



**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 SEPTEMBER 2024**

The Company is issuing its unaudited quarterly financial statements, which comprises activity from 1 April 2024 to 30 September 2024, 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\$12,499,335. The Company holds cash of \$959,076 representing 7.1% of assets. The Company has no borrowings. The Company anticipates raising additional capital to continue adding to the investment portfolio.

AGM has made two great investments, generating a net Internal Rate of Return ("net IRR") to date of more than 10% to the Company. The invested capital was deployed to 96 underlying portfolio companies across the emerging markets, 53% was invested in emerging Asia, 28% in Latin America and 19% in Africa. There are approximately 76 remaining active investments in the portfolio as of 30 September 2024.

The Company reported a loss of US\$1,130,557 for the period ended 30 September 2024 (2023: US\$189,204) comprised primarily of an unrealized loss on its investments of \$1,031,195. The Company's net asset value ("NAV") per share at 30 September 2024 was US\$1.40 (2023: US\$1.53). 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 at 30 September 2024 would be US\$1.43 (2023: US\$1.56).

**COMPANY OUTLOOK**

Emerging markets will present both challenges and opportunities as policies of the new Trump administration are implemented. Anticipated stronger geopolitical tensions, trade conflicts, and a stronger dollar could pose headwinds for many EMs, while supply chain shifts and commodity price changes could bring selective gains. After the first Trump administration, EMs began to diversify trade partnerships and strengthen regional alliances, reducing reliance on the U.S. and China. These strategies will likely continue to shape EM growth and resilience in the coming years. As with past policies, emerging markets with resilient domestic economies and diversified trade partnerships may fare better than those heavily reliant on the U.S. The Company expects mixed economic performance across emerging markets, with growth prospects varying significantly across regions, and remains vigilant to carefully navigate both global and domestic headwinds.

AEMPF II has already returned 34% of the Company's invested capital in that fund, and the Company expects AEMF III to return 100% of invested capital and profits in the near term. This will create significant more liquidity for the Company while a lot of value is still to be generated by the fund managers from the 76 remaining investee businesses. Given the mature stage of the funds in which AGM invested, the focus is on crystallizing the value created and generating exit opportunities, as we have recently experienced.

Due to continued global economic volatility, valuations across emerging markets are relatively lower compared to those in developed markets. In this buyers' market an opportunity exists for those who can be opportunistic in considering local challenges and short-term market fluctuations to acquire strong performing companies. The Company is evaluating investment opportunities across its focus regions while completing a strategic review to determine its future direction, and capital raising and distribution strategies.

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 AS AT 30 SEPTEMBER 2024**

	Unaudited as at 30 September 2024	Audited 31 March 2024
	US\$	US\$
<b>ASSETS</b>		
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss	12,499,334	13,895,453
<b>Current assets</b>		
Receivables and prepayments	16,924	6,628
Cash at bank	959,076	696,597
<b>Total assets</b>	<b>13,475,334</b>	<b>14,598,678</b>
<b>EQUITY CAPITAL AND RESERVES</b>		
Stated capital	9,646,862	9,646,862
Accumulated profit	3,735,659	4,866,216
<b>Total equity</b>	<b>13,382,521</b>	<b>14,513,078</b>
<b>CURRENT LIABILITIES</b>		
Accruals and other payables	92,813	85,600
<b>Total liabilities</b>	<b>92,813</b>	<b>85,600</b>
<b>Total equity and liabilities</b>	<b>13,475,334</b>	<b>14,598,678</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Stated capital US\$	Accumulated profit US\$	Total equity US\$
<b>At 01 April 2024</b>	9,646,862	4,866,216	14,513,078
<b>Loss and comprehensive income for the period</b>	-	(1,130,557)	(1,130,557)
<b>At 30 September 2024</b>	9,646,862	3,735,659	13,382,521
<i>Number of ordinary shares in issue</i>			9,588,172
<i>Net asset value per share</i>			1.3957
<b>At 01 April 2023</b>	9,646,862	5,250,409	14,897,271
<b>Loss and comprehensive income for the period</b>	-	(189,204)	(189,204)
<b>At 30 September 2023</b>	9,646,862	5,061,205	14,708,067
<i>Number of ordinary shares in issue</i>			9,588,172
<i>Net asset value per share</i>			1.5340

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Unaudited for the three months to 30 September 2024	Unaudited for the six months to 30 September 2024	Unaudited for the three months to 30 September 2023	Unaudited for the six months to 30 September 2023
	US\$	US\$	US\$	US\$
<b>INCOME</b>				
Net unrealised loss in fair value of financial assets at fair value through profit or loss	(593,623)	(1,031,905)	(183,057)	(93,282)
<b>Total income</b>	<b>(593,623)</b>	<b>(1,031,905)</b>	<b>(183,057)</b>	<b>(93,282)</b>
<b>EXPENSES</b>				
Professional fees	(12,017)	(32,335)	(9,237)	(18,550)
Audit fees	(863)	(12,075)	(11,788)	(27,025)
Accountancy fees	(2,725)	(5,450)	(2,725)	(5,450)
Other expenses	-	(1,450)	(200)	(413)
Directors' fees	(20,761)	(43,099)	(19,750)	(39,500)
Licence fees	(1,802)	(3,604)	(1,829)	(3,607)
Bank charges	(374)	(639)	(743)	(1,377)
<b>Total expenses</b>	<b>(38,542)</b>	<b>(98,652)</b>	<b>(229,329)</b>	<b>(95,922)</b>
<b>Loss before income tax</b>	<b>(632,165)</b>	<b>(1,130,557)</b>	<b>(229,329)</b>	<b>(189,204)</b>
Income tax expense	-	-	-	-
<b>Loss and comprehensive income for the period</b>	<b>(632,165)</b>	<b>(1,130,557)</b>	<b>(229,329)</b>	<b>(189,204)</b>
<i>Basic and diluted (loss)/ earnings per share</i>		2024 (0.1179)	2023 (0.0197)	

**NOTES TO THE FINANCIAL STATEMENTS**

- The Company is required to publish its interim financial results for the three months and six months ended 30 September 2024 in terms of the SEM Listing Rule 12.19. The abridged unaudited financial statements for the three months and six months ended 30 September 2024 ("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 on by the Company's external auditors, RSM (Mauritius) LLP. These abridged unaudited financial statements were approved by the Board on 13<sup>th</sup> November 2024.
- 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.

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Unaudited for the period ended 30 September 2024	Unaudited for the period ended 30 September 2023
	US\$	US\$
<b>Net cash used in operating activities</b>	<b>(101,734)</b>	<b>(176,296)</b>
<b>Net cash from investing activities</b>	<b>364,213</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>262,479</b>	<b>(176,296)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>696,597</b>	<b>503,265</b>
<b>Cash and cash equivalents at end of period</b>	<b>959,076</b>	<b>326,969</b>

Intercontinental Trust Limited  
Company Secretary  
Perigeum Capital Ltd  
SEM Authorised Representative and Sponsor  
Date: 13<sup>th</sup> November 2024

