

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the three months ended 31 March 2023



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Note	31-Mar-23	31-Dec-22
Assets			
Cash and cash equivalents		133 568 763	144 894 220
Other receivables		72 426 406	57 154 791
Derivative financial assets		13 224 557	13 307 996
Current tax assets		19 666 911	17 560 988
Loans and advances	4	1 119 914 227	1 120 847 024
Other investments		44 197 955	40 194 473
Investment in associates		92 312 173	95 366 916
Goodwill		4 514 781	4 260 416
Property and equipment	5	5 762 609	6 107 391
Right-of-use assets		6 704 301	6 694 440
Intangible assets	5	41 985 005	43 146 170
Deferred tax assets		24 976 138	24 202 179
Total Assets		1 579 253 826	1 573 737 004
Liabilities			
Bank overdraft		17 322 003	4 153 005
Deposits from customers		103 639 393	112 462 088
Other payables		49 410 133	54 661 047
Current tax liabilities		11 336 778	9 625 046
Derivative financial liabilities		6 484 814	6 886 334
Reinsurance Liabilities		1 479 927	1 479 924
Lease liabilities		7 711 561	7 526 218
Borrowings-Senior	6	1 080 079 389	1 081 423 699
Borrowings-Subordinated		125 444 633	123 766 160
Deferred tax liabilities		5 011 119	4 821 315
Total Liabilities		1 407 919 750	1 406 804 836
Equity			
Share capital and treasury shares	7	416 099 023	416 099 023
Reserves		(323 107 030)	(321 693 574)
Retained earnings		75 376 412	69 564 007
Equity attributable to owners of the Company		168 368 405	163 969 456
Non-controlling interests		2 965 671	2 962 712
Total Equity		171 334 076	166 932 168
Total Liabilities and Equity		1 579 253 826	1 573 737 004

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

Figures in US Dollar	Note	Three months ended	
		31-Mar-23	31-Mar-22
Interest and other similar income		79 159 669	82 447 252
Interest and other similar expense		(49 327 945)	(45 149 578)
Net interest income		29 831 724	37 297 674
Lending related income		8 408 218	7 207 442
Income from insurance activities		407 736	628 409
Investment income		3 907 216	3 410 867
Other income		515 234	2 760 047
Non-interest Income		13 238 404	14 006 765
Operating income		43 070 128	51 304 439
Operating expenses		(26 647 718)	(28 973 705)
Foreign exchange losses		(671 117)	(841 342)
Operating profit before impairment on financial assets		15 751 293	21 489 392
Impairment on financial assets		(4 875 532)	(3 346 502)
Operating profit before share of post-tax results of associates		10 875 761	18 142 890
Share of post-tax results of associates		1 269 722	(960 009)
Operating profit before taxation		12 145 483	17 182 881
Taxation	3	(4 855 163)	(8 537 263)
Profit for the period		7 290 320	8 645 618
Attributable to:			
Owners of the Company		7 032 192	8 123 382
Non-controlling interests		258 128	522 236
Profit for the period		7 290 320	8 645 618
Earnings per share*			
Basic earnings per share		0.20	0.24
Diluted earnings per share		0.20	0.23
Basic weighted average number of shares *		34 430 450	34 499 058
Diluted weighted average number of shares *		34 646 849	34 753 473

* 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	Note	Three months ended 31-Mar-23	31-Mar-22
Profit for the period		7 290 320	8 645 618
Other comprehensive income, 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		4 003 500	17 781 008
Total items that will not be reclassified subsequently to profit or loss		4 003 500	17 781 008
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange differences		(9 948 205)	1 164 132
Fair value loss arising on hedging instruments		2 968 792	(2 828 921)
Total items that may be reclassified subsequently to profit or loss		(6 979 413)	(1 664 789)
Other comprehensive (loss)/income for the period, net of taxation		(2 975 913)	16 116 219
Total comprehensive income for the period		4 314 407	24 761 837
Attributable to:			
Owners of the Company		4 311 448	24 838 459
Non-controlling interests		2 959	(76 622)
Total comprehensive income for the period		4 314 407	24 761 837

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Three months ended	
	31-Mar-23	31-Mar-22
Cash flows from operating activities		
Profit before taxation	12 145 483	17 182 881
Adjustments for:		
Share of post tax results of associates	(1 269 722)	960 009
Depreciation and amortisation	2 571 215	2 433 304
Loss/(profit) on disposal of property and equipment and intangible assets	25 950	(703)
Unrealised exchange losses	(1 693 592)	(1 767 144)
Finance costs	49 327 945	45 149 578
Dividends income	(3 127 273)	(830 000)
Movement in provision for credit impairment	5 871 292	4 399 318
Movement in provisions and share based payments	(673 621)	(132 499)
Impairment of tax receivable	(1 730 000)	-
Profit before tax adjusted for non-cash items	61 447 677	67 394 744
Dividend received from equity instruments designated as at FVTOCI	3 127 273	830 000
Finance costs paid	(30 460 953)	(27 449 239)
Tax paid	(4 494 748)	(5 421 699)
Cash generated by operations before changes in working capital	29 619 249	35 353 806
Changes in working capital:		
Increase in other receivables	(18 113 518)	(6 867 496)
Increase in gross advances	(17 046 736)	(54 448 821)
(Decrease)/increase in deposits from customers	(4 048 537)	25 574 317
(Decrease)/increase in other payables	(3 973 480)	8 868 356
Net cash (used in)/generated by operating activities	(13 563 022)	8 480 162
Cash flows from investing activities		
Proceeds on disposal of property and equipment and intangible assets	20 360	1 818
Purchase of property and equipment and intangible assets	(686 517)	(871 483)
Net movement in amount due to associates	19 520	7 364
Cash inflow from associates on repayment of loans	672 384	196 081
Net cash flows generated by/(used in) investing activities	25 747	(666 220)
Cash flows from financing activities		
Proceeds from issue of bonds	8 997 087	-
Repayment of bonds	(365 122)	(251 893)
Proceeds from borrowings	36 692 259	105 164 072
Repayment of borrowings	(63 552 942)	(117 172 147)
Repayment of lease liabilities	(104 372)	(772 719)
Net cash flows used in financing activities	(18 333 090)	(13 032 687)
Net decrease in cash and cash equivalents	(31 870 365)	(5 218 745)
Cash and cash equivalents at the beginning of the period	140 741 215	125 799 531
Effect of foreign exchange rate changes	7 375 910	(3 366 316)
Cash and cash equivalents at the end of the period	116 246 760	117 214 470

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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	-	-	-	-	-	-	-	-	-	-	-	-	-	8 123 382	8 123 382	522 236	8 645 618
Other comprehensive (loss)/income	-	-	-	-	-	-	-	-	1 762 990	(2 828 021)	-	17 781 008	16 715 077	-	16 715 077	(598 858)	16 116 219
Total comprehensive (loss)/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 associates	-	-	-	-	-	-	-	-	-	-	-	(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
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	-	-	-	-	-	-	-	-	-	-	-	-	-	7 032 192	7 032 192	258 128	7 290 320
Other comprehensive income	-	-	-	-	-	-	-	-	(9 693 036)	2 968 792	-	4 003 500	(2 720 744)	-	(2 720 744)	(255 169)	(2 915 913)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(9 693 036)	2 968 792	-	4 003 500	(2 720 744)	7 032 192	4 311 448	2 959	4 314 407
Issue of shares	3 431	60 556 569	(60 560 000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of share-based payment	-	-	-	-	-	-	-	-	-	-	87 501	-	87 501	-	87 501	-	87 501
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	1 219 787	1 219 787	(1 219 787)	-	-	-
Balance at 31 March 2023	34 825	375 997 842	-	-	(6 777 324)	30 000 000	16 843 680	416 099 023	(408 204 061)	(4 540 674)	4 984 857	84 652 848	(323 107 030)	75 376 412	168 368 405	2 965 671	171 334 076

Note

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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 Ltd	Colombia
Bayport Financial Services Mozambique (MCB), S.A	Mozambique
Actvest Mexico S.A.P.I 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 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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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(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-23	31-Dec-22
Gross advances	1 188 853 427	1 186 701 846
Impairment provision	(68 939 200)	(65 854 822)
Net advances	1 119 914 227	1 120 847 024

Impairment provision

Opening balance	65 854 822	63 219 910
Impairment recognised in profit or loss	4 893 164	16 202 589
Utilisation of allowance for impairment	(648 687)	(2 855 812)
Foreign exchange and other movements	(1 160 099)	(10 711 865)
Closing balance	68 939 200	65 854 822

5. Property and equipment and intangible assets

During the period, the Group spent USD 0.7 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

6. Borrowings

	31-Mar-23			31-Dec-22		
	Senior	Subordinated	Total	Senior	Subordinated	Total
Corporate bonds	310 819 718	48 729 166	359 548 884	306 174 968	46 854 168	353 029 136
Other term loans	723 292 471	77 498 900	800 791 371	725 298 875	77 554 283	802 853 158
Revolving credit facility	61 881 195	-	61 881 195	66 926 616	-	66 926 616
Subtotal	1 095 993 384	126 228 066	1 222 221 450	1 098 400 459	124 408 451	1 222 808 910
Less: deferred transaction costs	(15 913 995)	(783 433)	(16 697 428)	(16 976 760)	(642 291)	(17 619 051)
Total	1 080 079 389	125 444 633	1 205 524 022	1 081 423 699	123 766 160	1 205 189 859

As at 31 March 2023, the Group has USD 123.0 million (2022: USD 112.7 million) undrawn committed facilities available.

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

Figures in US Dollar

7. Share capital and treasury shares

	31-Mar-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.