

DIRECTORS' COMMENTARY
COMPANY OVERVIEW

AGM was incorporated and began operating on 24 July 2017 in Mauritius and holds a Global Business License in accordance with the Companies Act 2001 and the Financial Services Act 2007 of Mauritius. The Company's registered office address is at c/o Intercontinental Trust Ltd, Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius. The Company is listed on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") since 9 April 2018 when its initial private placement was completed. AGM is an investment holding company focused on emerging markets private equity opportunities, primarily in Africa, Latin America, and emerging Asia. AGM makes investments with a view to achieving significant capital appreciation and returns.

COMPANY REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2018

The Company is issuing its first audited financial statements, which comprises activity from 24 July 2017 until 31 December 2018, as required by the SEM Listing Rules. The Company made its first investment in the Avanz EM Partnerships Fund II, SPC ("AEMPF II") on 20 April 2018. This investment is partially funded with a current value of US\$2,102,619, and the Company anticipates investing additional capital as more portfolio companies are acquired by AEMPF II. To meet the near-term funding of the investment portfolio, the Company currently maintains a high level of liquidity with 71.82% of assets in cash at bank and fixed deposits.

The investments are well diversified¹ across the three geographies targeted with 25% in Africa, 30% in Latin America and 45% in emerging Asia. Additional diversification is provided by the distribution across the industry sectors in which the 62 portfolio companies operate, namely, in agribusiness, consumer goods and services, financial services, communications and information technology, healthcare, education and environmental services. The Company has no borrowings.

The Company reported a loss for the period of US\$ 561,487. Consistent with International Financial Reporting Standards, expenses in relation to the setting up of the Company are expensed in the first year of operation.

The Company's net asset value ("NAV") per share as of 31 December 2018 was US\$ 0.9309. Excluding the one-off set up costs amounting to USD 305,856 (out of which USD 165,718 is classified under Professional fees, USD 137,898 under Advisory fees and USD 2,240 under Licence fees), which benefit all future shareholders of the Company, the adjusted NAV per share as of 31 December 2018 would be US\$ 0.9685.

COMPANY OUTLOOK

The current investment portfolio is performing as expected and new companies are still being added to the portfolio. Significant value is accruing to the existing portfolio as more companies are preparing for exits. There was a liquidity event during the period from the sale of an existing company, however, there are no major liquidity events anticipated in the short term. The diversification, the quality of the investments and the portfolio construction are designed to generate high optimized risk-adjusted returns while considering possible adverse macro-economic or political events, as well as currency fluctuations over time. The Company is assessing the market continuously while seeking high quality investment opportunities and intends to raise additional capital to fund these future investments.

Any forecast statement above, and the forecasts underlying such statements, are the responsibility of the board of directors of the Company and have not been reviewed or reported on by the Company's external auditors. The forecast is based on assumptions, including assumptions about regional, political and economic environments, as well as that a stable global macro-economic environment will prevail.

¹ AEMPF II composition as of 30 September 2018.

STATEMENT OF FINANCIAL POSITION

	Audited as at 31 December 2018
ASSETS	US\$
Financial assets at fair value through profit or loss	2,102,619
Fixed deposits	5,100,000
Cash at bank	365,273
Receivables and prepayments	42,150
Total assets	7,610,042
EQUITY CAPITAL AND RESERVES	
Stated capital	8,120,921
Accumulated losses	(561,487)
Total equity	7,559,434
CURRENT LIABILITIES	
Current tax liability	947
Accruals and other payables	49,661
Total equity and liabilities	7,610,042

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the period ended 31 December 2018
INCOME	US\$
Net unrealised loss in fair value of financial assets through profit or loss	(288,855)
Dividend income	226,581
Other income	57,374
	(4,900)
EXPENSES	
Advisory fees	(162,142)
Professional fees	(199,467)
Audit fees	(25,000)
Accountancy fees	(9,340)
Other expenses	(26,131)
Investment costs	(100,658)
Director fees	(24,000)
Licence fees	(5,720)
Bank charges	(3,182)
	(555,640)
OPERATING LOSS	(560,540)
Income tax expense	(947)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(561,487)

STATEMENT OF CASH FLOWS

	Audited for the period ended 31 December 2018
	US\$
Net cash utilised in operating activities	(494,248)
Net cash utilised in investing activities	(7,261,400)
Net cash generated from financing activities	8,120,921
Net increase in cash at bank	365,273
Cash at bank at beginning of period	-
Cash at bank at end of period	365,273

STATEMENT OF CHANGES IN EQUITY

	2018		Total equity US\$
	Stated capital US\$	Accumulated losses US\$	
At 24 July 2017	-	-	-
Transactions with owners:			
Issue of shares	8,120,921	-	8,120,921
	8,120,921	-	8,120,921
Comprehensive income:			
Net loss and total comprehensive loss for the period	-	(561,487)	(561,487)
At 31 December 2018	8,120,921	(561,487)	7,559,434
<i>Number of ordinary shares in issue</i>			8,120,921
<i>Weighted average number of ordinary shares in issue</i>			2,924,990
<i>Earnings per share</i>			(0.1920)
<i>Net asset value per share</i>			0.9309

NOTES

- The abridged audited financial statements for the period ended 31 December 2018 ("abridged audited financial statements") have been prepared using the accounting policies which are in compliance with the International Financial Reporting Standards. The auditors' report to the financial statements is unqualified.
- The abridged audited financial statements have been reviewed by the Company's external auditors, PricewaterhouseCoopers, Mauritius. These abridged audited financial statements were approved by the Board of Directors (the "Board") on 18 April 2019.
- Copies of the abridged audited financial statements and the Statement of direct and indirect interests of each officer of the Company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Registered Office of the Company at c/o Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius.
- This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.14 and section 88 of the Securities Act of Mauritius 2005. The Board accepts full responsibility for the accuracy of the information contained in this communiqué. Contact Person: Mrs Smitha Algoo-Bissonauth

By order of the Board

Intercontinental Trust Limited
Company Secretary

Perigeum Capital Ltd
SEM Authorised representative and Sponsor

Date: 19 April 2019

