

**ATLAS MARA CO-NVEST LIMITED**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
30 JUNE 2014 (UNAUDITED)**

# **ATLAS MARA CO-NVEST LIMITED**

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **30 JUNE 2014 (UNAUDITED)**

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# **ATLAS MARA CO-NVEST LIMITED**

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **30 JUNE 2014 (UNAUDITED)**

**Interim Management Report and Chairman's Statement for the period from 28 November 2013 to 30 June 2014 (Unaudited)**

It is with great pleasure that I write to you for the first time as Chairman of Atlas Mara Co-Nvest Limited (the "Company" or "Atlas Mara") and would like to take this opportunity to welcome you as a shareholder of the Company. I am pleased to present to shareholders the Company's first interim financial report for the period ended 30 June 2014.

#### **The Company**

The Company was incorporated in the British Virgin Islands, pursuant to the BVI Business Companies Act 2004, on 28 November 2013. The Company's ordinary shares and warrants were admitted to the Official List by way of a Standard Listing and to trading on the London Stock Exchange's main market for listed securities on 17 December 2013, simultaneously with which the Company raised gross proceeds of USD 325 million (the "IPO").

As was stated in the IPO prospectus, the Company was formed to undertake an acquisition of a target company or business. The Company's efforts in identifying a prospective target company or business were not limited to a particular industry or geographical region. However, given the experience of the Company's founders and the Board, the Company expected to focus on an acquisition in the financial services sector with all or a substantial portion of its operations in Africa. The Directors believed, and continue to believe, that there are significant gaps in the market today for financial services in Sub-Saharan Africa and that meaningful opportunities exist to deploy capital and support the development of financial services on the continent.

Since its incorporation, the Company has made substantial progress in meeting its objective. Highlights include:

- On 31 March 2014, the Company announced that it had reached agreements to acquire a majority of ABC Holdings Limited ("ABCH") from selected ABCH shareholders and that it had entered into an agreement with ADC African Development Corporation AG ("ADC") to make a voluntary public offer by way of a share-for-share exchange to ADC shareholders for all outstanding ADC Shares. ABCH is the holding company of the BancABC group, a leading multi-country, multi-service, banking group with operations across the Southern African Development Community ("SADC"). ADC is a Frankfurt-based, open market-listed holding company with a portfolio of African financial services investments, including an indirect 47.1% stake in ABCH including shares representing 9.3% of ABCH's shares held subject to certain call option agreements with the ABCH executives. The Company launched its offer for ADC shares on 3 July 2014 and the offer period expired on 31 July 2014. As at this date, 9,010,130 shares in ADC, which represent 95.17% of ADC's current share capital, were tendered. Whilst the minimum acceptance threshold for the offer has been satisfied, certain conditions relating to regulatory clearances remain outstanding. The Company anticipates that the remaining conditions will be satisfied in the near future.
- On 8 April 2014, the Company announced the hiring of John F. Vitalo, formerly CEO of Barclays MENA (Middle East and North Africa) and Absa Capital, as CEO of the Company. John commenced his duties on 4 July 2014.
- On 13 May 2014, the Company commenced a conditional private placement of new ordinary shares at an issue price of USD 11.00 per new ordinary share. Initial allocation preference was given to holders of existing ordinary shares and thereafter to certain qualified investors. As at 1 July 2014, the Company had received subscriptions for approximately USD 300 million from holders of existing ordinary shares and certain other qualified investors.
- On 23 May 2014, the Company entered into a framework deed with the Government of Rwanda, the National Export Development Board and the Rwanda Social Security Board to facilitate the ultimate acquisition of a to-be-formed commercial bank in Rwanda via an internal reorganization of the Development Bank of Rwanda ("BRD"). The Directors believe that, subject to certain conditions and regulatory approvals, this acquisition will be completed by 1 November 2014.

# ATLAS MARA CO-NVEST LIMITED

## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2014 (UNAUDITED)

Interim Management Report and Chairman's Statement for the period from 28 November 2013 to 30 June 2014 (Unaudited) (Continued)

- On 3 July 2014, the Company announced that it had recently entered into a commitment agreement that provides for debt facilities of up to USD 200 million to support future growth, subject to certain customary conditions. The terms and conditions of the facility are to be agreed upon at the time the Company requests borrowing under the facility.

#### Financial Results and Dividends

During the period from incorporation until 30 June 2014, the Company has incurred a loss of USD 17.3 million. As disclosed in the notes to the interim financial statements, this loss mainly relates to expenses from the IPO and the transactions described above.

As at 30 June 2014, the Company held USD 306 million of cash and cash equivalent investments of which USD 286 million was invested in US Treasuries, mutual funds holding US Treasuries rated at least AA or better at the time of purchase or deposit, or such money market funds as approved by the Board of Directors. The Directors regularly monitor interest rates and the credit ratings of the securities in which the Company is investing to ensure that the Company remains in compliance with its stated investment policy for its cash balances.

The Directors do not recommend the payment of a dividend in respect of the period ended 30 June 2014.

#### Principal Risks and Uncertainties

The Company set out risk factors in the IPO prospectus dated 17 December 2013 and a subsequent prospectus published on 3 July 2014 related to the ABCH and ADC transactions that could impact its performance. These principal risks and uncertainties remain unchanged since these documents were published and are expected to apply during the remaining period to 31 December 2014. Your attention is drawn to these documents, which are also available on the Company's website: [www.atlasmara.com](http://www.atlasmara.com).

#### Related Parties

Related party disclosures are provided in Note 9.

#### Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;
- The interim management report includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the period from 28 November 2013 to 30 June 2014 and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place during the period from 28 November 2013 to 30 June 2014 and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in Note 9 that could do so.

# **ATLAS MARA CO-NVEST LIMITED**

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **30 JUNE 2014 (UNAUDITED)**

**Interim Management Report and Chairman's Statement for the period from 28 November 2013 to 30 June 2014 (Unaudited) (Continued)**

#### **Outlook**

I believe firmly in the Company's strategy of being a "positive disruptive force" in Sub-Saharan African financial services and am excited by the Company's prospects. I remain confident in the outlook for the Company, given its strong capital position, the solid platform being established as a result of the pending acquisitions, the high quality management team that we have been able to attract, and an exciting pipeline of potential additional acquisition opportunities that has been identified.

I would like to close by thanking you for your commitment and I look forward to the Company continuing the positive start that it has made.



---

Arnold Ekpe  
Chairman  
15 August 2014

# **REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ATLAS MARA CO-NVEST LIMITED**

## **Introduction**

We have been engaged by the company to review the condensed set of financial statements in the interim condensed consolidated financial statements for the period from the date of incorporation, 28 November 2013, to 30 June 2014, which comprises the interim consolidated statements of income and comprehensive income, the interim consolidated balance sheet, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows and the related explanatory notes. We have read the other information contained in the interim condensed consolidated financial statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

## **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

## **Our responsibility**

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

## **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the period from the date of incorporation, 28 November 2013, to 30 June 2014 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Andrew Walker  
**for and on behalf of KPMG LLP**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

15 August 2014

# ATLAS MARA CO-NVEST LIMITED

## INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2014 (UNAUDITED)

<i>\$000s</i>	<i>28 November 2013 - 30 June 2014</i>	<i>Notes</i>
<b>INCOME</b>		
Interest Income	5	
Foreign Exchange Income/(loss)	(3)	
Total Income	<u>2</u>	
Operating Expenses	(5,782)	7
Transaction Expenses	(11,470)	8
Debt Facility Transaction Costs	<u>(16)</u>	10
<b>NET INCOME</b>	<b><u>(17,266)</u></b>	
<i>Basic and fully diluted earnings per share (USD cents)</i>	<u>(5)</u>	12

The attached notes 1 to 13 are an integral part of these interim condensed consolidated financial statements.

# ATLAS MARA CO-NVEST LIMITED

## INTERIM CONSOLIDATED BALANCE SHEET 30 JUNE 2014 (UNAUDITED)

<i>\$000s</i>	<i>June 30, 2014</i>	<i>Notes</i>
<b>ASSETS</b>		
Cash and Short-term Funds	19,595	
Investment Securities – Available for Sale	286,062	2
Advances for Investments	333	3
Prepayments	4,576	4
<b>TOTAL ASSETS</b>	<b>310,566</b>	
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Payables and Accrued Expenses	8,921	5
Placement Fees Payable	3,750	11
<b>TOTAL LIABILITIES</b>	<b>12,671</b>	
<b>EQUITY</b>		
Founder Preference Shares	12,500	6
Shareholders' Equity	312,795	6
Reserves	(10,134)	
Retained Earnings	(17,266)	
<b>TOTAL EQUITY</b>	<b>297,895</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>310,566</b>	



Arnold Ekpe  
Chairman

  
John F. Vitalo (Aug 15, 2014)

John Vitalo  
Chief Executive Officer

The attached notes 1 to 13 are an integral part of these interim condensed consolidated financial statements.

# ATLAS MARA CO-NVEST LIMITED

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 28 NOVEMBER 2013 TO 30 JUNE 2014 (UNAUDITED)

<i>\$000s</i>	Founder Preferred share capital	Shareholders' Equity	Reserves	Retained earnings	Total equity
Balance at 28 November 2013	-	-	-	-	-
Issue of Founder Preferred shares	12,500	-	-	-	12,500
Issue of Ordinary shares	-	312,500	-	-	312,500
Issue of Ordinary shares to Directors	-	295	-	-	295
Share issue expenses	-	-	(10,134)	-	(10,134)
Total comprehensive loss	-	-	-	(17,266)	(17,266)
<b>Balance at June 30, 2014</b>	<b>12,500</b>	<b>312,795</b>	<b>(10,134)</b>	<b>(17,266)</b>	<b>297,895</b>

The attached notes 1 to 13 are an integral part of these interim condensed consolidated financial statements.

# ATLAS MARA CO-NVEST LIMITED

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 28 NOVEMBER 2013 TO 30 JUNE 2014 (UNAUDITED)

<i>\$000s</i>	<i>28 November 2013 - 30 June 2014</i>	<i>Notes</i>
<b>OPERATING ACTIVITIES</b>		
Net Loss	(17,266)	
Adjustments for non-cash items in net income		
Debt facility Transaction costs	16	
Net income adjusted for non-cash items	(17,250)	
<b>Changes in:</b>		
<i>Investment activities</i>		
Investment Securities – Available for Sale	(286,062)	2
Advances for Investments	(333)	3
<i>Operating capital</i>		
Prepayments	(4,576)	4
Payables and Accrued Expenses	8,921	5
Placement Fees Payable	3,750	
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>(295,550)</b>	
<b>FINANCING ACTIVITIES</b>		
Shareholders' Equity issued	312,795	6
Founder Shares issued	12,500	6
Share issue expenses	(10,134)	6
Debt facility Transaction costs	(16)	10
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>315,145</b>	
Net (decrease) increase in cash and cash equivalents	19,595	
Cash and cash equivalents at beginning of the period	-	
Cash and cash equivalents at end of the period	<b>19,595</b>	
<b>Cash and cash equivalents comprise:</b>		
Cash in banks	19,595	
	<b>19,595</b>	

The attached notes 1 to 13 are an integral part of these interim condensed consolidated financial statements.

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

#### A. ORGANIZATION

##### i. Incorporation

Atlas Mara Co-Nvest Limited (the "Company") was incorporated in the British Virgin Islands, pursuant to the BVI Business Companies Act 2004, on 28 November 2013 with number 1800950. The registered office of the Company is at Nemours Chambers, Post Box 3170, Road Town, Tortola, British Virgin Islands.

On 17 December 2013, The Company was admitted to the London Stock Exchange, after raising gross proceeds of USD 325 million in its initial public offering.

The Company has two subsidiaries described below (together the "Group" or "Atlas Mara"):

- Atlas Mara Luxembourg Holding S.a.r.l, a limited liability company established under Luxembourg law with its corporate seat in the Grand Duchy of Luxembourg and registered in the Luxembourg trade and companies register (Registre de Commerce et des Sociétés) under B 186989; and
- Atlas Mara Beteiligungs AG, a stock corporation established under the laws of Germany with its corporate seat in Düsseldorf and registered in the commercial register of the Düsseldorf local court under registration number HRB 72694.

The interim consolidated financial statements for the period ended 30 June 2014 were authorized for issue in accordance with a resolution of the Board of Directors dated 13 August 2014.

#### B. SIGNIFICANT ACCOUNTING POLICIES

##### i. Statement of Compliance

This being the first set of financial statements, there is no comparative information presented in the report. The Company has prepared its financials in accordance with IFRS as adopted by the European Union.

##### ii. Basis of Preparation

The interim condensed consolidated financial statements of the Company are prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and Disclosure and Transparency Rules of the Financial Conduct Authority. This condensed interim financial information has been prepared under the historical cost convention with the exception of derivatives and investment securities held at fair value. The interim condensed consolidated financial statements are prepared in United States dollars (USD), this being the functional currency of the Company, and rounded to the nearest thousands (\$000s) unless otherwise stated.

##### iii. Use of Estimates and Judgements

The preparation of interim financial statements requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions have changed. Estimates and assumptions will be continually reevaluated to ensure they remain appropriate. The Directors believe that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly.

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### B. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### iii. Use of Estimates and Judgements (continued)

The key estimates, assumptions and judgements are set out below:

- *Founder Preferred Shares*  
As stated in the accounting policies, the founder preferred shares are accounted for as equity settled share based payments. As it is not possible to measure the fair value of the preference shares at their settlement date, they are valued at their intrinsic value, which is driven by the share price. As the award is based on an increase in share price over the share price at grant date then at the grant date, the intrinsic value is nil. The intrinsic value remeasurement would continue until the settlement date. A summary of the terms of the Founder Preferred Shares is set out in Note 6.
- *Investment related commitments*  
The Company entered into option agreements in relation to potential investments. These are held at fair value at the balance sheet date. The fair value of the options was measured based on significant inputs not observable in the market. Key assumptions included the fair value of the shares and an assumption of volatility. The fair value was assessed by a third party using a Black Scholes model.

#### iv. Basis of Consolidation

The interim condensed consolidated financial statements are comprised of the financial statements of the Group and its subsidiaries. The results of all subsidiaries are included in the consolidated statement of income from the effective date of formation or acquisition. The financial statements of the Group's subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies. All intercompany balances, income and expenses have been eliminated on consolidation.

#### v. Foreign Currency Translation

##### *Functional and presentation currency*

The Company is listed on the London Stock Exchange, the capital raised in the IPO was in US Dollars and the intended dividends and distributions to be paid to shareholders are to be in US Dollars. The Directors consider US Dollars as the currency that represents the economic effects of the underlying transactions, events and conditions. The financial statements of the Company are presented in US Dollars, which is also the Company's functional currency.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### **B. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **vi. Investment Securities – Available for Sale**

Investment Securities available for sale represent amounts placed in money market funds and invested in US Treasury Bills rated at least AA or better at the time of purchase or deposit. Available-for-sale investments are initially measured at cost, including transaction costs, and subsequently re-measured to fair value. Unrealised gains and losses arising from changes in the fair values of available-for-sale investments are recognised in a fair value reserve as a separate component of equity. In the event of sale, disposal, collection or impairment, the related cumulative gains and losses recognised in equity are transferred to the income statement of that year.

#### **vii. Cash and Cash Equivalents**

Cash and cash equivalents comprises of balances with banks that are short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash.

#### **viii. Advances for Investments and Prepayments**

Advances for Investments and Prepayments are costs paid for subsequent periods in advance and are measured at cost. It includes amounts attributable to an equity transaction in process. Such costs will be transferred to equity as and when the equity transaction is recognized or recognized in the statement of income if the transaction is not expected to complete.

#### **ix. Payables, Accrued Expenses and Provisions**

Provisions are made when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### **x. Interest Income**

Interest income is calculated using the effective interest rate method and represents income in relation to cash and cash equivalent assets.

#### **xi. Debt Facility Transaction Costs**

Debt Facility Transaction costs are transaction fees relating to committed, but currently undrawn, debt facilities.

#### **xii. Transactions Expenses**

Transaction expenses are fees to advisors, in connection with potential acquisitions including the cost of options agreements related to potential investments (refer to Note 3). Transaction expenses, when incurred, are recognized in the statement of comprehensive income as an expense.

#### **xiii. Share Capital**

Founder Preferred Shares and Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from the proceeds.

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### **B. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **xiv. Share based payments**

Where the Company engages in share based payment transactions in respect of services received from certain of its employees, these are accounted for as equity settled share based payments in accordance with IFRS 2. The equity is in the Founder Preferred Shares and the ordinary shares of the Company.

The share based payments to Founder Preferred Shares are shown at their intrinsic value, as it is not possible to measure the fair value of the equity instruments granted at the measurement date due to the difficulties in establishing a volatility and predicting future performance of the shares. At the grant date, the intrinsic value is nil. The intrinsic value measurement will continue until the settlement date.

#### **xv. Going Concern**

The Directors have a reasonable expectation and belief that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the interim condensed consolidated financial statements are prepared on a going concern basis.

### **2. INVESTMENT SECURITIES – AVAILABLE FOR SALE**

The Company currently holds USD 286 million in US Treasuries, mutual funds holding US Treasuries rated at least AA or better at the time of purchase or deposit, or such money market funds as approved by the Board of Directors. The Directors regularly monitor interest rates and the credit ratings of the securities in which the Company is investing to ensure that the Company remains in compliance with its stated investment policy for its cash balances.

### **3. ADVANCES FOR INVESTMENTS**

Advances for Investments include the costs of Option Agreements entered into by the Company in June 2014 related to potential investments ("Option Agreements"). The Option Agreements will expire in August 2014.

On 21 July 2014, as a result of having not obtained regulatory approval in relation to one of the agreements, one of the options has been terminated (refer to Note 11). It is the Company's expectation that the premium associated with this option will be refunded. The amount payable under the Option Agreements is USD 1 million, of which the costs relating to the terminated agreement has been expensed in full. Costs relating to the other agreement are amortized over the term of the agreement. If the Company chooses not to exercise its rights under the Option Agreements, a total "break fee" of USD 2.5 million would become payable.

### **4. PREPAYMENTS**

Prepayments comprise largely of costs relating to the private placement in process as at 30 June 2014 (refer to Note 11) of USD 3.9 million and debt facility transaction costs of USD 0.48 million (refer to Note 10).

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### 5. PAYABLES AND ACCRUED EXPENSES

<u>\$000s</u>	<u>30 June 2014</u>
Fees to Advisors	7,542
Option Agreements Expenses	1,000
Other Payables	379
<b>Total</b>	<b>8,921</b>

Accrued expenses for fees to advisors include transaction expenses that are payable as at the balance sheet date in relation to the ABCH, ADC and BRD acquisitions.

### 6. SHARE CAPITAL

The Company's share capital as at the balance sheet date is as follows:

	<u>30 June 2014</u>	
	<u>No. of shares</u>	<u>\$000</u>
<b>Authorised and Issued share capital</b>		
- Shareholders' Equity*	31,279,500	312,795
- Founder Preference Shares	1,250,000	12,500
		<u>325,295</u>

\* Comprises Ordinary Shares and Share Warrants

As of 1 April 2014, the Company's shares have been suspended from trading pending the Company publishing a prospectus in relation to its readmission. Following the completion of the ABC and ADC transactions (refer to Note 11), application will be made for the shares to be readmitted pursuant to the UKLA listing rules.

#### **Ordinary Shares**

The Company, as per its Articles of Association, is authorized to issue an unlimited number of shares with no par value which may be Ordinary Shares or Founder Preferred Shares.

On 17 December 2013, the Company, through its initial public offering, raised USD 312,795,000 before expenses and issued 31,279,500 ordinary shares of no par value. With the issue, the Company was admitted to a Standard Listing and to trading on the London Stock Exchange's main market for listed securities.

#### **Founder Preferred Shares**

At incorporation, the Company issued 2 Founder Preferred Shares of USD 10 each to each of its Founding Entities. On 17 December 2013, the Company's founders contributed USD 12,500,000 and were issued 1,250,000 Founder Preference Shares with no par value. These shares confer upon the holder:

- A dividend based on the future appreciation of the market value of the Ordinary Shares; and
- A right to nominate a person as a Director of the Company, as long as a Founding Entity holds more than 20% of the Founder Preferred Shares.

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### 6. SHARE CAPITAL (continued)

#### *Founder Preferred Shares (continued)*

The Founder Preferred Shares are intended to have the effect of incentivising the founders to achieve the Company's objectives. They are structured to provide a dividend based on the future appreciation of the market value of the Ordinary Shares thus aligning the interests of the founders with those of the investors on a long term basis. Dividends paid to holders of the Founder Preferred Shares will be in Ordinary Shares and will be dilutive to existing holders of Ordinary Shares.

At 30 June 2014, the Founder Preferred Shares have been valued at intrinsic value, which is equivalent to the cash proceeds, given that neither prerequisite event entitling holders of Founder Preferred Shares has occurred, as described below. It is expected that, in the future, the Founder Preferred Shares will be valued at intrinsic value.

Following the Company's initial acquisition, and only once the Average Price per Ordinary Share is at least US\$11.50 for ten consecutive Trading Days, the holders of Founder Preferred Shares will be entitled to receive an "Annual Dividend Amount", payable in Ordinary Shares. In the first year in which such dividend becomes payable, such dividend will be equal in value to 20% of the increase in the market value of one Ordinary Share, being the difference between US\$10.00 and the Dividend Price, multiplied by the number of Ordinary Shares outstanding as at the last Trading Day of the relevant Dividend Determination Period.

Thereafter, the Annual Dividend Amount will only become payable if the Dividend Price during any subsequent year is greater than the highest Dividend Price in any preceding year in which a dividend was paid in respect of the Founder Preferred Shares. Such Annual Dividend Amount will be equal in value to 20% of the increase in the Dividend Price over the highest Dividend Price in any preceding Dividend Year multiplied by the number of Ordinary Shares outstanding as at the last Trading Day of the relevant Dividend Determination Period.

For the purposes of determining the Annual Dividend Amount, the "Dividend Price" is the highest amount calculated by adding together the Average Price per Ordinary Share for any period of ten consecutive Trading Days in the relevant Dividend Year (the "Dividend Determination Period") and dividing by ten. In each case the number of Ordinary Shares issued to holders of Founder Preferred Shares in connection with such dividend will be determined by the Dividend Price of such year, even though such share price may be lower than the market value of the Ordinary Shares at the end of any relevant Dividend Year.

The amounts used for the purposes of calculating an Annual Dividend Amount and the relevant numbers of Ordinary Shares are subject to such adjustments for stock splits, stock dividends and certain other recapitalisation events as the Directors in their absolute discretion determine to be fair and reasonable in the event of a consolidation or sub-division of the Ordinary Shares in issue after the date of admission to trading or otherwise as determined in accordance with the Articles of Association.

For so long as an initial holder of Founder Preferred Shares (being a Founding Entity together with its affiliates) holds 20% or more of the Founder Preferred Shares in issue, such holder shall be entitled to nominate a person as a director of the Company and the Directors shall appoint such person.

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### 6. SHARE CAPITAL (continued)

#### *Founder Preferred Shares (continued)*

In the event such initial holder ceases to be a holder of Founder Preferred Shares or holds less than 20% of the Founder Preferred Shares in issue, such initial holder shall no longer be entitled to nominate a person as a director of the Company and the holders of a majority of the Founder Preferred Shares in issue (including any initial holder continuing to hold Founder Preferred Shares) shall be entitled to exercise that initial holder's former rights to appoint a director instead (which shall include being entitled to request the removal of that initial holder's appointee).

The Founder Preferred Shares will automatically convert into Ordinary Shares on a one-for-one basis (i) in the event of a change of control or (ii) on the last day of the seventh full financial year of the Company following completion of its initial acquisition. At the balance sheet date, The Founder Preferred Shares are held in respect of Ordinary shares to be issued on the occurrence of the conditions mentioned above. The Founder Preferred Shares do not carry voting rights except in respect of any variation or abrogation of class rights on any resolution required, pursuant to BVI law, to approve either an acquisition or prior to an acquisition a merger or consolidation. For further details regarding the Founder Preferred Shares, please see the IPO prospectus dated 17 December 2013.

#### *Warrants*

On 17 December 2013, Company issued 32,529,500 Warrants to its Warrant subscribers, pursuant to a resolution of the Board passed on 16 December 2013. Each Warrant entitles a Warrant holder to subscribe for one third of an Ordinary Share upon exercise. Warrant holders will have subscription rights to subscribe in cash for all or any whole number of Ordinary Shares at an exercise price of USD 11.50 during the period commencing on 17 December 2013 and ending on the earlier to occur of (i) the third anniversary of the completion of the Company's initial acquisition and (ii) such earlier date as determined by the Warrant Instrument. For more information regarding the Warrants, please see the IPO prospectus dated 17 December 2013.

#### *Share Issue Expenses*

The Share Issue Expenses comprises of qualifying amounts incurred during the IPO deducted from Equity as per IAS 32 and disclosed separately in the Consolidated Statement of Changes in Equity. The details of these costs are as follows:

<i>\$000s</i>	<i>30 June 2014</i>
Advisory fees	1,283
Legal fees	1,542
Placement fees	7,308
<b>Total</b>	<b>10,134</b>

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### 7. OPERATING EXPENSES

<i>\$000s</i>	<i>28 November 2013 - 30 June 2014</i>
Consultant Compensation and Related Expenses	2,774
Fees to Advisors	446
Emoluments to Directors	295
Other Administrative Expenses	2,266
<b>Total</b>	<b>5,782</b>

Consultant Compensation and Related Expenses largely relate to payroll costs and benefits payable to Consultants engaged by the Company. Other Administrative Expenses includes travel, business development, marketing and administrative expenses substantially related to the execution of the ongoing acquisitions of ABC Holdings Limited ("ABCH"), African Development Corporation AG ("ADC") and the commercial banking operations of the Development Bank of Rwanda ("BRD").

### 8. TRANSACTION EXPENSES

<i>\$000s</i>	<i>28 November 2013 - 30 June 2014</i>
Advisory fees	6,488
Legal fees	3,304
Regulatory related expenses	802
Others	875
<b>Total</b>	<b>11,470</b>

Transaction Expenses comprises of costs incurred by the Company in connection with the ongoing acquisitions of ABCH, ADC and BRD.

### 9. RELATED PARTY TRANSACTIONS

For the Company, related parties include its investee companies, major shareholders, directors and senior management of the Company, their immediate families and entities controlled, jointly controlled or significantly influenced by such parties.

During the period, operations of the Company were largely conducted by people employed by affiliates of the Company's founders, Robert E. Diamond Jr. and Ashish J. Thakkar as set out below.

Operational expenses incurred by these related parties were reimbursed by the Company on an actual basis. The terms of these expenses reimbursed were at arm's length and in the ordinary course of business. There was no income or expense generated on account of these transactions.

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### 9. RELATED PARTY TRANSACTIONS (continued)

These reimbursements were made only after the review and approval by the authorized representatives of the Company. The total expenses reimbursed to related parties during the period amounted to USD 2.16 million.

The emoluments to Directors for the period ending 31 December 2014 amounted to USD 295,000, which was paid by way of issue of Ordinary Shares (refer to the Statement of Changes in Equity) at the time of the IPO. These shares were issued in connection with the election by the Directors to receive their payment in lump sum, in kind, in relation to their first year of appointment. The election constituted an irrevocable undertaking to subscribe to the Ordinary Shares at the placing price with no vesting period. This was the only share-based transaction undertaken during the period 28 November 2013 to 30 June 2014 and, as such, the balance of share-based payments as at 30 June 2013 amounts to USD 295,000.

### 10. DEBT FACILITY COMMITMENT

On 25 June 2014, the Company entered into an agreement that provides for a committed debt facility of up to USD 200 million to support future growth. The terms and conditions of the facility are to be agreed upon at the time the Company requests borrowing under the facility and are subject to completion of definitive documentation and the satisfaction of certain conditions precedent. The facility carries a fixed commitment fee amounting to USD 500,000 which was expensed during the period.

### 11. POST BALANCE SHEET EVENTS

#### ***ABCH and ADC Acquisitions***

On 31 March 2014, the Company announced that it had reached agreements to acquire a majority of ABCH from selected ABCH shareholders and that it had entered into an agreement with ADC to make a voluntary public offer by way of a share-for-share exchange to ADC shareholders for all outstanding ADC Shares. ABCH is the holding company of the BancABC group, a leading multi-country, multi-service, banking group with operations across the Southern African Development Community. ADC is a Frankfurt-based, open market-listed holding company with a portfolio of African financial services investments, including an indirect 47.1% stake in ABCH. The Company launched its offer for ADC shares on 3 July 2014 and the Directors believe that, subject to certain conditions and regulatory clearances, these transactions will close prior to 31 August 2014. Further details on this offer are available in the prospectus published by the Company on 3 July 2014. The Company's offer for ADC shares commenced on 3 July 2014 and expired on 31 July 2014. As at this date, 9,010,130 shares in ADC, which represent 95.17% of ADC's current share capital, were tendered. Whilst the minimum acceptance threshold for the offer has been satisfied, certain conditions relating to regulatory clearances remain outstanding. The Company anticipates that the remaining conditions will be satisfied in the near future.

#### ***Private Placement***

On 13 May 2014, the Company commenced a conditional private placement of new ordinary shares at an issue price of USD 11.00 per new ordinary share. Initial allocation preference was given to holders of existing ordinary shares and thereafter to certain qualified investors. As at 1 July 2014, the Company had received subscriptions for approximately USD 300 million from holders of existing ordinary shares and certain other qualified investors. Settlement of this private placement is expected to occur contemporaneously with, and is conditional upon, the readmission of the Company's shares to trading on the London Stock Exchange following completion of the ABCH and ADC transactions.

# ATLAS MARA CO-NVEST LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014 (UNAUDITED)

### 11. POST BALANCE SHEET EVENTS (continued)

#### **BRD Acquisition**

On 23 May 2014, the Company entered into a framework deed with the Government of Rwanda, the National Export Development Board and the Rwanda Social Security Board to facilitate the ultimate acquisition of a to-be-formed commercial bank in Rwanda via an internal reorganization of the BRD. The Directors believe that, subject to certain conditions and regulatory approvals, this acquisition will be completed by 1 November 2014.

#### **Investment Related Commitments**

On 21 July 2014, as a result of having not obtained regulatory approval in relation to one of the options under the option agreements, one of the options has been terminated. It is the Company's expectation that the premium associated with this option will be refunded. The amount payable under this Option is USD 500,000, which has been expensed in full as at 30 June 2014.

### 12. EARNINGS PER SHARE

The Company's basic and fully diluted earnings per share for the period are as follows:

<u>\$000s</u>	<u>30 June 2014</u>
Net Loss attributable to ordinary shareholders	<u>17,266</u>
Weighted average ordinary shares for basic and fully diluted earnings per ordinary share	325,590
Basic and fully diluted earnings per share (USD cents)	<u>(5)</u>

The Warrants are considered non-dilutive for the period ended 30 June 2014, as the price per Ordinary Share was USD 11.40 on the last day of trading, 31 March 2014, before the shares were suspended from trading (refer to Note 6), and thus below the USD 11.50 exercise price for the Warrant.

### 13. COMMITMENTS AND CONTINGENT LIABILITIES

<u>\$000s</u>	<u>30 June 2014</u>
Investment related commitments	2,500

Investment related commitments include break fees payable in the event the Company does not execute the Option Agreements disclosed in Note 3.