Dollar	Note	Three months ended		Nine months ended	
		30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Interest and other similar income		80 520 230	91 163 717	248 322 283	258 385 180
Interest and other similar expense		(40 512 319)	(38 717 490)	(123 581 835)	(110 951 593)
Net interest income		40 007 911	52 446 227	124 740 448	147 433 587
Lending related income		7 197 209	5 952 443	22 939 736	32 099 463
Other interest income		986 334	895 316	3 397 446	2 566 844
Other income		472 002	1 909 944	1 338 092	3 166 692
Income from insurance activities		4 225 925	2 119 225	11 107 309	2 960 149
Non-interest Income		12 881 470	10 876 928	38 782 583	40 793 148
Operating income		52 889 381	63 323 155	163 523 031	188 226 735
Operating expenses		(35 559 729)	(40 995 815)	(100 957 080)	(115 508 171)
Foreign exchange (losses)/gains		(155 972)	(372 616)	1 839 706	(833 300)
Operating profit before impairment on financial assets		17 173 680	21 954 724	64 405 657	71 885 264
Impairment on financial assets		(6 091 002)	(5 850 780)	(16 589 613)	(16 569 714)
Operating profit		11 082 678	16 103 944	47 816 044	55 315 550
Share of post-tax results of associates	5	(963 504)	(855 153)	(2 591 278)	925 033
Profit before taxation		10 119 174	15 248 791	45 224 766	56 240 583
Taxation	3	(6 043 504)	(9 457 582)	(19 136 098)	(19 567 808)
Profit for the period		4 075 670	5 791 209	26 088 668	36 672 775
Attributable to:					
Owners of the Company		2 851 622	4 809 364	22 435 235	33 294 816
Non-controlling interests		1 224 048	981 845	3 653 433	3 377 959
Profit for the period		4 075 670	5 791 209	26 088 668	36 672 775
Earnings per share					
Basic earnings per share		0.08	0.14	0.65	0.97
Diluted earnings per share		0.08	0.14	0.64	0.96
Basic weighted average number of shares		34 642 910	34 423 795	34 691 132	34 344 489
Diluted weighted average number of shares		35 063 336	34 887 933	35 111 557	34 808 628

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Figures in US Dollar	Three months ended		Nine months ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Profit for the period	4 075 670	5 791 209	26 088 668	36 672 775
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	612 493	1 392 598	3 155 973	(13 201 903)
Share of other comprehensive income of associates	66 233	-	66 233	-
Total items that will not be reclassified subsequently to profit or loss	678 726	1 392 598	3 222 206	(13 201 903)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange differences	(7 665 992)	(26 266 566)	(106 587 853)	(36 862 538)
Effect of cash flow hedges	-	-	-	2 654 944
Total items that may be reclassified subsequently to profit or loss	(7 665 992)	(26 266 566)	(106 587 853)	(34 207 594)
Other comprehensive loss for the period, net of taxation	(6 987 266)	(24 873 968)	(103 365 647)	(47 409 497)
Total comprehensive loss for the period	(2 911 596)	(19 082 759)	(77 276 979)	(10 736 722)
Attributable to:				
Owners of the Company	(2 864 911)	(19 682 034)	(75 595 712)	(12 592 378)
Non-controlling interests	(46 685)	599 275	(1 681 267)	1 855 656
Total comprehensive loss for the period	(2 911 596)	(19 082 759)	(77 276 979)	(10 736 722)

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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 2019	30 938	304 829 584	9 635 352	60 560 000	(1 498 760)	-	373 557 114	(260 796 484)	(2 654 944)	(2 406 602)	6 677 319	54 782 840	(204 397 871)	46 657 871	215 817 114	14 580 806	230 397 920
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	33 294 816	33 294 816	3 377 959	36 672 775
Other comprehensive (loss)/income	-	-	-	-	-	-	(35 340 235)	(35 340 235)	2 654 944	-	-	(13 201 903)	(45 887 194)	-	(45 887 194)	(1 522 303)	(47 409 497)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(35 340 235)	(35 340 235)	2 654 944	-	-	(13 201 903)	(45 887 194)	33 294 816	(12 592 378)	1 855 656	(10 736 722)
Issue of shares	397	9 634 955	(9 011 804)	-	-	-	623 548	-	-	-	(623 548)	-	(623 548)	-	-	-	-
Recognition of share based payments	-	-	-	-	-	-	-	-	-	-	1 736 027	-	1 736 027	-	1 736 027	-	1 736 027
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	-	348 044	348 044	(348 044)	-	-	-
Change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 331 703	2 331 703
Balance at 30 September 2019	31 335	314 464 539	623 548	60 560 000	(1 498 760)	-	374 180 662	(296 136 719)	-	(2 406 602)	7 789 798	41 928 981	(248 824 542)	79 604 643	204 960 763	18 768 165	223 728 928
Balance at 01 January 2020	31 398	315 476 194	-	60 560 000	(1 498 760)	30 000 000	404 568 832	(282 448 337)	-	(2 406 602)	8 109 929	32 384 996	(244 360 014)	51 434 289	211 643 107	16 821 638	228 464 745
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	22 435 235	22 435 235	3 653 433	26 088 668
Other comprehensive (loss)/income	-	-	-	-	-	-	(101 253 153)	(101 253 153)	-	-	-	3 222 206	(98 030 947)	-	(98 030 947)	(5 334 700)	(103 365 647)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(101 253 153)	(101 253 153)	-	-	-	3 222 206	(98 030 947)	22 435 235	(75 595 712)	(1 681 267)	(77 276 979)
Buy back of ordinary shares	-	-	-	-	(237 621)	-	(237 621)	-	-	-	237 621	-	237 621	-	-	-	-
Transfer of pledged ordinary shares	-	-	-	-	(2 061 087)	-	(2 061 087)	-	-	-	-	-	-	-	(2 061 087)	-	(2 061 087)
Recognition of share based payments	-	-	-	-	-	-	-	-	-	-	151 348	-	151 348	-	151 348	-	151 348
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	-	4 609 622	4 609 622	(4 609 622)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(135 598)	(135 598)	(596 876)	(732 474)
Balance at 30 September 2020	31 398	315 476 194	-	60 560 000	(3 797 468)	30 000 000	402 270 124	(383 701 490)	-	(2 406 602)	8 498 898	40 216 824	(337 392 370)	69 124 304	134 002 058	14 543 495	148 545 553

Note

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Nine months ended	
	30-Sep-20	30-Sep-19
Cash flows from operating activities		
Profit before taxation	45 224 766	56 240 583
Adjustments for:		
Share of post tax results of associates	2 591 278	(925 033)
Depreciation and amortisation	7 235 961	6 616 732
Loss/(profit) on disposal of property and equipment and intangible assets	59 552	(46 483)
Unrealised exchange profit	(576 774)	(26 104 855)
Finance costs	123 581 835	110 887 365
Dividends income	(7 579 482)	(19 423 046)
Movement in provision for credit impairment	20 982 519	20 599 448
Movement in provisions and share based payments	151 348	1 574 629
Impairment of internally generated assets	546 842	-
Profit before tax adjusted for non-cash items	192 217 845	149 419 340
Dividend received from equity instruments designated as at FVTOCI	7 579 482	20 143 299
Finance costs paid	(123 214 356)	(110 292 382)
Tax paid	(11 030 746)	(19 982 700)
Cash generated by operations before changes in working capital	65 552 225	39 287 557
Changes in working capital:		
Increase in other receivables	(204 496)	(17 302 629)
Increase in gross advances	(45 806 987)	(196 485 741)
Increase in deposits from customers	14 587 456	4 054 098
Increase in other payables	6 753 445	1 807 052
Net cash generated by/(used in) operating activities	40 881 643	(168 639 663)
Cash flows from investing activities		
Proceeds on disposal of property and equipment and intangible assets	54 053	109 899
Purchase of property and equipment and intangible assets	(3 614 412)	(23 480 716)
Net movement in amounts due from associates	9 949 544	1 007
Cash inflow from associates on repayment of loans	7 147 126	-
Net cash flows from acquisition of subsidiary	-	1 316 021
Net movement in investment in associates	-	(122 400)
Net cash flows generated by/(used in) investing activities	13 536 311	(22 176 189)
Cash flows from financing activities		
Proceeds from issue of bonds	7 737 735	262 547 870
Repayment of bonds	(8 606 811)	(211 669 016)
Proceeds from borrowings	134 387 687	241 217 439
Repayment of borrowings	(98 476 705)	(91 666 503)
Repayment on lease liabilities	(1 533 619)	(1 864 563)
Net cash flow on buy back of shares	(73 512)	-
Proceeds from issue of redeemable preference shares	75 830	-
Dividend paid to preference shareholders	(1 914 246)	-
Mark-to-Market receipts on forward contracts	-	19 201 751
Net cash flows generated by financing activities	31 596 359	217 766 978
Net increase in cash and cash equivalents	86 014 313	26 951 126
Net cash and cash equivalents at the beginning of the period	68 459 839	16 080 407
Effect of foreign exchange rate changes	(19 645 459)	(2 108 201)
Net cash and cash equivalents at the end of the period	134 828 693	40 923 332

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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 businesses involved in the provision of retail financial services:

Name of subsidiaries	Place of incorporation
Bayport Financial Services Limited	Zambia
Bayport Savings and Loans Limited	Ghana
Bayport Financial Services (Tanzania) 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
Cashfoundry Limited	United Kingdom
Actvest Limited	Mauritius
Bayport Latin America Holdings Ltd	Mauritius
Bayport International Headquarter Company Proprietary Limited	South Africa
Actvest (Proprietary) Limited	South Africa
Bayport Financial Services (USA), Inc.	United States
Sugaree Insurance Company Limited	Bermuda
Built to Last Proprietary Limited	South Africa
Green Light Insurance Brokers Proprietary Limited	South Africa
Peak Hour Consultants Proprietary Limited	South Africa
Picasso Moon Investments Limited	Mauritius
Sugar Magnolia Proprietary Limited	South Africa
Traficc Global Proprietary Limited	South Africa
Traficc Maintenance Plans Proprietary Limited	South Africa
The Real Automobile Finance and Insurance Consulting Company Proprietary Limited	South Africa
Bayport Management 2 Limited (Dormant)	Mauritius

The Company's registered office is at c/o DTOS Ltd, 10th Floor, Standard Chartered Tower, 19, Cybercity, Ebene, Mauritius and the Company's principal place of business is at 3rd Floor, Ebene Skies, Rue De L'Institut, Ebene, Mauritius.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS **(continued)**

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 2019.

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.

3. Taxation

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

Figures in US Dollar **30-Sep-20** **31-Dec-19**

4. Loans and advances

Gross advances	968 118 060	1 104 899 199
Impairment provision	(61 296 994)	(70 571 878)
Net advances	906 821 066	1 034 327 321

Impairment provision

Opening balance	70 571 878	62 560 012
Impairment recognised in profit or loss	16 588 350	22 470 834
Utilisation of allowance for impairment	(15 975 635)	(11 935 964)
Foreign exchange movements	(9 887 599)	(2 523 004)
Closing balance	61 296 994	70 571 878

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

5. Investments in associates

	30-Sep-20	31-Dec-19
Opening balance	113 111 018	116 034 222
Impact on adoption of IFRS 16	-	(199 989)
Additions	-	122 400
Share of profits	(2 591 278)	1 693 256
Share of other comprehensive income/(loss)	66 233	(542 975)
Transferred to investment in subsidiary	-	(5 622 203)
Dividend	-	(720 253)
Movement in currency translation reserve	(18 532 184)	2 346 560
Closing balance	92 053 789	113 111 018

6. Property and equipment and intangible assets

During the year, the Group spent USD 3.6 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

7. Borrowings

	30-Sep-20	31-Dec-19
Corporate bonds	377 576 236	387 802 481
Other term loans	653 224 256	672 666 511
	1 030 800 492	1 060 468 992
Less: deferred transaction costs	(13 425 731)	(15 949 609)
Total borrowings	1 017 374 761	1 044 519 383

8. Share capital and treasury shares

	30-Sep-20	31-Dec-19
Share capital	31 398	31 398
Share premium	315 476 194	315 476 194
Convertible equity instrument	60 560 000	60 560 000
Limited-voting B Shares	30 000 000	30 000 000
Total share capital	406 067 592	406 067 592
Treasury shares	(3 797 468)	(1 498 760)
Total share capital and treasury shares	402 270 124	404 568 832
Number of Ordinary shares	31 398 089	31 398 089
Number of Limited-voting B Shares	30	30

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS **(continued)**

9. Events after the reporting period

The recent global outbreak of the coronavirus ("COVID-19") that was declared a global pandemic by the World Health Organisation has caused significant volatility within the economic markets. The duration and spread of the outbreak and the resultant economic impact is uncertain and cannot be predicted. The Group has been following all the established protocols and precautionary measures communicated by the Government in our various operations.

Our business model is at source deduction from central and local governments. Based on current information available the Directors are not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the financial statements, that would significantly affect the financial position of the company as laid out in these financial statements.

The board of directors together with the Asset-Liability Committee and Audit, Risk and Compliance Committee will continue to monitor risks associated with liquidity and funding, interest rates, counterparties, currency exposures and capital adequacy and will undertake scenario based planning should the pandemic spread more widely across the countries in which we operate.

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.