

# BAYPORT MANAGEMENT LTD

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## INFORMATION NOTE

in relation to the issue and listing of 397,498 ordinary shares of USD 0.001 each of Bayport Management Ltd by way of a consideration issue for the acquisition of 50,411 issued shares of Financiera Fortaleza, S.A. de C.V., SOFOM, Sociedad Financiera de Objeto Multiple E.N.R.

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LEC reference number: LEC/C/01/2019

9 May 2019

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## 1 DECLARATION BY DIRECTORS

This Information Note includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, whose names appear in Section 6.1 of this Information Note, collectively and individually, accept full responsibility for the accuracy and completeness of the information contained in this Information Note and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Directors, after having made due and careful enquiry, are of the opinion that the working capital available to the Company will be sufficient for its present requirements, that is for at least twelve months from the date of issue of this Information Note.

The Directors certify that there has been no material adverse change in the financial and trading position of the Group since 31 December 2018, the date of the latest unaudited condensed consolidated financial statements.

For and on behalf of the Board

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**Jimmy wong**  
**Director**

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**Eric venpin**  
**Director**

9 May 2019

This Information Note has been approved by the LEC, in conformity with the Listing Rules on 9 May 2019. Neither the LEC, nor the SEM, nor the FSC assumes any responsibility for the contents of this Information Note. The LEC, the SEM and the FSC make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this Information Note and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

Permission has been granted by the LEC on 9 May 2019 for the listing of 397,498 ordinary shares of BML on the Official Market of the SEM by way of a consideration issue.

The new ordinary shares of BML are expect to list and trade on the Official Market of the SEM as from 23 May 2019.

A copy of this Information Note has been filed with the FSC.

## 2 DEFINITIONS

<b>Actual Value</b>	means, in respect of each KPI, the actual value thereof during the Relevant Year;
<b>ActVest</b>	Actvest Mexico, S.A.P.I. de C.V. (formerly Actvest Mexico, S.A.P.I. de C.V., SOFOM, E.N.R.), a wholly owned subsidiary of BML incorporated in Mexico;
<b>Amount of External Funding</b>	means the aggregate amount of Funds Advanced as at 31 December of the Relevant Year, but excluding: <ul style="list-style-type: none"><li>(a) any Funds Advanced in terms of External Facilities which were in place prior to 1 January 2019; and</li><li>(b) third party funding which is obtained by BML and then advanced by BML to Fortaleza;</li></ul>
<b>Audited Accounts</b>	means audited annual financial statements of Fortaleza;
<b>Average Cost of External Funding</b>	shall be calculated by summing the Weighted Cost of External Facility of every External Facility during the Relevant Year;
<b>Average Gross Loan Book</b>	shall be calculated in respect of each Relevant Year by: <ul style="list-style-type: none"><li>(a) summing: (i) the End of Month Loan Book for each calendar month during the Relevant Year; and (ii) the End of Month Loan Book for the last month of the year immediately preceding the Relevant Year; and</li><li>(b) dividing the amount referred to in (a) above by 13, the result of which shall be the "Average Gross Loan Book".</li></ul>
<b>BML or the Company</b>	Bayport Management Ltd, a public limited company incorporated in the Republic of Mauritius and bearing registration No. 54787 C1/GBL;
<b>Board</b>	the board of Directors of the Company;
<b>Business Day</b>	any day other than a Saturday, Sunday or public holiday officially recognised as such in Mauritius, South Africa and Mexico;
<b>Companies Act</b>	the Companies Act 2001 of the Republic of Mauritius and any other amendments made from time to time;

<b>Consideration Issue</b>	the issue of the Consideration Shares pursuant to Listing Rule 5.23;
<b>Consideration Shares</b>	the Initial Consideration Shares;
<b>Constitution</b>	the constitution of the Company as may be amended from time to time subject to the prior approval of the SEM;
<b>Cost of External Facility</b>	means the aggregate cost of an External Facility as reflected in the Management Accounts of the Relevant Year, including, without limitation, interest, hedging costs, facility fees, commitment fees, maintenance fees, legal fees, success fees, origination fees, monitoring fees, foreign exchange movements (if applicable) and all other fees paid in relation to the External Facility;
<b>Cost of Risk</b>	shall be calculated in respect of each Relevant Year as follows:  $A = B / C$ <p>Where</p> <p>A = Cost of Risk for the Relevant Year;</p> <p>B = the "impairment of loans and advances" for the Relevant Year as set out in the Audited Accounts; and</p> <p>C = the Average Gross Loan Book for the Relevant Year;</p>
<b>Deloitte Mauritius</b>	the independent auditors of BML, of 7 <sup>th</sup> Floor, Standard Chartered Tower, 19 Cybercity, Ebene 72201, Mauritius;
<b>Directors</b>	the current directors of the Company whose names are set out in Section 6.1 of this Information Note;
<b>End of Month Loan Book</b>	means gross advances as at the last day of a calendar month as set out in the Management Accounts for such calendar month;
<b>End of Year Loan Book</b>	means the gross advances as at 31 December of a calendar year as set out in the Audited Accounts for such year;
<b>External Facility</b>	means a facility in terms of which External Funding is provided to Fortaleza;

<b>External Funding</b>	means funding provided by third party funders to Fortaleza;
<b>Financial Services Act</b>	the Financial Services Act 2007 of the Republic of Mauritius and all regulations promulgated under that Act as well as any amendments thereto;
<b>Fortaleza</b>	Financiera Fortaleza, S.A. de C.V., SOFOM, Sociedad Financiera de Objeto Multiple E.N.R. (Commercial Folio No. 58678), a company incorporated in accordance with the laws of Mexico;
<b>Fortaleza shares</b>	shares in the issued share capital of Fortaleza;
<b>FSC</b>	the Financial Services Commission of the Republic of Mauritius;
<b>Funds Advanced</b>	means External Funding which has actually been loaned and advanced to Fortaleza under an External Facility, irrespective of the Funds Committed;
<b>Funds Committed</b>	means External Funding which has been committed under an External Facility;
<b>Group</b>	the Company and its subsidiaries from time to time;
<b>Initial Consideration Shares</b>	397,498 new Ordinary Shares of the Company to be issued to the Relevant Shareholders as part of the Share Swap;
<b>KPI</b>	means: <ul style="list-style-type: none"> <li>(a) PAT;</li> <li>(b) End of Year Loan Book;</li> <li>(c) Average Cost of External Funding;</li> <li>(d) Amount of External Funding; and</li> <li>(e) Cost of Risk.</li> </ul>
<b>Last Practicable Date</b>	31 January 2019 being the last practicable date before the publication of this Information Note;
<b>LEC</b>	the Listing Executive Committee of the SEM;
<b>Listing Rules</b>	the Listing Rules of the SEM;s
<b>Management Accounts</b>	means the internally prepared monthly management accounts of Fortaleza;

<b>Mexico</b>	means the United Mexican States;
<b>Mr. Carral</b>	Mr. Manuel Carral Riba, the current holder of 23,160 Fortaleza shares;
<b>Mr. Cortina</b>	Mr. Antonio Cortina Icaza, the current holder of 31,032 Fortaleza shares;
<b>Mr. Garcia</b>	Mr. Carlos Guillermo Garcia Muriel, the current holder of 8,831 Fortaleza shares;
<b>Mr. Skertchly</b>	Mr. Ricardo Walter Skertchly Molina, the current holder of 8,689 Fortaleza shares;
<b>MUR or Rs</b>	Mauritian Rupees;
<b>MXN or Pesos</b>	Mexican Peso, the currency for Mexico;
<b>Negative KPIs</b>	means Average Cost of External Funding and Cost of Risk;
<b>Official Market</b>	the Official Market of the Stock Exchange of Mauritius Ltd;
<b>Ordinary Shares</b>	ordinary shares of par value USD 0.001 each in the share capital of the Company;
<b>PAT</b>	means total comprehensive profit as set out in the Audited Accounts for the Relevant Year;
<b>Perigeum Capital Ltd</b>	the transaction advisor of the Company, of Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius;
<b>Positive KPIs</b>	means PAT, End of Year Loan Book and Amount of External Funding;
<b>Potential Additional Consideration Shares</b>	Up to 170,277 new additional Ordinary Shares of the Company to be issued to the Relevant Shareholders, subject to certain conditions being achieved as detailed in Section 4.2.3 of this Information Note;
<b>Relevant Shareholders</b>	Messrs. Carral, Cortina and Garcia;
<b>Relevant Table</b>	means, in relation to a Relevant Year, the table in Appendix 4 of this document relating to such Relevant Year, which is also annexed to the Share Purchase Agreement between BML and Mr. Skertchly and to each Share Swap and Share Purchase Agreement between BML and each of the Relevant Shareholders;
<b>Relevant Years</b>	means Year 1, Year 2 and Year 3;



<b>SEM</b>	the Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988;
<b>Share Swap</b>	means the issue by the Company of the Initial Consideration Shares to the Relevant Shareholders as consideration for the purchase of a total of 50,411 Fortaleza shares from the Relevant Shareholders;
<b>Shareholder</b>	a holder of Ordinary Shares in the Company from time to time;
<b>Target Shareholders</b>	Messrs. Cortina, Carral, Garcia and Skertchly, who are currently shareholders of Fortaleza;
<b>Target Value</b>	means, in respect of each KPI in a Relevant Year, the value set out in the second column of the Relevant Table opposite the relevant KPI;
<b>Transaction</b>	means the acquisition by BML of the Fortaleza shares currently held by the Target Shareholders;
<b>USD</b>	United States Dollars;
<b>Weighted Cost of External Facility</b>	means, in relation to an External Facility, a percentage calculated in accordance with the following formula:  $A = (B/C) \times D$ <p>Where</p> <p>A = Weighted Cost of the External Facility</p> <p>B = Amount outstanding under the External Facility as at 31 December of the Relevant Year</p> <p>C = Amount outstanding under all External Facilities as at 31 December of the Relevant Year</p> <p>D = the Cost of the External Facility;</p>
<b>Weighted Percentage</b>	means, in respect of each KPI, the number which is set out in the second column of the table in Appendix 5 opposite the relevant KPI, which is annexed to the Share Purchase Agreement between BML and Mr. Skertchly and to each Share Swap and Share Purchase Agreement between BML and each of the Relevant Shareholders;
<b>Year 1</b>	means the calendar year ending 31 December 2019;

**Year 2**

means the calendar year ending 31 December 2020; and

**Year 3**

means the calendar year ending 31 December 2021.

### **3 ABOUT THE COMPANY**

#### **3.1 Company background**

Bayport Management Ltd was incorporated on 10 September 2001 in the British Virgin Islands and continued as a Mauritian company with effect from 4 March 2005. The Company was registered as a private company limited by shares on 2 March 2005 under the Companies Act with registration number 54787 C1/GBL.

The Company holds a Global Business Licence, issued by the FSC on 3 March 2005, in accordance with the Financial Services Act and the Financial Services (Consolidated Licensing and Fees) Rules 2008.

On 28 July 2011, the Company was converted into a public limited liability company. A certificate of conversion has been issued by the Mauritian Registrar of Companies. The Company's operations are regulated by the Companies Act and the FSC.

The Company was listed on the Official Market of the SEM on 28 March 2013.

#### **3.2 Nature of the Business and Principal Activities**

The Company is a holding company and holds businesses involved in the provision of retail financial services provided to customers in Botswana, Colombia, Ghana, Mexico, Mozambique, South Africa, Tanzania, Uganda and Zambia. The Company's vision is to be the most valued financial services brand in its chosen markets by providing a broad range of unique and relevant financial solutions tailored to the needs of its customers.

The majority of the Group companies are involved in the provision and underwriting of unsecured term finance to the employed mass market and earn their revenue in the form of interest income and administration fees relating to the loans of their customers.

The Group mainly provides loans to people employed by the government in countries in which the Group operates. Apart for the South African operations the repayment of the individual loans is generally carried out through direct deduction from the employees' payroll in accordance with agreements concluded between the Group companies and the employees.

The Group's range of loan products tend to be used for agriculture, education, housing/home improvement, development of small businesses, debt consolidation, family emergencies, weddings and funerals. A number of Group companies also offer credit protection policies which are underwritten by local insurance companies. The credit protection policies cover customers against death, permanent or temporary disability, certain diseases and retrenchment.

The Company also has interest in a group of companies that manages niche insurance companies and cell captives.

### **4 SUMMARY AND OVERVIEW OF THE CONSIDERATION ISSUE**

The Company has acquired the respective shareholdings held by Messrs. Carral, Cortina, Garcia and Skertchly in Fortaleza. The consideration for the aforesaid acquisition by the Company is to be settled: (i) by way of a cash payment; and (ii) provided that the approval of the SEM is obtained therefor, by way of the issue of the Initial Consideration Shares to the Relevant Shareholders. As such, although the Company has already acquired the respective shareholdings held by Messrs. Carral, Cortina, Garcia and Skertchly in Fortaleza, the Initial Consideration Shares shall only be issued once the approval of the SEM has been obtained therefor. The Group already held 85.765% of the issued share capital of Fortaleza prior to

the aforesaid acquisition. The Group structure is set out in Appendix 3 of this Information Note.

In line with the Share Swap and Share Purchase Agreement entered into between BML and each of the Relevant Shareholders, the Company may be required to issue the Potential Additional Consideration Shares to the Relevant Shareholders, subject to certain conditions being met (refer to Section 4.2.3 of this Information Note).

#### **4.1 Rationale and benefit of the Transaction**

ActVest, a wholly owned subsidiary of the Company, already held 85.765% of the issued share capital of Fortaleza. As the Group was already a majority shareholder of Fortaleza, it was decided to acquire the minority stake in Fortaleza (held by Messrs. Carral, Cortina, Garcia and Skertchly) so that Fortaleza would become 100% owned by the Group.

Therefore, the main benefit of the Transaction is that the Company will have total control over Fortaleza and its operations.

The additional investment into Fortaleza is in line with the investment policy of the Company as detailed in Section 3.2 of this Information Note.

#### **Background on Fortaleza**

Fortaleza is a company incorporated in Mexico and which operates principally in Mexico. Fortaleza is engaged in the provision of retail financial services. The company offers loans mainly to individuals employed by entities in the public and private sectors. Generally these loans have fortnightly instalments which are withheld and paid to the company by the employers.

#### **4.2 Proposed Transaction**

##### **4.2.1 Background information on values used**

The value of Fortaleza was determined to be USD67 500 000 using a discounted cash flow model (“DCF”) and adjusted for a minority stake. For the Relevant Shareholders, who are participating in the Share Swap, the following was negotiated:

- The value used for the consideration to be settled by way of the issue of the Initial Consideration Shares was 70% of the determined value. The 30% discount was used to cater for any deviated performance criteria used in the DCF valuation.
- 89.25% of the determined value was used for the cash consideration paid to the Relevant Shareholders to assist them with settling their tax liability triggered on the Share Swap.

For Skertchly, as he is cashing out completely, a 50% discount was negotiated. This was due to the fact that a key consideration in the valuation of Fortaleza was its achievement of the underlying projected earnings.

The issue price per Ordinary Share of the Company was equal to a minority share allocation which occurred during the year being the 2018 Long Term Incentive share allocation at USD 24.24.

### Summary of values

BML Value	833,295,183
# of Shares	34,376,864
Price per Share	24.24

Total FF Shares	247,292
Minority owned	71,712
% Minority owned	29.00%

	USD Value	Per Share
FF Value	67,490,023	272.92
70% of FF Value	47,243,016	191.04

#### 4.2.2 Share Swap

On 18 December 2018, the Company entered into a Share Swap and Share Purchase Agreement with each of the following Relevant Shareholders (the "**Agreement**"), pursuant to which the Company acquired the following Fortaleza shares from each of the following Relevant Shareholder against, subject to the approval of the SEM, the issue of the Initial Consideration Shares:

Name of Shareholder	Number of shares in Fortaleza	Initial Consideration Shares to be issued
Mr. Carral	18,715	147,570
Mr. Cortina	24,239	191,128
Mr. Garcia	7,457	58,800

#### 4.2.3 Acquisition of shares for cash

In addition, pursuant to the terms and conditions of each Agreement, the Company also acquired from the Relevant Shareholders (mentioned in the table below) the following Fortaleza shares for a cash consideration:

Name of Shareholder	Number of shares in Fortaleza	Cash consideration (MXN)
Mr. Carral	4,445	21,974,931.22
Mr. Cortina	6,793	33,588,145.96
Mr. Garcia	1,374	6,792,445.33

On 18 December 2018, the Company also entered into a Share Purchase Agreement with Mr. Skertchly, pursuant to which BML acquired the 8,689 Fortaleza shares held by Mr. Skertchly for a cash consideration of MXN 24,439,779.00.

#### 4.2.4 Potential Additional Consideration Shares

Whether any Potential Additional Consideration Shares are to be issued to the Relevant Shareholders (and if so, the number of such shares to be issued) is dependent on the achievement by Fortaleza of certain financial targets during the calendar years 2019 to 2021. The process by which it is determined whether such financial targets are achieved and, if so, what number of Potential Additional Consideration Shares are to be issued is set out below.

As soon as reasonably possible after the finalisation of the Audited Accounts for each Relevant Year, BML shall deliver to the Relevant Shareholders, namely Messrs. Carral, Cortina and Garcia, a copy of such Audited Accounts of Fortaleza together with a written notice (the "**Achievement Calculation Notice**") setting out:

- (i) in respect of each Positive KPI for the Relevant Year in respect of which the Actual Value thereof is equal to or greater than 70% of the Target Value thereof, a percentage calculated as follows:

$$A = B \times (C / D)$$

where:

A = the relevant percentage

B = the Weighted Percentage

C = the Actual Value, subject to a maximum amount equal to the Target Value

D = the Target Value

- (ii) in respect of each Negative KPI for the Relevant Year in respect of which the Target Value thereof is equal to or greater than 70% of the Actual Value thereof, a percentage calculated as follows:

$$A = B \times (C / D)$$

where:

A = the relevant percentage

B = the Weighted Percentage

C = the Actual Value, subject to a maximum amount equal to the Target Value

D = the Target Value

- (iii) the sum of all of the percentages calculated in terms of (i) and (ii) above (the "**Aggregate Yearly Percentage**").

In the event that the sum of the Aggregate Yearly Percentage for each Relevant Year (the "**Total Percentage Achievement**") is:

- (i) equal to 100%, all of the Potential Additional Consideration Shares shall be issued to the Relevant Shareholders as per the table below;
- (ii) equal to or greater than 70% but less than 100%, then the Relevant Shareholders shall be issued with such number of the Potential Additional Consideration Shares as is calculated in accordance with the following formula:

$$A = B \times C$$

where:

*A = the number of Additional Consideration Shares to be issued to the Relevant Shareholder;*

*B = the Total Percentage Achievement; and*

*C = the Potential Additional Consideration Shares;*

- (iii) less than 70%, none of the Potential Additional Consideration Shares shall be issued to the Relevant Shareholders and the issuing and allotment of the Initial Consideration Shares, shall be seen as full and final payment in respect of the Share Swap, and no further amounts shall be owed, and no further shares shall be issued by BML to the Relevant Shareholders in respect of the Share Swap.

<b>Name of Relevant Shareholder</b>	<b>Number of shares in Fortaleza</b>	<b>Total Potential Additional Consideration Shares to be issued</b>
Mr. Carral	18,715	Up to 63,215
Mr. Cortina	24,239	Up to 81,874
Mr. Garcia	7,457	Up to 25,188

As soon as reasonably possible after the Achievement Calculation Notice for Year 3 is agreed or determined (as applicable) with each Relevant Shareholder, BML shall deliver to the Relevant Shareholders evidence of the dematerialisation of the Additional Consideration Shares, which shall be reflected in a securities account opened in the name of each Relevant Shareholder, subject to the necessary approval being granted by the SEM.

The Transaction constitutes an undertaking in the ordinary course of business of BML and therefore does not fall under the scope of Chapter 13 of the Listing Rules.

### **4.3 Application for listing**

An application has been made to the SEM for the listing by way of a consideration issue of 397,498 Ordinary Shares on the Official Market of the SEM. Once the amount of Additional

Consideration Shares to be issued is determined, a separate application will be made to the SEM for the listing by way of a consideration issue of the Additional Consideration Shares on the Official Market of the SEM.

#### 4.4 Dealings in new shares

Dealings in the shares of the Company must be done on the SEM as per the provisions of Rule 3.A of the Stock Exchange (Conduct of Trading Operations) Rules 2001. All dealings that take place on the SEM shall be cleared and settled through the Central Depository & Settlement Co. Ltd (CDS) as per section 3(3) of the Securities (Central Depository, Clearing and Settlement) Act 1996.

#### 4.5 Summary of the Rights Attaching to the Consideration Shares

The Consideration Shares will be issued fully paid and will have the same rights and rank *pari passu* in all respects with the existing Ordinary Shares.

The Consideration Shares have no fixed dividend. The Directors shall, from time to time, declare such dividends as prudent business considerations allow and depending on the Company's medium and long term strategies and subject to the solvency test being satisfied.

Each Consideration Share will have one vote and equal rights on distribution of capital and income. The extract from the Constitution setting out in more detail the rights, privileges and conditions attaching to the existing Ordinary Shares is at Appendix 2.

### 5 CURRENT SHARE CAPITAL

#### 5.1 Issued Capital

The issued capital of the Company as at the Last Practicable Date was 30,937,688 Ordinary Shares at a par value of USD 0.001.

All Ordinary Shares issued are in dematerialised form.

The Initial Consideration Shares (being 397,498 Ordinary Shares at a par value of USD 0.001) when issued will represent 1.285 % of the existing issued share capital of the Company.

#### 5.2 Substantial Shareholders

As at the Last Practicable Date, the following Shareholders, other than Directors, have, directly or indirectly, a beneficial interest of 5% or more in the share capital of the Company:

Shareholder	Direct interest	Indirect interest	Total	% Shareholding
Kinnevik New Ventures AB	7,428,902	-	7,428,902	24.01
Elsworthy Holdings Ltd	3,672,000	-	3,672,000	11.87
Grant Colin Kurland	2,863,057	-	2,863,057	9.25



Shareholder	Direct interest	Indirect interest	Total	% Shareholding
Kasumu Ltd	2,582,000	-	2,582,000	8.35
Takwa Holdco*	5,621,135	-	5,621,135	18.17
Public Investment Corporation (SOC) Limited represented by Government Employees Pensions Fund			6,377,550	20.61

\* In total the beneficiary Helios Partners Investments Ltd owns 23.08% shares in the Company, as they also hold 4.91% shares in the Company through Takwa Holdco (2) Ltd.

## 6 DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

### 6.1 Directors details

Name	Office Held
Stuart Stone	Director and Joint Chief Executive Officer
Grant Kurland	Director and Joint Chief Executive Officer
Eric Venpin	Director
Justin Chola	Director
Jimmy Wong	Director
Souleymane M Leonard Ba	Director
Roberto Rossi	Director
Cynthia Gordon	Director
Mervin Muller	Director
Nicholas Dominic Haag	Director
Franco Danesi	Director
Kabelo Molefe Senoelo	Alternate Director to Mervin Muller
Michael Mendelowitz	Alternate to Roberto Rossi

Business address for each of the directors listed above is 3rd Floor, Ebene Skies, Rue de L'Institut, Ebene, Mauritius.

## 6.2 Directors profile

The Directors of the Company are as follows:

**Mr Stuart Stone, Joint Chief Executive Officer, a member of the Board and is a contingent beneficiary of a trust which holds shares in Kasumu Ltd which at the Last Practicable Date holds 8.35% of the Ordinary Shares of the Company (South African, aged 50)**

Stuart Stone is the Joint Chief Executive Director of the Company and a member of the Board since 2005. He is also the chairperson of the Asset and Liability Committee of the Company. He is a member (by invitation) of the Audit Risk and Corporate Governance Committee. Stuart Stone is further a member of the board of directors of Actvest Proprietary Ltd, Bayport International Headquarter Company Proprietary Ltd, Bayport Latin America Holdings Ltd, BFSA Executive Holdings Proprietary Limited, , Zenthyme Investments (Pty) Ltd, Bayport Financial Services Ltd (BFS Zambia), Bayport Colombia SA, Money Quest Investments Ltd, Financiera Fortaleza, S.A De CV, Bayport Savings and Loans PLC (Bayport Ghana), Cashfoundry Ltd, **Financiera Fortaleza S.A. de C.V.**, SOFOM, E.N.R, The Real Automobile Finance & Insurance Consulting Company (Pty) Ltd, Built to Last (Pty) Ltd , Green Light Insurance Brokers (Pty) Ltd , Sugar Magnolia (Pty) Ltd, Traficc Maintenance Plans (Pty) Ltd, Traficc Global (Pty) Ltd, Peak Hour Consultants (Pty) Ltd and Bayport Financial Services 2010 (Pty) Limited.

Stuart Stone holds a Bachelor of Commerce as well as a Post Graduate Diploma in Accounting.

Outside of the Group, Mr Stone is a director of Bayport Holdings (South Africa) (Pty) Ltd.

**Mr Grant Kurland, Joint Chief Executive Officer and a member of the Board and as at the Last Practicable Date holds 9.25% of the Ordinary Shares of the Company (South African, aged 47)**

Grant Kurland is the Joint Chief Executive Director and an Executive member of the Board since 2009. He is also a member (by invitation) of the Remuneration Committee and Audit Risk and Corporate Governance Committee, of the Company. He is a member of the Asset and Liability Committee and chairperson of the Administrative Committee of the Company.

Grant Kurland is further a member of the board of directors of Cashfoundry Ltd, Actvest (Pty) Ltd, Bayport Financial Services (T) Limited, Bayport Financial Services Uganda Limited, Bayport Financial Services 2010 (Pty) Limited, Bayport International Headquarter Company Proprietary Limited, , Bayport Financial Services Mozambique (MCB) S.A., and as well as chairperson of Bayport Financial Services Ltd (BFS Zambia).

Outside of the Group, Mr Kurland is a director of Bayport Holdings (South Africa) (Pty) Ltd.

**Mr Eric A Venpin, Executive Director and a member of the Board (Mauritian, aged 52)**

Mr Eric A Venpin is an independent non-executive Director and a member of the Board since 2007. He is also a member of the Audit Committee of the Company and administrative committee. Eric Venpin is a member of the fellow Institute of Chartered Accountants in England and Wales and a member of TEP.

Outside of the Group, Eric Venpin is a director of DB Fund (Mauritius) Ltd, Fire Capital Fund Mauritius Private Limited, RSJ II Powerfunds PCC, RSJ Prop, PCC and SBM Maharaja Fund.

**Mr Justin Chola, Non-Executive Director and a member of the Board and as at the Last Practicable Date holds 0.78% of the Ordinary Shares of the Company (Zambian, aged 56)**

Justin Chola is a non-executive Director and a member of the Board since 2007. Justin Chola is further a member of the board of directors of Bayport Savings and Loans PLC (Bayport Ghana), Bayport Financial Services 2010 (Pty) Limited and a member of the board of directors and the CEO of BFS Zambia.

Justin Chola holds an MBA from Cornell University and is an expert in developing micro finance businesses.

Outside of the Group, Mr Chola is a director of Kansanshi Mine, Twangale Investments Limited, CLCM Limited, Allied Asset Management Limited and CNA Limited.

**Mr Jimmy Michael Wong Yuen Tien, Independent Non-Executive Director and a member of the Board (Mauritian, aged 50)**

Jimmy Wong is an independent non-executive Director and a member of the Board since 2007. He is also a member of the Administrative Committee

Jimmy Wong is a fellow of the Institute of Chartered Accountants in England and Wales and a member of STEP. He is a director of many global companies and advises numerous multinational companies including Fortune 500 companies operating in various sectors.

Outside of the Group, Mr Wong is the managing director of DTOS Ltd.

**Mr Souleymane M Ba, Non-Executive Director, member of the Board, and a principal of Helios Investment Partners LLP, a company affiliated with Takwa Holdco Limited and Takwa Holdco (2) Limited. As at the Last Practicable Date, Takwa Holdco Limited holds 18.17% and Takwa Holdco (2) Limited holds 4.91% of the Ordinary Shares of the Company (Senegalese, aged 38)**

Souleymane M Ba is a non-executive Director and a member of the Board since 2014. He is also a member of the Remuneration Committee and the Asset and Liability Committees of the Company.

Souleymane Ba holds an MBA from Harvard Business School. He is a member of the board of directors of ARM Pension Managers in Nigeria.

Outside of the Group, Mr Ba is a director of Helios Tower Africa and Solevo. .

**Mr Roberto Rossi, Non-Executive Director, member of the Board and has an interest in Elsworthy Holdings Ltd which at the Last Practicable Date holds 11.87% of the Ordinary Shares of the Company (South African, aged 56)**

Roberto Rossi is a non-executive Director and a member of the Board since 2015. Mr Rossi is a contingent beneficiary of trusts which hold shares in Elsworthy Holdings Ltd, which is a Shareholder.

Roberto Rossi holds a BSc as well as a graduate diploma. He is the co-founder of Transaction Capital Limited, which is a company with assets in excess of South African Rand five billion. He is also a director of Bayport Financial Services 2010 (Pty) Limited.

Outside of the Group, Mr Rossi is a director of Transaction Capital Ltd and certain of its subsidiaries.

**Ms. Cynthia Gordon, Non-Executive Director and a member of the Board and a representative of Kinnevik New Ventures AB. As at the Last Practicable Date, Kinnevik New Ventures AB holds 24.01% of the Ordinary Shares of the Company (British, aged 56)**

Cynthia Gordon is a non-executive Director and a member of the Board since 2017.

Outside of the Group, Ms. Gordon is a director of Kinnevik Investment Trust and strategic advisor and the chairperson of Global Fashion Group.

**Mr Mervin Muller, Non-Executive Director, member of the Board and a representative of Public Investment Corporation (SOC) Limited. As at the Last Practicable Date, Public Investment Corporation (SOC) Limited holds 20.61% of the Ordinary Shares of the Company (South African, aged 38)**

Mervin Muller is a non-executive Director and a member of the Board since 2015. He is also a member of the audit, risk and Corporate Governance Committee and a member of the asset and liability Committee.

Mervin Muller holds an LLB degree and is also a chartered accountant.

Outside of the Group, Mervin Muller is a director of, Menlyn Maine Investment Holdings (Pty) Ltd and Afagri Ltd.

**Mt Franco Danesi, Non-Executive Director, member of the Board and a representative of Kinnevik New Ventures AB. As at the Last Practicable Date, Kinnevik New Ventures AB holds 24.01% of the Ordinary Shares of the Company (Italian, aged 46)**

Franco Danesi is a non-executive Director and a member of the Board since 2017. He is also a member of the audit, risk and Corporate Governance Committee and a member of the Remuneration Committee.

Franco Danesi holds an MBA from the London Business School.

Outside of the Group, Mr. Danesi is a director of Metro International, Home24 and a board observer of Deposit Solutions.

**Mr Nicholas Dominic Haag, Independent Non-Executive Director and a member of the Board (British, aged 60)**

Nicholas Dominic Haag is an independent non-executive Director and a member of the Board since 2016. He is also the chairperson of the audit, risk and Corporate Governance Committee and the interim chairperson of the Remuneration Committee.

Nicholas Dominic Haag holds a degree from Oxford University in UK and is a career banker. Outside the Group, Nicholas Dominic Haag is a supervisory board director of TBC Bank PLC Georgia, Citadele Bank Group and Nicdom Ltd.

**Mr Kabelo Molefe Senoelo, alternate Non-Executive Director to Mervin Muller and a representative of Public Investment Corporation (SOC) Limited. As at the Last Practicable Date, Public Investment Corporation (SOC) Limited holds 20.61% of the Ordinary Shares of the Company (South African, aged 34)**

Kabelo Molefe Senoelo is a non-executive alternate Director to Mervin Muller since 2016.

Kabelo Molefe Senoelo holds a Bachelor of commerce and is a chartered accountant.

Outside of the Group, Mr. Kabelo Molefe Senoelo is a director of Afgri (Pty) Ltd, Afgri Holdings (Pty) Ltd, Sub-Saharan Industrial Holdings (Pty) Ltd, Surtees Group Holdings (Pty) Ltd, Amalooloo (Pty) Ltd and Tzoneva Asphalt (Pty) Ltd.

**Mr Michael Mendelowitz, alternate Non-Executive Director to Roberto Rossi and has an interest in Elsworthy Holdings Limited which at the Last Practicable Date holds 11.87% of the Ordinary Shares of the Company (South African, aged 53)**

Michael Mendelowitz is a non-executive alternate Director to Roberto Rossi He is also a director of Bayport Financial Services 2010 (Pty) Limited.

Michael Mendelowitz is a contingent beneficiary of trusts which hold shares in Elsworthy Holdings Ltd which is a Shareholder.

Michael Mendelowitz is a chartered accountant in South Africa and has completed his articles at Deloitte & Touche. He is a co-founder of Transaction Capital Limited, which is a company with assets in excess of South African Rand five billion.

Outside of the Group, Mr Mendelowitz is a director of Transaction Capital Ltd and certain of its subsidiaries, and Upperway Investments Proprietary Limited.

### 6.3 Senior Management Profiles

The senior management of the Company is as follows:

Name	Position
<b>Mr Grant Kurland</b>	Grant Kurland is the Chief Executive Officer of the Company since 2002 and Joint Chief Executive Officer of the Company since 2014. For further information please see section 6.2 " <i>Directors profile</i> " above.
<b>Mr Stuart Stone</b>	Stuart Stone is the Joint Chief Executive Officer of the Company since 2014. For further information please see section 6.2 " <i>Directors Profile</i> " above.
<b>Mr Stephen Williamson</b>	Stephen Williamson is the Chief Finance Officer of the Company since 2015.
<b>Mr Chris Lubbe</b>	Chris Lubbe is the Group Credit Executive of the Company since 2012.
<b>Mr David Rajak</b>	David Rajak is the Capital Markets and Investor Relations Executive of the Company since 2009.
<b>Mr. Bryan Arlow</b>	Bryan Arlow is the country director for South Africa since August 2018.
<b>Ms Nicole Sanderson</b>	Nicole Sanderson is the Group Brand, Marketing and Communication Executive of the Company since 2011.
<b>Mr Paul Rodgers</b>	Paul Rodgers is the Group Executive responsible for Strategy and Product Development of the Company since 2012.

<b>Mr Paul Silverman</b>	Paul Silverman is the Group Executive responsible for Southern and West Africa since 2009.
<b>Mr. David Claase</b>	David Claase is the Group Digital Platforms executive since February 2013.
<b>Mr. Stephen Mark</b>	Stephen Mark is Group IT Executive since 2013.
<b>Mr Mohamed Ebrahim</b>	Mohamed Ebrahim is the Group Forensic Executive since 2014.
<b>Mr Christo Koch</b>	Christo Koch is a deputy CFO since 2016.
<b>Ms Marlene Van Heerden</b>	Marlene Van Heerden is the Group Chief Audit Executive since 2014.
<b>Ms Alison Blanchard</b>	Alison Blanchard is the Group Chief Risk Officer since 2015.
<b>Mr John White</b>	John White is the Chief Harmonisation Officer since 2013.
<b>Mr Pablo Montessano</b>	Pablo Montessano is the Latin America Group Director since 2014.
<b>Ms Prisca Shimwambwa</b>	<b>Prisca Shimwambwa</b> , a deputy CFO since 2018 .
<b>Mr. Nick Ward-Able</b>	<b>Nick Ward-Able</b> is the Finance Executive- Planning and Analysis since 2017.
<b>Mr. Tom Morriso</b>	<b>Tom Morriso</b> is the Strategic Projects Executive since 2017.
<b>Mr Daniel Goss</b>	Daniel Goss is the Product and Channel Development Executivesince 2012.
<b>Mr Sandro Rtveladze</b>	Sandro Rtveladze is the Group Head of Retail Banking & Country Director Ghana since 2016.

#### **6.4 Remuneration and benefits in kind to Directors**

The aggregate of remuneration paid and benefits in kind granted to the directors of the Group in respect of the last financial year ended 31 December 2018 amounted to USD 139,386.06.

The directors' remuneration and benefits in kind for the next financial year have been budgeted to USD 111,662.

#### **6.5 Directors' Interests in any Contract or Arrangement**

##### *BFS Zambia*

Mr Justin Chola, who is a director of both the Company and BFS Zambia and Ms Martha Akapelwa, who is a director of BFS Zambia, respectively have 6,396 and 2,004 ordinary shares in the capital of BFS Zambia, and are parties to a shareholders' agreement in respect of BFS Zambia with the Company.

Under the shareholders' agreement, shareholders must be offered the opportunity to participate in any equity fundraising in proportion to their respective shareholdings.

The shareholders' agreement contains rights of pre-emption whereby if the Company wishes to dispose of its shares in BFS Zambia, it must first offer such shares to all other shareholders pro rata to their respective shareholdings in BFS Zambia.

A carve-out to the rights of pre-emption is that the Company is entitled to freely transfer its shares in BFS Zambia to any member of the BML Group, to Mr Jimmy Wong and his family entities and to Mr Grant Kurland and his family entities.

Both Mr Chola and Ms Akapelwa must obtain the Company's prior written consent before disposing of any of their shares in BFS Zambia. The Company also has certain "drag along" rights whereby if the Company receives a bona fide third party offer to purchase the entire issued ordinary share capital of BFS Zambia, both Mr Chola and Ms Akapelwa will be obliged to accept the offer on the same terms and conditions as the Company.

Both Mr Chola and Ms Akapelwa have also undertaken not to compete with the Company anywhere in Africa for a period of 24 months from the date they cease to be shareholders.

##### *No other material interests*

Save as disclosed above in this Section 6.5, there are no other contracts or arrangements at the date of this Information Note in which a Director is materially interested and which is significant in relation to the business of the Group.

## 6.6 Outstanding loans

No loans have been made by the Company to its directors.

## 7 FINANCIAL INFORMATION

### 7.1 Group's Financial Statements

The audited condensed consolidated financial statements for the financial year ended 31 December 2015, 2016 and 2017 and the unaudited condensed consolidated financial statements for the twelve months ended 31 December 2018 are attached as Appendix 6.

### 7.2 Financial and Business Prospects

Since 2016, business has been in line with the Directors' expectations and demonstrates continued growth in the Group's unsecured credit and consumer finance business. The business has successfully launched modern transactional banking solutions, driving customer loyalty and retention while laying the foundation for off-payroll, relationship based lending and deposit funding. The business has demonstrated track record of profitable growth in a disciplined fashion while maintaining strict credit risk standards. The robust equity structure, and diversified funding structure in bond and loan format ensure sufficient funding for future growth.

## 8 ADDITIONAL DISCLOSURES

### 8.1 Material Contracts

There are no material contracts (other than contracts entered into in the ordinary course of business) which have been entered into by members of the Group in the two years immediately preceding the date of this Information Note.

### 8.2 Legal or Arbitral Proceedings

As at the date of this Information Note, there have been no legal or arbitration proceedings against the Company which would have had a significant effect on the Group's financial position for the past 12 months.

### 8.3 Estimated expenses for the Consideration Issue

The expenses incurred by the Company in the process of listing are as follows:

Detail	Amount in USD	Amount MUR
Advisory Fees	3,500	122,500
SEM Fees	2,000	70,000
<b>Total</b>	<b>5,500</b>	<b>192,500</b>

## 9 DOCUMENTS AVAILABLE FOR INSPECTION

For a period of 14 days from the date of this Information Note, the following documents may be inspected during normal working hours by relevant parties at the registered office of the Company at c/o DTOS Ltd, 10<sup>th</sup> floor, Standard Chartered Tower, 19 Cybercity, Ebene or at the physical office of the Company at 3<sup>rd</sup> Floor, Ebene Skies, Rue de L'institut, Ebene on giving at least 3 business days' notice to the Company.



The following documents that may be inspected are:

- (a) the Constitution of the Company;
- (b) the audited accounts of the Company or, in the case of the Group, the consolidated accounts of the Company and its subsidiaries for each of the three financial years immediately preceding the issue of this Information Note;
- (c) copies of shareholders' agreement referred to in Section 6.5; and
- (d) this Information Note.

**Appendix 1  
Corporate Information**

<b>Company:</b>	Bayport Management Limited
<b>Principal bank:</b>	Standard Chartered Bank Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius
<b>Place of incorporation:</b>	British Virgin Islands and in the Republic of Mauritius as of 2 March 2005
<b>Date of incorporation:</b>	10 September 2001 in the British Virgin Islands and 2 March 2005 in the Republic of Mauritius respectively
<b>Registered number:</b>	54787 C1/GBL
<b>Registered office :</b>	c/o DTOS Ltd, 10 <sup>th</sup> Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Republic of Mauritius
<b>Contact telephone number:</b>	+230 465 1605
<b>Independent auditors and reporting accountant:</b>	Deloitte Mauritius 7 <sup>th</sup> Floor, Standard Chartered, 19 Cybercity, Ebene, Republic of Mauritius
<b>Secretary:</b>	DTOS Ltd 10 <sup>th</sup> Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Republic of Mauritius
<b>Transaction advisor</b>	Perigeum Capital Ltd Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius
<b>International legal advisors:</b>	Berwin Leighton Paisner LLP Adelaide House, London, United Kingdom EC4R 9HA

## **Appendix 2**

### **Extract from the Constitution**

The Company's constitution contains provisions to the following effect:

#### **9.2 Voting**

Each share shall carry one vote. An ordinary resolution may be approved by a simple majority of votes. A special resolution may be approved by a majority of 75% of the votes of the Shareholders entitled to vote and voting on the matter.

#### **9.3 Dividend Rights**

Any distribution of dividends will be subject to the solvency test being satisfied. The Board may at such time as it thinks fit, authorise and declare a dividend or other distribution of such amount as it may determine.

If five years have passed from the date on which a dividend becomes due for payment and the recipient has not claimed it, the entitlement will lapse and the amount of the dividend will cease to remain owing by the Company.

#### **9.4 Distributions**

Each share has equal rights on distribution of capital and income.

#### **9.5 Issue of new shares**

New shares must be issued in accordance with the provisions of the Companies Act.

#### **9.6 Buy back**

The Company may purchase or otherwise acquire its shares in accordance with, and subject to sections 68, 69 and 76 or section 110 of the Companies Act. It may hold the acquired shares in accordance with section 72 of the Companies Act.

#### **9.7 Variation of Rights**

If, at any time, the stated capital of the Company is divided into different classes of shares, the Company shall not take any action which varies the rights attached to a class of shares unless that variation is approved by a special resolution, or by consent in writing of the holders of at least one third of the issued shares of the class.

#### **9.8 Transfer of Securities**

Every change in the ownership of shares in the capital of the Company is subject to the limitations and restrictions set out in the Companies Act.

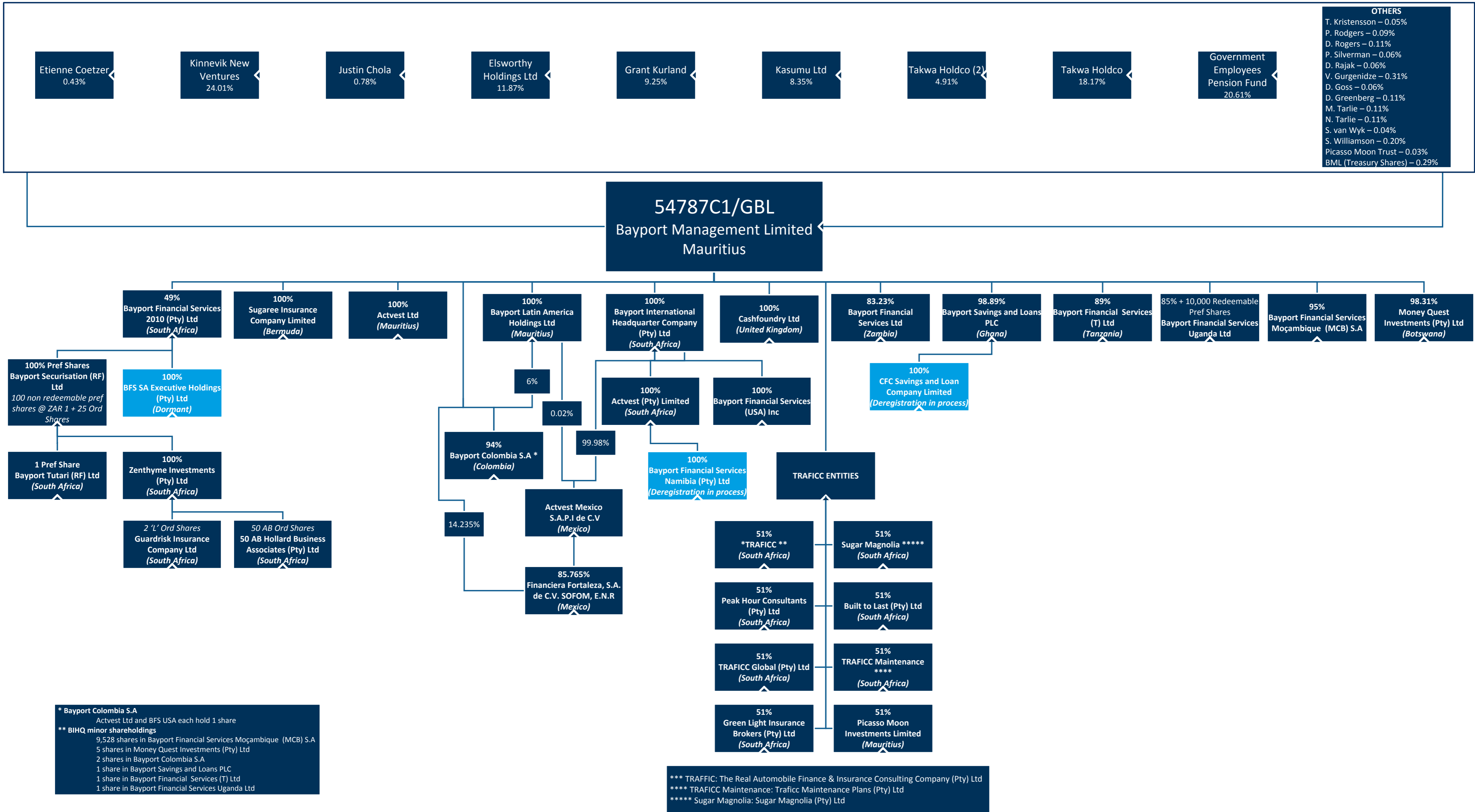
Subject to compliance with sections 87(1) to 89 of the Companies Act, the Board may refuse or delay the registration of any transfer of any share to any person whether an existing Shareholder or not, where:

- (a) so required by law;
- (b) registration would impose on the transferee a liability to the Company and the transferee has not signed the transfer;

- (c) a holder of any such share has failed to pay on the due date any amount payable thereon either in terms of the issue thereof or in accordance with the Constitution (including any call made thereon);
- (d) the transferee is a minor or a person of unsound mind;
- (e) the transfer is not accompanied by such proof as the Board reasonably requires of the right of the transferor to make the transfer; or
- (f) the Board acting in good faith decides in its sole discretion that registration of the transfer would not be in the best interests of the Company and/or any of its Shareholders.

**Appendix 3**  
**Group Structure**

# Bayport Group Structure



\* Bayport Colombia S.A  
Actvest Ltd and BFS USA each hold 1 share

\*\* BIHQ minor shareholdings  
9,528 shares in Bayport Financial Services Moçambique (MCB) S.A  
5 shares in Money Quest Investments (Pty) Ltd  
2 shares in Bayport Colombia S.A  
1 share in Bayport Savings and Loans PLC  
1 share in Bayport Financial Services (T) Ltd  
1 share in Bayport Financial Services Uganda Ltd

\*\*\* TRAFICC: The Real Automobile Finance & Insurance Consulting Company (Pty) Ltd  
\*\*\*\* TRAFICC Maintenance: Traffic Maintenance Plans (Pty) Ltd  
\*\*\*\*\* Sugar Magnolia: Sugar Magnolia (Pty) Ltd

**Appendix 4  
Target Value**

**Year 1**

<b>KPI</b>	<b>KPI Type</b>	<b>Year 1 Target Value</b>
PAT	Positive	MXN 65,178,790
End of Year Loan Book	Positive	MXN 2,754,721,866
Average Cost of External Funding	Negative	17.6%
Amount of External Funding	Positive	MXN 890,000,000
Cost of Risk	Negative	4.02%

**Year 2**

<b>KPI</b>	<b>KPI Type</b>	<b>Year 2 Target Value</b>
PAT	Positive	MXN 98,757,173
End of Year Loan Book	Positive	MXN 3,710,410,977
Average Cost of External Funding	Negative	15%
Amount of External Funding	Positive	MXN 913,800,000
Cost of Risk	Negative	4.01%

**Year 3**

<b>KPI</b>	<b>KPI Type</b>	<b>Year 3 Target Value</b>
PAT	Positive	MXN 127,903,132
End of Year Loan Book	Positive	MXN 4,497,514,130
Average Cost of External Funding	Negative	14%
Amount of External Funding	Positive	MXN 744,900,000
Cost of Risk	Negative	4%

**Appendix 5**  
**Weighted Percentage**

<b>KPI</b>	<b>Weight</b>
PAT	8.333333
End of Year Loan Book	8.333333
Average Cost of External Funding	5
Amount of External Funding	6.666667
Cost of Risk	5



**Appendix 6**  
**Published Financial Statements**

# BAYPORT MANAGEMENT LTD

AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2016

## 1. AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP	
	31-Dec-16	31-Dec-15
<b>ASSETS</b>	<b>USD'000</b>	<b>USD'000</b>
Cash and cash equivalents	139 968	85 853
Loans and advances	703 959	691 376
Other assets	230 383	200 542
<b>Total Assets</b>	<b>1 074 310</b>	<b>977 771</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	301 764	300 778
Retained earnings and other reserves	(167 775)	(122 888)
<b>Equity attributable to equity holders of the company</b>	<b>133 989</b>	<b>177 890</b>
Non-controlling interests	10 538	9 823
<b>Total Equity</b>	<b>144 527</b>	<b>187 713</b>
Bank overdrafts	3 702	10 972
Borrowings	837 114	726 772
Other liabilities	88 967	52 314
<b>Total Equity and Liabilities</b>	<b>1 074 310</b>	<b>977 771</b>

## 2. AUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP	
	Twelve months ended 31-Dec-16	31-Dec-15
	<b>USD'000</b>	<b>USD'000</b>
Interest and other similar income	284 404	289 976
Interest and other similar expense	(112 626)	(106 709)
<b>Net interest income</b>	<b>171 778</b>	<b>183 267</b>
Commission income	9 113	8 074
Dividend income	8 716	15 729
Other income	8 614	5 795
<b>Non-interest income</b>	<b>26 443</b>	<b>29 598</b>
<b>Operating income</b>	<b>198 221</b>	<b>212 865</b>
Operating expenses	(130 604)	(131 460)
Foreign exchange gain	11 882	874
<b>Pre-provision income</b>	<b>79 499</b>	<b>82 279</b>
Impairment of loans and advances	(57 297)	(63 515)
<b>Profit before taxation</b>	<b>22 202</b>	<b>18 764</b>
Taxation	(20 452)	(13 168)
<b>Profit for the year</b>	<b>1 750</b>	<b>5 596</b>
<b>Other comprehensive income/(loss) net of tax</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign exchange differences	11 984	(155 707)
Loss on hedging instruments designated as hedges of the net assets on foreign operations	(5 455)	-
Effects of cash flow hedges	21	(1 703)
	<b>6 550</b>	<b>(157 410)</b>
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net fair value loss arising on investments in equity instruments designated at fair value through other comprehensive income	(330)	(19 997)
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>6 220</b>	<b>(177 407)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>7 970</b>	<b>(171 811)</b>
<b>Profit/(loss) for the year attributable to:</b>		
Owners of the company	832	7 672
Non-controlling interests	918	(2 076)
	<b>1 750</b>	<b>5 596</b>
<b>Total comprehensive income/(loss) for the year attributable to:</b>		
Owners of the company	7 157	(165 995)
Non-controlling interests	813	(5 816)
	<b>7 970</b>	<b>(171 811)</b>
<b>Earnings per share:</b>		
Basic earnings per share (USD)	0.03	0.28
Diluted earnings per share (USD)	0.03	0.28
Basic weighted average number of shares(thousands)	30 719	27 859
Diluted weighted average number of shares(thousands)	30 776	27 879

## 3. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total share capital	Total reserves	Retained earnings	Attributable to owners of the company	Non-controlling interests	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance at 01 January 2015</b>	151 666	(77 526)	125 801	199 941	14 200	214 141
Total comprehensive (loss)/income for the year	-	(177 725)	11 730	(165 995)	(5 816)	(171 811)
Share application monies	149 112	(934)	-	148 178	-	148 178
Recognition of share based payments	-	455	-	455	-	455
Change in ownership interests	-	114	(4 803)	(4 689)	1 439	(3 250)
<b>Balance at 31 December 2015</b>	<b>300 778</b>	<b>(255 616)</b>	<b>132 728</b>	<b>177 890</b>	<b>9 823</b>	<b>187 713</b>
<b>Balance at 01 January 2016 (as previously reported)</b>	300 778	(255 616)	132 728	177 890	9 823	187 713
Impact of adopting IFRS 9	-	-	(50 847)	(50 847)	(1 493)	(52 340)
<b>Balance at 01 January 2016 (as restated)</b>	300 778	(255 616)	81 881	127 043	8 330	135 373
Total comprehensive income/(loss) for the year	-	11 276	(4 119)	7 157	813	7 970
Issue of shares	986	(379)	-	607	-	607
Recognition of share based payments	-	467	-	467	-	467
Change in ownership interests	-	2	(1 287)	(1 285)	1 395	110
<b>Balance at 31 December 2016</b>	<b>301 764</b>	<b>(244 250)</b>	<b>76 475</b>	<b>133 989</b>	<b>10 538</b>	<b>144 527</b>

## 4. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	31-Dec-16	31-Dec-15
	<b>USD'000</b>	<b>USD'000</b>
Net cash used in operating activities	(36 382)	(129 045)
Net cash used in investing activities	(12 436)	(4 766)
Net cash generated from financing activities	108 287	153 491
Net increase in cash and cash equivalents	59 469	19 680
Cash and cash equivalents at the beginning of the year	74 881	56 683
Effect of foreign exchange rate changes	1 916	(1 482)
<b>Total cash and cash equivalents at the end of the year</b>	<b>136 266</b>	<b>74 881</b>

The audited condensed financial statements have been prepared in line with International Financial Reporting Standards.

The above audited condensed consolidated financial statements have been audited by Deloitte.

Copies of the audited condensed financial statements are available free of charge upon request at the Company's business address, 3rd Floor, Ebene Skies, Rue de L'Institut, Ebene, Mauritius.

The statement of direct and indirect interests of officers of the Company is available upon request, free of charge at the registered office of the Company.

The report is issued pursuant to Listing Rule 12.14 of the Stock Exchange of Mauritius and the Securities Act 2005 of Mauritius. The Board of Directors of Bayport Management Ltd accepts full responsibility for the accuracy of the information contained therein.

By order of the Board  
DTOS Ltd

Company Secretary  
28 June 2017

**BAYPORT**  
MANAGEMENT LTD

# BAYPORT MANAGEMENT LTD

AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2017

## 1. AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP	
	31-Dec-17	31-Dec-16
ASSETS	USD'000	USD'000
Cash and bank balances	54 328	139 968
Loans and advances	713 550	703 959
Other assets	269 718	230 383
<b>Total Assets</b>	<b>1 037 596</b>	<b>1 074 310</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital and treasury shares	363 660	301 764
Retained earnings and other reserves	(119 239)	(167 775)
<b>Equity attributable to equity holders of the company</b>	<b>244 421</b>	<b>133 989</b>
Non-controlling interests	13 006	10 538
<b>Total Equity</b>	<b>257 427</b>	<b>144 527</b>
Bank overdrafts	5 287	3 702
Borrowings	668 334	837 114
Other liabilities	106 548	88 967
<b>Total Equity and Liabilities</b>	<b>1 037 596</b>	<b>1 074 310</b>

## 2. AUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	GROUP	
	Twelve months ended	
	31-Dec-17	31-Dec-16
	USD'000	USD'000
<b>Continuing operations</b>		
Interest and other similar income	272 522	210 381
Interest and other similar expense	(116 063)	(92 058)
<b>Net interest income</b>	<b>156 459</b>	<b>118 323</b>
Commission income	5 623	4 057
Dividend income	8 119	3 724
Other income	8 325	8 049
<b>Non-interest income</b>	<b>22 067</b>	<b>15 830</b>
<b>Operating income</b>	<b>178 526</b>	<b>134 153</b>
Operating expenses	(122 901)	(96 748)
Foreign exchange (losses)/gains	(35 476)	11 882
<b>Pre-provision income</b>	<b>20 149</b>	<b>49 287</b>
Impairment of loans and advances	(20 192)	(22 198)
<b>Operating (loss)/profit</b>	<b>(43)</b>	<b>27 089</b>
Share of post-tax results of associates	1 363	-
<b>Profit before taxation</b>	<b>1 320</b>	<b>27 089</b>
Taxation	(16 479)	(20 276)
<b>(Loss)/profit for the year from continuing operations</b>	<b>(15 159)</b>	<b>6 813</b>
<b>Discontinued operations</b>		
Net loss for the year from discontinued operations	(29 170)	(5 063)
<b>(Loss)/profit for the year</b>	<b>(44 329)</b>	<b>1 750</b>
<b>(Loss)/profit for the year attributable to:</b>		
Owners of the company	(48 138)	831
Non-controlling interests	3 809	919
	<b>(44 329)</b>	<b>1 750</b>

### (Loss)/earnings per share

#### From continuing and discontinued operations

Basic (loss)/earnings per share	(1.55)	0.03
Diluted (loss)/earnings per share	(1.54)	0.03

#### From continuing operations

Basic (loss)/earnings per share	(0.61)	0.19
Diluted (loss)/earnings per share	(0.61)	0.19

Basic weighted average number of shares(thousands)	31 069	30 719
Diluted weighted average number of shares(thousands)	31 214	30 776

## 3. AUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP	
	Twelve months ended	
	31-Dec-17	31-Dec-16
	USD'000	USD'000
<b>(Loss)/profit for the year</b>	<b>(44 329)</b>	<b>1 750</b>
<b>Other comprehensive income/(loss), net of income tax</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign exchange differences	16 209	11 984
Loss on hedging instruments designated in hedges of the net assets of foreign operations	(3 287)	(5 455)
Effect of cash flow hedges	(932)	21
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>11 990</b>	<b>6 550</b>
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Net fair value gain/(loss) arising on investments in equity instruments designated at fair value through other comprehensive income	6 317	(330)
<b>Other comprehensive income, net of income tax</b>	<b>18 307</b>	<b>6 220</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(26 022)</b>	<b>7 970</b>
<b>Total comprehensive (loss)/income for the year attributable to:</b>		
Owners of the company	(29 578)	7 157
Non-controlling interests	3 556	813
	<b>(26 022)</b>	<b>7 970</b>

## 4. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total share capital and treasury shares	Total reserves	Retained earnings	Attributable to owners of the company	Non-controlling interests	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance at 31 January 2016</b>	<b>300 778</b>	<b>(255 617)</b>	<b>81 882</b>	<b>127 043</b>	<b>8 330</b>	<b>135 373</b>
Total comprehensive income/(loss) for the year	-	11 276	(4 119)	7 157	813	7 970
Issue of shares	986	(379)	-	607	-	607
Recognition of share based payments	-	467	-	467	-	467
Change in ownership interests	-	2	(1 287)	(1 285)	1 395	110
<b>Balance at 01 January 2017</b>	<b>301 764</b>	<b>(244 251)</b>	<b>76 476</b>	<b>133 989</b>	<b>10 538</b>	<b>144 527</b>
Total comprehensive income/(loss) for the year	-	14 211	(43 789)	(29 578)	3 556	(26 022)
Issue of shares	2 678	(2 406)	-	272	-	272
Purchase of treasury shares	(1 499)	-	-	(1 499)	-	(1 499)
Share application monies	157	-	-	157	-	157
Issue of convertible notes	60 560	-	-	60 560	-	60 560
Recognition of share based payments	-	1 728	-	1 728	-	1 728
Change in ownership interests	-	-	1 205	1 205	(1 088)	117
Disposal of subsidiary	-	77 587	-	77 587	-	77 587
<b>Balance at 31 December 2017</b>	<b>363 660</b>	<b>(153 131)</b>	<b>33 892</b>	<b>244 421</b>	<b>13 006</b>	<b>257 427</b>

## 5. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	Twelve months ended	
	31-Dec-17	31-Dec-16
	USD'000	USD'000
Net cash used in operating activities from continuing operations	(161 550)	(44 891)
Net cash flows generated by/(used in) investing activities from continuing operations	43 462	(18 503)
Net cash flows generated by financing activities from continuing operations	49 109	109 253
Net cash flows (used in)/generated by discontinued operations	(15 646)	13 610
Net (decrease)/increase in cash and cash equivalents	(84 625)	59 469
Cash and cash equivalents at the beginning of the year	136 266	74 881
Effect of foreign exchange rate changes	(2 600)	1 916
<b>Cash and cash equivalents at the end of the year</b>	<b>49 041</b>	<b>136 266</b>

The audited condensed financial statements have been prepared in line with International Financial Reporting Standards.

The above audited condensed consolidated financial statements have been audited by Deloitte.

Copies of the audited condensed financial statements are available free of charge upon request at the Company's business address, 3rd Floor, Ebene Skies, Rue de l'Institut, Ebene, Mauritius.

The statement of direct and indirect interests of officers of the Company is available upon request, free of charge at the registered office of the Company.

The report is issued pursuant to Listing Rule 12.14 of the Stock Exchange of Mauritius and the Securities Act 2005 of Mauritius. The Board of Directors of Bayport Management Ltd accepts full responsibility for the accuracy of the information contained therein.

By order of the Board  
DTOS Ltd  
Company Secretary  
28 March 2018

**BAYPORT**  
MANAGEMENT LTD

# BAYPORT MANAGEMENT LTD

AUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2018

## 1. AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP	
	31-Dec-18	31-Dec-17
	USD'000	USD'000
<b>ASSETS</b>		
Cash and bank balances	68 412	51 028
Loans and advances	870 702	713 550
Other assets	286 725	273 018
<b>Total Assets</b>	<b>1 225 839</b>	<b>1 037 596</b>
<b>LIABILITIES</b>		
Bank overdrafts	52 332	5 287
Borrowings	780 695	668 334
Other liabilities	162 414	106 548
<b>Total Liabilities</b>	<b>995 441</b>	<b>780 169</b>
<b>EQUITY</b>		
Share capital and treasury shares	373 557	363 660
Retained earnings and other reserves	(157 740)	(119 239)
<b>Equity attributable to owners of the company</b>	<b>215 817</b>	<b>244 421</b>
Non-controlling interests	14 581	13 006
<b>Total Equity</b>	<b>230 398</b>	<b>257 427</b>
<b>Total Liabilities and Equity</b>	<b>1 225 839</b>	<b>1 037 596</b>

## 2. AUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	GROUP	
	31-Dec-18	31-Dec-17
	USD'000	USD'000
<b>Continuing operations</b>		
Interest and other similar income	325 724	272 522
Interest and other similar expense	(119 684)	(116 063)
<b>Net interest income</b>	<b>206 040</b>	<b>156 459</b>
Commission income	4 216	5 623
Dividend income	17 573	8 119
Other income	8 998	8 325
<b>Non-interest income</b>	<b>30 787</b>	<b>22 067</b>
<b>Operating income</b>	<b>236 827</b>	<b>178 526</b>
Operating expenses	(147 522)	(122 901)
Foreign exchange losses	(3 117)	(35 476)
<b>Operating profit before impairment on financial assets</b>	<b>86 188</b>	<b>20 149</b>
Impairment on financial assets	(18 237)	(20 192)
<b>Operating profit/(loss)</b>	<b>67 951</b>	<b>(43)</b>
Share of post-tax results of associates	3 417	1 363
<b>Profit before taxation</b>	<b>71 368</b>	<b>1 320</b>
Taxation	(26 406)	(16 479)
<b>Profit/(loss) for the year from continuing operations</b>	<b>44 962</b>	<b>(15 159)</b>
<b>Discontinued operations</b>		
Loss for the year from discontinued operations	-	(29 170)
<b>Profit/(loss) for the year</b>	<b>44 962</b>	<b>(44 329)</b>
<b>Attributable to:</b>		
Owners of the company	38 194	(48 139)
Non-controlling interests	6 768	3 810
<b>Profit/(loss) for the year</b>	<b>44 962</b>	<b>(44 329)</b>

### Earnings/(loss) per share:

#### From continuing and discontinued operations

Basic earnings/(loss) per share	1.12	(1.55)
Diluted earnings/(loss) per share	1.10	(1.54)

#### From continuing operations

Basic earnings/(loss) per share	1.12	(0.61)
Diluted earnings/(loss) per share	1.10	(0.61)

Basic weighted average number of shares (thousands)	34 244	31 069
Diluted weighted average number of shares (thousands)	34 650	31 214

## 3. AUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP	
	31-Dec-18	31-Dec-17
	USD'000	USD'000
<b>Profit/(loss) for the year</b>	<b>44 962</b>	<b>(44 329)</b>
<b>Other comprehensive income/(loss), net of taxation</b>		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net fair value gain on investments in equity instruments designated at fair value through other comprehensive income	2 448	6 317
Share of other comprehensive loss of associates	(990)	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>1 458</b>	<b>6 317</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign exchange differences	(68 779)	16 209
Loss on hedging instruments designated as hedges of the net assets on foreign operations	-	(3 287)
Effect of cash flow hedges	(2 092)	(932)
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(70 871)</b>	<b>11 990</b>
<b>Other comprehensive (loss)/income for the year, net of taxation</b>	<b>(69 413)</b>	<b>18 307</b>
<b>Total comprehensive loss for the year</b>	<b>(24 451)</b>	<b>(26 022)</b>
<b>Attributable to:</b>		
Owners of the company	(28 214)	(29 578)
Non-controlling interests	3 763	3 556
<b>Total comprehensive loss for the year</b>	<b>(24 451)</b>	<b>(26 022)</b>

## 4. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total share capital and treasury shares	Total reserves	Retained earnings	Attributable to owners of the company	Non-controlling interests	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance at 01 January 2017</b>	<b>301 764</b>	<b>(244 251)</b>	<b>76 476</b>	<b>133 989</b>	<b>10 538</b>	<b>144 527</b>
Total comprehensive income/(loss) for the year	-	18 561	(48 139)	(29 578)	3 556	(26 022)
Issue of shares	2 678	(2 406)	-	272	-	272
Share application monies	157	-	-	157	-	157
Purchase of treasury shares	(1 499)	-	-	(1 499)	-	(1 499)
Issue of convertible notes	60 560	-	-	60 560	-	60 560
Recognition of share-based payments	-	1 729	-	1 729	-	1 729
Transfer to reserves	-	(4 350)	4 350	-	-	-
Change in ownership interests	-	-	1 205	1 205	(1 088)	117
Disposal of subsidiary	-	77 586	-	77 586	-	77 586
<b>Balance at 01 January 2018</b>	<b>363 660</b>	<b>(153 131)</b>	<b>33 892</b>	<b>244 421</b>	<b>13 006</b>	<b>257 427</b>
Total comprehensive (loss)/income for the year	-	(66 407)	38 193	(28 214)	3 763	(24 451)
Issue of shares	526	-	-	526	-	526
Share application monies	9 371	-	-	9 371	-	9 371
Recognition of share-based payments	-	4 644	-	4 644	-	4 644
Transfer from reserves	-	11 228	(11 228)	-	-	-
Change in ownership interests	-	(732)	(14 199)	(14 931)	(2 188)	(17 119)
<b>Balance at 31 December 2018</b>	<b>373 557</b>	<b>(204 398)</b>	<b>46 658</b>	<b>215 817</b>	<b>14 581</b>	<b>230 398</b>

## 5. AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	31-Dec-18	31-Dec-17
	USD'000	USD'000
Net cash used in operating activities from continuing operations	(132 481)	(161 550)
Net cash flows (used in)/generated by investing activities from continuing operations	(18 182)	43 419
Net cash flows generated by financing activities from continuing operations	126 623	45 852
Net cash flow used in discontinued operations	-	(15 646)
Net decrease in cash and cash equivalents	(24 040)	(87 925)
Cash and cash equivalents at the beginning of the year	45 741	136 266
Effect of foreign exchange rate changes	(5 621)	(2 600)
<b>Net cash and cash equivalents at the end of the year</b>	<b>16 080</b>	<b>45 741</b>

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By order of the Board  
DTOS Ltd  
Company Secretary  
01 April 2019

**BAYPORT**  
MANAGEMENT LTD