



DIRECTORS' COMMENTARY

COMPANY OVERVIEW

Avanz Growth Markets Limited ("AGM" or the "Company") was incorporated and began operating on 24 July 2017 in Mauritius and holds a Global Business License in accordance with the Mauritius 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 2023

The Company is issuing its unaudited financial statements, which comprises activity from 1 April 2023 to 30 June 2023, 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 and third investments in the Avanz EM Direct Co-Investments Feeder III, SPC ("AEMF III") on 20 December 2018 and 20 December 2019, respectively. These investments have a current value of US\$14,580,774. The Company anticipates raising additional capital to continue adding to the investment portfolio. During the year ended 30 June 2023, the Company did not make any additional investments in AEMPF II and AEMF III. The Company currently maintains liquidity of 3% of assets in cash at bank. The Company has no borrowings.

The fair value of the Company's investments increased during the period from US\$ 14,490,999 to US\$ 14,580,774. 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 95 portfolio companies operate, namely, in agribusiness, consumer goods and services, financial services, communications and information technology, healthcare, education and environmental services.

The Company reported a profit of US\$40,124 for the period ended 30 June 2023 (2022: loss of US\$30,771). The Company's net asset value ("NAV") per share at 30 June 2023 was US\$1.56 (2022: US\$1.80). 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 license fees), which benefit all future shareholders of the Company, the adjusted NAV per share as at 30 June 2023 would be US\$1.59 (2022: US\$1.83).

COMPANY OUTLOOK

AGM has made two great investments, generating a combined Internal Rate of Return ("IRR") to date of more than 16% to the Company and proceeds received amount to approximately 11% of capital contributed as of 30 June 2023. The average holding period of all the portfolio company investments that AGM has indirect exposure to is a little more than 4 years, which means the average expected exit around 5-7 years is approaching. There are 67 fully unrealized underlying portfolio companies and 13 that are partially exited contributing to the relatively stable remaining fair value. As the rate of capital calls has slowed, and the pace of distributions has been increasing, this combination is expected to generate positive net returns and materially improve the cash position of the Company. Once the Company determines it satisfies the solvency test according to the Mauritius regulations, the Company will seek to make distributions to its shareholders more frequently going forward.

As at 30 June 2023, of the US\$9.0 million that AGM committed to investments, US\$19,077 remains available to be called for fees and expenses over the remaining life of the investments. 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 2023	Audited as at 31 March 2023
	US\$	US\$
ASSETS		
Non-current assets		
Financial assets at fair value through profit or loss	14,580,774	14,490,999
Current assets		
Receivables and prepayments	21,951	6,258
Current income tax asset	27,714	27,714
Cash at bank	451,042	503,264
Total assets	15,081,481	15,028,235
EQUITY CAPITAL AND RESERVES		
Stated capital	9,646,862	9,646,862
Accumulated profit	5,290,534	5,250,409
Total equity	14,937,396	14,897,271
CURRENT LIABILITIES		
Accruals and other payables	144,085	130,964
Total liabilities	144,085	130,964
Total equity and liabilities	15,081,481	15,028,235

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE

	Stated capital	Accumulated profit	Total equity
	US\$	US\$	US\$
At 1 April 2023	9,646,862	5,250,409	14,897,271
Profit and comprehensive income for the period	-	40,124	40,124
At 30 June 2023	9,646,862	5,290,533	14,937,395
Number of ordinary shares in issue			9,588,172
Net asset value per share			1.5579
At 1 April 2022	9,646,862	7,664,353	17,311,215
Loss and comprehensive income for the period	-	(30,771)	(30,771)
At 30 June 2022	9,646,862	7,633,582	17,280,444
Number of ordinary shares in issue			9,588,172
Net asset value per share			1.8023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE

	2023	2022
	US\$	US\$
INCOME		
Net unrealised gain in fair value of financial assets at fair value through profit or loss	89,775	11,420
Exchange difference	-	20
Total income	89,775	11,440
EXPENSES		
Professional fees	(9,313)	(5,221)
Audit fees	(15,238)	(10,206)
Accountancy fees	(2,725)	(3,600)
Other expenses	(213)	(942)
Directors' fees	(19,750)	(19,750)
Licence fees	(1,778)	(1,822)
Bank charges	(634)	(670)
Total expenses	(49,651)	(42,211)
Profit/(loss) before income tax	40,124	(30,771)
Income tax expense	-	-
Profit/(loss) and comprehensive income for the period	40,124	(30,771)
	2023	2022
Basic and diluted earnings/(loss) per share	0.0042	(0.0032)

NOTES

- The Company is required to publish interim financial results for the three months ended 30 June 2023 in terms of the SEM Listing Rule 12.19. The abridged unaudited financial statements for the three months ended 30 June 2023 ("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 and the SEM Listing Rules.
- The abridged unaudited financial statements have not been reviewed or reported by the Company's external auditors, PricewaterhouseCoopers, Mauritius. These abridged unaudited financial statements were approved by the Board of Directors (the "Board") on 30 August 2023.
- Copies of the abridged unaudited financial statements 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. 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: 31 August 2023



STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE

	2023	2022
	US\$	US\$
Net cash used in operating activities	(52,223)	(62,103)
Net decrease in cash and cash equivalents	(52,223)	(62,103)
Cash and cash equivalents at beginning of period	503,265	552,288
Cash and cash equivalents at end of period	451,042	490,185