



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, Ebène 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 SEPTEMBER 2020

The Company is issuing its interim unaudited financial statements, which comprises activity from 1 April 2020 to 30 September 2020, as required under the SEM Listing Rules. The Company made its first investment in the Avanz EM Partnerships Fund II, SPC ("AEMPF II") on 20 April 2018 and its second and third investments, in the Avanz EM Partnerships Fund III, SPC ("AEMPF III") on 20 December 2018 and 20 December 2019, respectively. These investments are partially funded with a current value of US\$8,896,848, and the Company anticipates investing additional capital as more portfolio companies are acquired by AEMPF II and AEMPF III. During the quarter ended 30 September 2020, the Company made additional investments amounting to a total of US\$391,759 in AEMPF II and AEMPF III. To meet the near-term funding of the growing investment portfolio, the Company currently maintains liquidity of 8% of assets in cash at bank and fixed deposits.

The fair market value of the Company's investments increased during the period from US\$5,533,260 to US\$8,896,848. The investments are well diversified across the three geographical regions, with approximately 50% in emerging Asia, 28% in Latin America and 22% in Africa. Additional diversification is provided by the distribution across the industry sectors in which the 81 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 profit for the period of US\$1,371,114, resulting primarily from a net gain in fair value of financial assets through profit or loss of US\$1,393,912. The Company's net asset value ("NAV") per share as of 30 September 2020 was US\$1.0087. Excluding the one-off set up costs of US\$305,856 (out of which US\$165,718 is classified under professional fees, US\$137,898 under advisory fees and US\$2,240 under licence fees), which benefit all future shareholders of the Company, the adjusted NAV per share as of 30 September 2020 would be US\$1.0406.

COMPANY OUTLOOK

The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations and individual companies, all of which may negatively impact the performance of the Company. At the time of writing this report, the public markets have significantly recovered, with the S&P 500 rebounding 52% since its low point on March 23rd, and emerging markets currencies have recovered most of the value lost at the end of March. However, continued geopolitical, economic and financial market uncertainties remain making the outlook for the global economy and for specific countries difficult to assess.

Most emerging market countries had their most stringent lockdown periods during the quarter ending 30 June 2020, and the opening of economies varied greatly from July-September. China, which has controlled the virus spread, was mostly re-opened, while Latin America and Africa continued with relatively strict restrictions. Given the Company's higher exposure to China and to companies whose operations have not been badly impacted by the pandemic, most of the Company's investments have performed well during the period evidenced by their latest higher valuations. Despite this, with the second wave of the virus appearing we are vigilant in assessing the operational performance of companies and remain cautious on their future valuations. Diversification of the portfolio has benefited AGM given that a high number of strong businesses cushion the part of the portfolio that is considered high-risk due to the pandemic. The companies held by the funds in the investment portfolio are performing relatively well as company management and the fund managers overseeing the companies have been highly pro-active in taking the necessary measures to ensure the companies succeed through the pandemic.

As of 30 September 2020, of the US\$9.0 million that AGM committed to investment funds, US\$8.7 million has been invested either into the funds or directly into companies. A few new companies will still be added to the portfolio over the next year. 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 (the "Board") 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 September 2020 | Audited as at 31 March 2020 |
|---|--------------------------------------|--------------------------------|
| ASSETS | US\$ | US\$ |
| Financial assets at fair value through profit or loss | 8,896,848 | 5,533,260 |
| Fixed deposits | 800,000 | 1,400,000 |
| Cash at bank | 31,207 | 1,446,873 |
| Current tax asset | 711 | 711 |
| Receivables and prepayments | 17,404 | 8,740 |
| Total assets | 9,746,170 | 8,389,584 |
| EQUITY CAPITAL AND RESERVES | | |
| Stated capital | 9,646,862 | 9,646,862 |
| Accumulated profit/ (losses) | 24,618 | (1,346,495) |
| Total equity | 9,671,480 | 8,300,367 |
| CURRENT LIABILITIES | | |
| Accruals and other payables | 74,690 | 89,217 |
| Total equity and liabilities | 9,746,170 | 8,389,584 |

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Unaudited for the three months to 30 September 2020 | Unaudited for the six months to 30 September 2020 | Unaudited for the three months to 30 September 2019 | Unaudited for the six months to 30 September 2019 |
|--|---|---|---|---|
| INCOME | US\$ | US\$ | US\$ | US\$ |
| Net unrealized gain/ (loss) in fair value of financial assets through profit or loss | 1,393,912 | 1,393,912 | (77,421) | (117,926) |
| Other income | 50,431 | 59,058 | 16,534 | 32,210 |
| Total income/ (loss) | 1,444,343 | 1,452,970 | (60,887) | (85,716) |
| EXPENSES | | | | |
| Professional fees | (10,793) | (16,158) | (11,624) | (33,676) |
| Audit fees | (8,625) | (17,250) | (6,250) | (16,595) |
| Accountancy fees | (1,600) | (3,200) | (1,600) | (3,200) |
| Other expenses | (3,105) | (18,044) | (7,438) | (14,113) |
| Director fees | (11,075) | (22,139) | (8,064) | (21,406) |
| Licence fees | (1,822) | (3,431) | (1,809) | (2,359) |
| Bank charges | (995) | (1,635) | (1,050) | (2,506) |
| Total expenses | (38,015) | (81,857) | (37,835) | (93,855) |
| Operating profit/ (loss) | 1,406,328 | 1,371,113 | (98,722) | (179,571) |
| Income tax expense | - | - | (237) | (474) |
| Net profit/ (loss) for the period | 1,406,328 | 1,371,113 | (98,959) | (180,045) |
| Other comprehensive income | - | - | - | - |
| Net profit/ (loss) and total comprehensive income for the period | 1,406,328 | 1,371,113 | (98,959) | (180,045) |

STATEMENT OF CASH FLOWS

| | Unaudited for the six months to 30 September 2020 | Unaudited for the six months to 30 September 2019 |
|--|--|--|
| | US\$ | US\$ |
| Net cash utilised in from operating activities | (57,497) | (130,105) |
| Net cash (utilised in) / generated from investing activities | (1,358,169) | 568,787 |
| Net cash flows generated from financing activities | - | - |
| Net (decrease) / increase in cash and cash equivalents | (1,415,666) | 438,682 |
| Cash and cash equivalents at beginning of period | 1,446,873 | 99,616 |
| Cash and cash equivalents at end of period | 31,207 | 538,298 |

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

| 2020 | Net assets represented by | | |
|--|---------------------------|--------------------------------|--------------|
| | Share capital | Accumulated profit/(losses) | Total equity |
| | US\$ | US\$ | US\$ |
| At 1 April 2020 | 9,646,862 | (1,346,495) | 8,300,367 |
| Transactions with owners: | | | |
| Issue of shares | - | - | - |
| | 9,646,862 | (1,346,495) | 8,300,367 |
| Comprehensive income: | | | |
| Net income and total comprehensive income for the period | - | 1,371,113 | 1,371,113 |
| Unaudited as at 30 September 2020 | 9,646,862 | 24,618 | 9,671,480 |
| Number of ordinary shares in issue | | | 9,588,172 |
| Net asset value per share | | | 1.0087 |
| Earnings per share | | | 0.1430 |
| 2019 | | | |
| At 1 April 2019 | 8,120,921 | (566,716) | 7,554,205 |
| Transactions with owners: | | | |
| Issue of shares | - | - | - |
| | 8,120,921 | (566,716) | 7,554,205 |
| Comprehensive loss: | | | |
| Net loss and total comprehensive loss for the period | - | (180,045) | (180,045) |
| Unaudited as at 30 September 2019 | 8,120,921 | (746,761) | 7,374,160 |
| Number of ordinary shares in issue | | | 8,120,921 |
| Net asset value per share | | | 0.9080 |
| Loss per share | | | (0.0222) |

NOTES

- The Company is required to publish interim financial results for the three months and six months ended 30 September 2020 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 months and six months ended 30 September 2020 ("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 11 November 2020.
- 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, Ebène 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: 12 November 2020

