



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 Limited, 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 JUNE 2021

The Company is issuing its unaudited financial statements, which comprises activity from 1 April 2021 to 30 June 2021, 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\$11,005,262, and the Company anticipates investing additional capital as more portfolio companies are acquired by AEMPF II and AEMPF III. During the period ended 30 June 2021, the Company did not make any additional investments in AEMPF II and AEMPF III. To meet the near-term funding of the growing investment portfolio, the Company currently maintains liquidity of 4% of assets in cash at bank.

The fair market value of the Company's investments decreased during the period from US\$11,124,474 to US\$11,005,262. The investments are well diversified by number of companies across the three geographical regions with approximately 59% in Emerging Asia, 17% in Latin America, 23% in Africa. Additional diversification is provided by the distribution across the industry sectors in which the 86 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\$11,637 despite a net loss in fair value of financial assets through profit or loss of US\$119,213. The Company's net asset value ("NAV") per share as of 30 June 2021 was US\$1.1904 (30 June 2020: US\$0.8620). 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 June 2021 would be US\$1.2223 (30 June 2020: US\$0.8939).

COMPANY OUTLOOK

The outbreak of COVID-19 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 global economic recovery has begun given many countries have started their vaccination programs. However, despite this progress, continued disruptions from new waves of the virus are affecting many countries. Emerging market economies have been particularly adversely affected because of lack of vaccines and populations reluctant to continue with lockdown measures.

For period ended 30 June 2021, we observed the portfolios of AEMPF II and AEMPF III are well-aligned with positive trends of improved economic activity across Emerging Asia, have a well-balanced mix in Latin America and the portfolio has limited exposure to the worst hit countries so far, including no underlying exposure to South Africa. The emerging markets are showing a wide variety of results after managing a pandemic for an entire year and diversification continues to be the best weapon to absorb the ongoing impact of COVID-19 on the investments. Overall, a majority of the economies have remained open even in the face of new waves of infection. The increase in economic activity has been felt throughout the portfolio with the consumer businesses generating significantly higher sales compared to last year. The underlying portfolio companies seem to be turning a corner operationally (with few exceptions), including several Chinese companies capitalizing on the open IPO market and a number of the listings are expected to generate good exits in the near future.

As of 30 June 2021, of the US\$9.0 million that AGM committed to investment funds, US\$9.0 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 period. 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 June 2021	Audited as at 31 March 2021
ASSETS	US\$	US\$
Financial assets at fair value through profit or loss	11,005,262	11,124,474
Cash at bank	495,786	341,250
Current tax asset	-	711
Receivables and prepayments	-	5,546
Total assets	11,501,048	11,471,981
EQUITY CAPITAL AND RESERVES		
Stated capital	9,646,862	9,646,862
Accumulated profit	1,766,622	1,754,985
Total equity	11,413,484	11,401,847
CURRENT LIABILITIES		
Accruals and other payables	87,564	70,134
Total equity and liabilities	11,501,048	11,471,981

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the period ended 30 June 2021	Unaudited for the period ended 30 June 2020
INCOME	US\$	US\$
Other income	160,053	8,626
Total income	160,053	8,626
EXPENSES		
Net unrealized loss in fair value of financial assets through profit or loss	(119,213)	-
Professional fees	(5,408)	(5,364)
Audit fees	(8,625)	(8,625)
Accountancy fees	(2,475)	(1,600)
Other expenses	-	(14,939)
Director fees	(11,075)	(11,064)
Licence fees	(1,510)	(1,609)
Bank charges	(110)	(640)
Total expenses	(148,416)	(43,841)
Operating profit/(loss)	11,637	(35,215)
Income tax expense	-	-
Net profit/(loss) for the period	11,637	(35,215)
Other comprehensive income	-	-
Net profit/(loss) and total comprehensive income for the period	11,637	(35,215)

STATEMENT OF CASH FLOWS

	Unaudited for the period ended 30 June 2021	Unaudited for the period ended 30 June 2020
	US\$	US\$
Net cash utilised in operating activities	(5,517)	(80,932)
Net cash from / (utilised) in investing activities	160,053	(1,166,437)
Net cash flows generated from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	154,536	(1,247,369)
Cash and cash equivalents at beginning of period	341,250	1,446,873
Cash and cash equivalents at end of period	495,786	199,504

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

2021	Net assets represented by		
	Share capital	Accumulated profit/(losses)	Total equity
	US\$	US\$	US\$
At 1 April 2021	9,646,862	1,754,985	11,401,847
Transactions with owners:			
Issue of shares	-	-	-
Comprehensive income:			
Net income and total comprehensive income for the period	-	11,637	11,637
Unaudited as at 30 June 2021	9,646,862	1,766,622	11,413,484
<i>Number of ordinary shares in issue</i>			<i>9,588,172</i>
<i>Net asset value per share</i>			<i>1.1904</i>
<i>Earnings per share</i>			<i>0.0012</i>
2020			
At 1 April 2020	9,646,862	(1,346,495)	8,300,367
Transactions with owners:			
Issue of shares	-	-	-
Comprehensive loss:			
Net loss and total comprehensive loss for the period	-	(35,215)	(35,215)
Unaudited as at 30 June 2020	9,646,862	(1,381,710)	8,265,152
<i>Number of ordinary shares in issue</i>			<i>9,588,172</i>
<i>Net asset value per share</i>			<i>0.8620</i>
<i>Loss per share</i>			<i>(0.0037)</i>

NOTES

- The Company is required to publish interim financial results for the three months ended 30 June 2021 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 ended 30 June 2021 ("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 15 September 2021.
- 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: 16 September 2021

