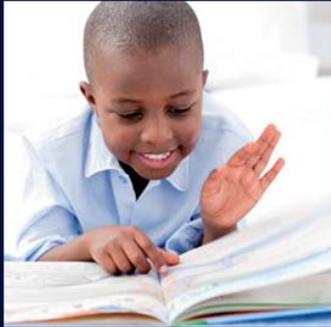


Bayport Management Limited

Social Bond Investor Letter 2021



your future now

BAYPORT
FINANCIAL SERVICES

December 2021

Bayport and Social Bonds

Bayport Management Ltd. (“Bayport”) was founded in 2001 with the aim of making a real difference in the lives of our clients in emerging and frontier markets. By offering a wide selection of financial services in markets where access to such services is often limited to large groups of people, we contribute to financial independence and economic empowerment for both individuals and small companies.

We published our first Social Bond Framework in May 2019. With this Investor Letter we aim to provide investors and other stakeholders with information around the allocation of the USD 80 million Social Bond that we issued in December 2019.

Sustainalytics provided a Second Party Opinion on our Social Bond Framework, confirming its alignment with the ICMA Social Bond Principles published in 2018. We have also engaged Sustainalytics to provide a review of this Investor Letter. All documents will be available on our website.

Allocation of Social Bond Proceeds

In 2019, we issued a Social Bond with a total nominal value of USD 80 million. The full volume has been allocated, with 69 per cent of proceeds financing new loans, and 31 per cent for refinancing purposes. The proceeds have been allocated across the following countries and loan categories.

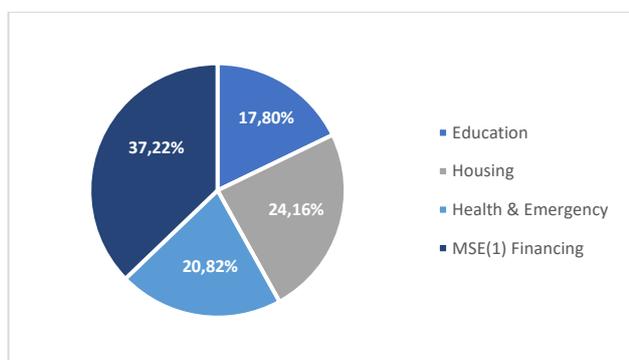
Allocation of Proceeds

	Botswana	Ghana	Tanzania	Zambia	Mozambique	Mexico	Colombia	Total	
Education	2 490 515	2 532 772	1 356 680	1 594 343	3 119 962	884 691	2 259 589	14 238 552	17,80%
Housing	1 529 034	1 741 735	1 423 865	1 576 937	3 851 285	4 378 357	4 828 432	19 329 645	24,16%
Health & Emergency	3 919 265	1 366 142	1 045 062	253 193	849 912	6 430 192	2 791 034	16 654 801	20,82%
MSE(1) Financing	2 937 454	2 115 520	2 411 598	1 832 458	2 207 276	16 347 792	1 924 903	29 777 002	37,22%
Total	10 876 268	7 756 169	6 237 205	5 256 931	10 028 435	28 041 032	11 803 959	80 000 000	100%
	17,35%	10,95%	7,80%	8,45%	21,29%	21,30%	12,88%	100,00%	
New Financing	72,90%	56,70%	37,30%	45,00%	18,68%	73,20%	43,20%	55,90%	
Refinancing	27,10%	43,30%	62,70%	55,00%	81,32%	26,80%	56,80%	44,10%	

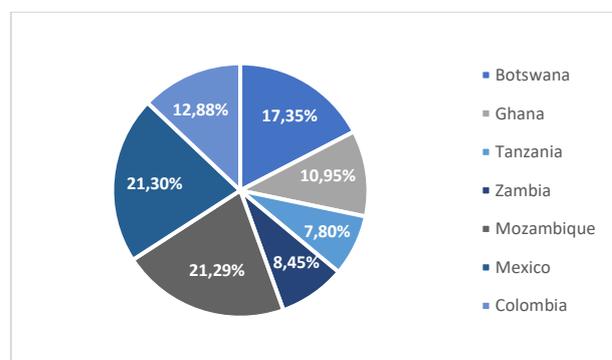
Number of Loans

	Botswana	Ghana	Tanzania	Zambia	Mozambique	Mexico	Colombia	Total	
Education	874	8 555	5 200	1 458	2 954	622	1 066	20 729	14,63%
Housing	4 195	3 274	1 162	1 503	13 621	7 982	2 515	34 252	24,18%
Health & Emergency	5 197	2 970	1 744	116	348	7 545	1 388	19 308	13,63%
MSE(1) Financing	2 233	10 408	12 578	9 155	13 428	18 687	888	67 377	47,56%
Total	12 499	25 207	20 684	12 232	30 351	34 836	5 857	141 666	100%

Allocation of proceeds to loan categories:



Allocation of proceeds per country:



Examples of loans financed by Social Bonds

We provide our clients with a chance at a better life by not only focusing on short-term cash flow relief, but by helping them along the road towards sustainable financial wellness. Through unique and tailored financial solutions and long-term client relationships, we want our clients to have the ability to shape their own future. To provide further insights into what our Social Bonds have financed so far, we have included a number of client stories below.



Empowerment in action

The saying goes that a journey of a thousand miles starts with the first step. However, that first step is often the hardest. Here is a story of how Bayport helped a customer to take his first step towards realising a big dream.

For Yassmin Valgy, branch manager of Bayport's Base N'tchinga branch in Mozambique, empowerment is the Bayport value that makes her feel stronger and love what she does. "Sometimes when we approach potential customers about the possibility of applying for a loan, they would have an idea for a personal project, but they don't know how to start. That's where empowerment comes in," she says.

To illustrate her point, Yassim tells us the story of Mr Júlio Inácio Manjate.

"I first met Mr Julio in 2016 when I was visiting the headquarters of the Tax Authority in Maputo. It was difficult to approach him in the beginning because he was not a very accessible person and he did not want to know about banks or financing. I persisted, however, and we ended up having long conversations.

“Finally, one day, Mr Júlio contacted me. He explained that his dream was to build a small hotel in the district of Manjacaze, where he came from, but he did not know how to go about it.

“I listened carefully to him, studied the project plan, and did some financial simulations with him. We concluded that it was possible to start the project with an initial loan of MT868 250 over 60 months, according to his maximum borrowing capacity.

“After thinking about it for a few days, Mr Júlio decided to accept the proposal and in two days received his funding.

“Mr Julio and I stayed in contact and he sent me regular updates and photographs of the construction of the hotel. It was there that I realised the real impact Bayport made in his life by trusting him and enabling him financially to carry out his project.

“In mid-2017, Mr Júlio was transferred to Xai-Xai. He lost some of the benefits he had when working in Maputo and suffered a reduction in his salary. Naturally, he had difficulties paying his loan and asked for it to be restructured. We agreed to his request and extended his payment term.

“When the initial construction phase was almost finished, he applied for a top-up loan, but we could not offer him the amount of money he needed.

“Fortunately for Mr Júlio, the commercial banks became aware of his great project and he received financing as an SME business from one of them.

“Mr Júlio settled his loan with Bayport, but that was not the end of his relationship with us. To this day, he says that Bayport believed in him and motivated him to start with his project.

“Finally, at the end of 2018, the Hotel Mazino opened its doors to the public and we were invited for a visit.

“We paid a visit at the beginning of this year. What we saw surprised us all and filled our hearts because we felt that we not only changed the life of this customer, but also the prospects of the village of Manjacaze.

“The hotel is almost always full and is currently expanding to accommodate seminars and conferences.

“It makes me proud that by translating our value of empowerment into action, Bayport could help Mr Julio achieve his potential.”

Bayport customer Júlio Inácio Manjate, with his wife at his hotel in Manjacaze.