

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 30 JUNE 2019

The Company is issuing its interim unaudited financial report, which comprises activity from 1 January 2019 until 30 June 2019, as required under the SEM Listing Rules. The Company made its first investment in the Avanz EM Partnerships Feeder II, SPC ("AEMPF II") on 20 April 2018 and its second investment on 20 December 2018 in the Avanz Direct Co-Investments Feeder III, SPC ("AEMPF III"). These investments are partially funded with a current value of US\$4,236,651, and the Company anticipates investing additional capital as more portfolio companies are acquired by AEMPF II and AEMPF III. To meet the near-term funding of the growing investment portfolio, the Company currently maintains a high level of liquidity with 42% of assets in cash at bank and fixed deposits.

The Company's investments increased during the period with the current value of US\$4,236,651. The investments are well diversified across the three geographies with approximately 18% in Africa, 21% in Latin America and 61% in emerging Asia. Additional diversification is provided by the distribution across the industry sectors in which the 64 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\$225,410 resulting primarily from operating expenses and a decrease in value of financial assets due to the immediate impact of operating costs in AEMPF III. It is expected that some of these costs will be recuperated as future investors who join AEMPF III pay their share.

The Company's net asset value ("NAV") per share as of 30 June 2019 was US\$ 0.9031. 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 30 June 2019 would be US\$ 0.9408.

COMPANY OUTLOOK

The current investment portfolio is performing well and new companies are still being added to the portfolio. Significant value is accruing to the existing portfolio as more portfolio companies are preparing for exits. 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.

STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2019	Audited as at 31 December 2018
Assets	US\$	US\$
Financial assets at fair value through profit or loss	4,236,651	2,102,619
Fixed deposits	3,100,000	5,100,000
Cash at bank	16,394	365,273
Receivables and prepayments	29,873	42,150
Total assets	7,382,918	7,610,042
EQUITY CAPITAL AND RESERVES		
Stated capital	8,120,921	8,120,921
Accumulated losses	(786,897)	(561,487)
Total equity	7,334,024	7,559,434
CURRENT LIABILITIES		
Current tax liability	-	947
Accruals and other payables	48,894	49,661
Total equity and liabilities	7,382,918	7,610,042

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the three months to 30 June 2019	Unaudited for the six months to 30 June 2019	Unaudited for the period from 24 July 2017 (date of incorporation) to 30 June 2018
INCOME	US\$	US\$	US\$
Net unrealised (loss)/ gain in fair value of financial assets through profit or loss	(179,600)	(176,880)	46,625
Other income	15,676	44,562	4,057
Total (loss)/ income	(163,924)	(132,318)	50,682
EXPENSES			
Professional fees	(22,051)	(23,825)	(305,347)
Audit fees	(10,345)	(16,595)	-
Accountancy fees	(1,600)	(3,200)	(1,600)
Director fees	(13,343)	(36,568)	(8,000)
Licence fees	(550)	(2,107)	(19,343)
Investment costs	-	-	(100,658)
Other expenses	(6,675)	(8,318)	(3,735)
Bank charges	(1,456)	(2,242)	(1,045)
Total expenses	(56,020)	(92,855)	(439,728)
Operating loss	(219,944)	(225,173)	(389,046)
Income tax expense	(237)	(237)	-
Net loss for the period	(220,181)	(225,410)	(389,046)
Other comprehensive income	-	-	-
Net loss and total comprehensive loss for the period	(220,181)	(225,410)	(389,046)

STATEMENT OF CASH FLOWS

	Unaudited for the six months ended 30 June 2019	Unaudited for the period from 24 July 2017 (date of incorporation) to 30 June 2018
Net cash utilised in operating activities	(93,063)	(397,562)
Net cash generated from/ utilised in investing activities	9,841	(2,130,499)
Net cash flows from financing activities	-	4,519,921
Net increase in cash and cash equivalents	(83,222)	1,991,860
Cash and cash equivalents at beginning of period	99,616	740
Cash and cash equivalents at end of period	16,394	1,992,600

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

2019	Net assets represented by		
	Share capital	Accumulated losses	Total equity
	US\$	US\$	US\$
At 1 January 2019	8,120,921	(561,487)	7,559,434
Transactions with owners:			
Issue of shares	-	-	-
	8,120,921	(561,487)	7,559,434
Comprehensive loss			
Net loss and total comprehensive loss for the period	-	(225,410)	(225,410)
At 30 June 2019	8,120,921	(786,897)	7,334,024
Net asset value per share			0.9031
Earnings per share			(0.0278)
2018			
At 24 July 2017 (date of incorporation)	-	-	-
Transactions with owners:			
Issue of shares	4,520,921	-	4,520,921
	4,520,921	-	4,520,921
Comprehensive loss			
Net loss and total comprehensive loss for the period	-	(389,046)	(389,046)
At 30 June 2018	4,520,921	(389,046)	4,131,875
Net asset value per share			0.9139
Earnings per share			(0.0861)

NOTES

- By order of the board of directors of the Company ("the Board"), the Company is required to publish interim financial results in terms of the SEM Listing Rule 12.19 and Section 88 (1) of the Mauritian Securities Act 2005. The abridged unaudited financial statements for the three and six months ended 30 June 2019 ("abridged unaudited financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting, the SEM Listing Rules and the Mauritian Securities Act 2005.
- The abridged unaudited financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited financial statements were approved by the Board on 08 August 2019.
- Copies of the abridged unaudited 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. Contact person: Mrs. Smitha Algoo- Bissonauth.
- This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.20 and Section 88 of the Mauritian Securities Act 2005. The Board accepts full responsibility for the accuracy of the information contained in this communiqué.

Intercontinental Trust Limited
Company Secretary

Perigeum Capital Ltd
SEM Authorised Representative and Sponsor

Date: 09 August 2019