



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 Licence 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, 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 31 DECEMBER 2024

The Company is issuing its unaudited quarterly financial statements, which comprises activity from 1 October 2024 to 31 December 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\$11,941,571. The Company holds cash of US\$937,916, representing 7.2% of total assets. The Company agreed to lend AEMF III a total amount of US\$100,000, of which US\$50,000 was disbursed during the quarter ended 31 December 2024. 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 9% to the Company. The invested capital was deployed to 93 underlying portfolio companies across the emerging markets, 49% was invested in emerging Asia, 27% in Latin America and 24% in Africa. There are approximately 74 remaining active investments in the portfolio as of 31 December 2024.

The Company reported a loss of US\$1,642,325 for the period ended 31 December 2024 (2023: US\$335,949) which comprised primarily of an unrealised loss on its investments of US\$1,504,039 (2023: US\$195,234). The Company's net asset value ("NAV") per share at 31 December 2024 was US\$1.34 (2023: US\$1.52). 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 31 December 2024 would be US\$1.37 (2023: US\$1.55).

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 74 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 completing a strategic review to determine its future direction and capital raising strategy. At the board meeting held on 07 February 2025, the directors approved a dividend distribution of 3.65 US cents per share to shareholders.

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 31 DECEMBER 2024

	Unaudited as at 31 December 2024	Audited 31 March 2024
	US\$	US\$
ASSETS		
Non-current assets		
Financial assets at fair value through profit or loss	11,941,571	13,895,453
Current assets		
Receivables and prepayments	14,679	6,628
Loan receivable from related party	50,000	-
Cash at bank	937,916	696,597
Total assets	12,944,166	14,598,678
EQUITY CAPITAL AND RESERVES		
Stated capital	9,646,862	9,646,862
Accumulated profit	3,223,891	4,866,216
Total equity	12,870,753	14,513,078
CURRENT LIABILITIES		
Accruals and other payables	73,413	85,600
Total liabilities	73,413	85,600
Total equity and liabilities	12,944,166	14,598,678

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2024

	Unaudited for the three months to 31 December 2024	Unaudited for the nine months to 31 December 2024	Unaudited for the three months to 31 December 2023	Unaudited for the nine months to 31 December 2023
	US\$	US\$	US\$	US\$
INCOME				
Net unrealised loss in fair value of financial assets at fair value through profit or loss	(472,134)	(1,504,039)	(101,952)	(195,234)
Interest income	876	876	-	-
Total income	(471,258)	(1,503,163)	(101,952)	(195,234)
EXPENSES				
Professional fees	(1,193)	(33,528)	(6,187)	(24,738)
Audit fees	(11,213)	(23,288)	(11,213)	(38,238)
Accountancy fees	(2,900)	(8,350)	(2,725)	(8,175)
Bank charges	(294)	(933)	(383)	(1,760)
Other expenses	(2,324)	(3,775)	(2,706)	(3,118)
Directors' fees	(20,761)	(63,860)	(19,750)	(59,250)
Licence fees	(1,824)	(5,428)	(1,829)	(5,436)
Total expenses	(40,509)	(139,162)	(44,793)	(140,715)
Loss before income tax	(511,767)	(1,642,325)	(146,745)	(335,949)
Income tax expense	-	-	-	-
Loss and comprehensive income for the period	(511,767)	(1,642,325)	(146,745)	(335,949)
		2024		2023
Basic and diluted loss per share		(0.171)		(0.0350)

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2024

	Unaudited for the period ended 31 December 2024	Unaudited for the period ended 31 December 2023
	US\$	US\$
Net cash used in operating activities	(158,524)	(185,311)
Net cash from investing activity	449,843	92,347
Net cash used in financing activity	(50,000)	-
Net increase/(decrease) in cash and cash equivalents	241,319	(92,964)
Cash and cash equivalents at beginning of period	696,597	503,265
Cash and cash equivalents at end of period	937,916	410,301

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2024

	Stated capital	Accumulated profit	Total equity
	US\$	US\$	US\$
At 01 April 2024	9,646,862	4,866,216	14,513,078
Loss and comprehensive income for the period	-	(1,642,325)	(1,642,325)
At 31 December 2024	9,646,862	3,223,891	12,870,753
Number of ordinary shares in issue			9,588,172
Net asset value per share			1.3424
At 01 April 2023	9,646,862	5,250,409	14,897,271
Loss and comprehensive income for the period	-	(335,949)	(335,949)
At 31 December 2023	9,646,862	4,914,460	14,561,322
Number of ordinary shares in issue			9,588,172
Net asset value per share			1.5187

NOTES TO THE FINANCIAL STATEMENTS

- The Company is required to publish its interim financial results for the three months and nine months ended 31 December 2024 in terms of the SEM Listing Rule 12.19. The abridged unaudited financial statements for the three months and nine months ended 31 December 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 07th February 2025.
- 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, Ebene 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: 10th February 2025

