

19 June 2023

## SHAREHOLDER UPDATE



**symphony**  
INTERNATIONAL HOLDINGS LIMITED

### AS AT 31 MARCH 2023

#### HIGHLIGHTS

Dear Shareholders,

- Symphony International Holdings Limited's ("Symphony" or the "Company") unaudited Net Asset Value ("NAV") at 31 March 2023 was US\$457,196,831 and NAV per share was US\$0.8906. This compares to NAV and NAV per share at 31 December 2022 of US\$496,685,868 and US\$0.9675, respectively. The decrease of 8.0% quarter over quarter in NAV is predominantly due to a decrease in the value of Indo Trans Logistics Corporation ("ITL").
- Symphony's share price continued to trade at a discount to NAV. At 31 March 2023, Symphony's share price was US\$0.45, representing a discount to NAV per share of 49.5%. This compares to a share price discount to NAV of 53.9% at 31 December 2022.

We would like to highlight some of the key developments in our portfolio companies during the quarter:

- In 1QFY23, Minor International Public Company Limited ("MINT") reported significantly improved financial results due to robust travel demand and increased restaurant store traffic, together with the implementation of a dynamic pricing strategy and the addition of new hotels and restaurants to MINT's portfolio. Mr. Dillip Rajakarier, Group CEO of MINT, reiterated his confidence in the Company's outlook and performance for the remainder of 2023, underpinned by strongly positive global travel trends and MINT's dynamic brand strategies for its restaurant business.
- The ITL group faced increasing headwinds in Q1 2023. ITL's management reported that Vietnam was particularly affected by a slowdown in exports, which impacted key lines of business for the company. Symphony's agreement to sell a small amount of shares, mentioned in earlier updates, completed in April 2023. The gross and net sale consideration received was 5.5 times and 4.6 times Symphony's cost of shares sold, respectively.
- ASG Hospitals Private Limited ("ASG") continued to expand operations with the consolidation of Vasan Health Care Pvt Ltd in March 2023 that added approximately 90 clinics to ASG's network taking the total number of clinics to over 150. With greenfield and brownfield projects as well as M&A, ASG has grown its revenue at a compounded annual growth rate of 46% for the past three years. The group currently employs 450 doctors and 4,000 other employees in 21 states in India, Nepal and Africa.
- In January 2023 Symphony invested in Isprava Vesta Private Limited ("Isprava"), a company in the business of construction, designing and sale of branded villas in non-urban markets in India such as Alibagh, Goa and Kasauli. The company is also in the business of renting luxury holiday homes under the brand name of "Lohono Stays" and includes both homes constructed and sold by Isprava and third party homes in India and overseas.
- Wine Connection Group ("WCG"): The sale of this business has been completed. Certain earn-out thresholds have been met, which has increased the expected sale proceeds that Symphony will receive over the coming months.

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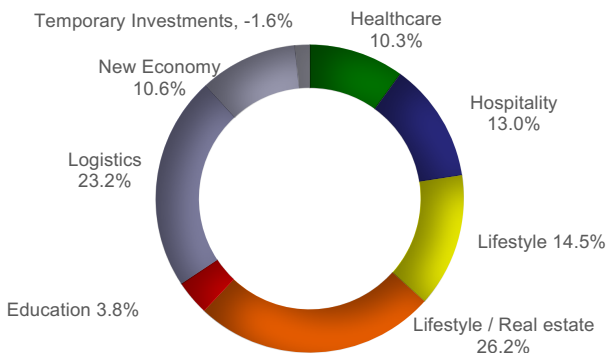


## AS AT 31 MARCH 2023

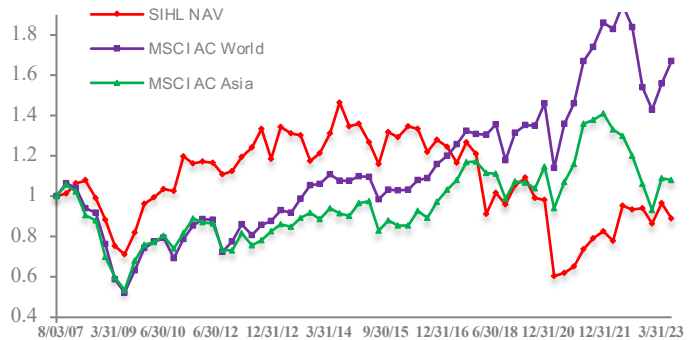
Symphony International Holdings Limited's ("Symphony" or the "Company") unaudited Net Asset Value ("NAV") at 31 March 2023 was US\$457,196,831 and NAV per share was US\$0.8906. This compares to NAV and NAV per share at 31 December 2022 of US\$496,685,868 and US\$0.9675, respectively. The decrease of 8.0% quarter over quarter in NAV is predominantly due to a decrease in the value of Indo Trans Logistics Corporation ("ITL").

The change in Symphony's NAV per share (down 8.0%) underperforming the MSCI AC Asia Index (down 1.3%) and the MSCI AC World Index (up 6.8%) during Q1 2023.

### NAV BY SECTOR AT 31 MARCH

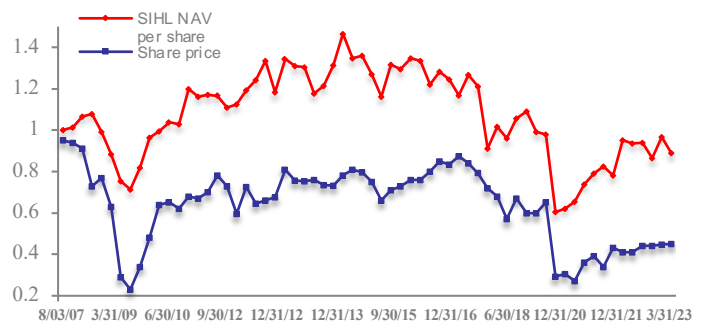


### RELATIVE NAV PER SHARE PERFORMANCE

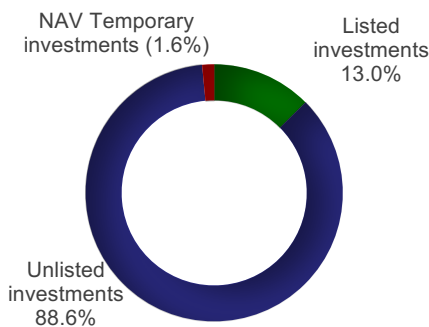


SECTOR	VALUE US\$ MILLION	% NAV
Healthcare	47.2	10.3%
Hospitality	59.2	13.0%
Lifestyle	66.0	14.5%
Lifestyle / real estate	119.7	26.2%
Education	17.4	3.8%
Logistics	106.2	23.2%
New Economy	48.6	10.6%
Temporary Investments	(7.1)	(1.6%)
NAV	457.2	100.0%

### SHARE PRICE TO NAV PER SHARE PERFORMANCE



### NAV BY TYPE OF INVESTMENT AT 31 MARCH



Sources: Management accounts, MSCI Inc., Bloomberg

Notes:

- (1) NAV takes into account the fair value of unrealised investments. In accordance with the valuation policies of the Company, real estate related investments are valued by third parties on 30 June and 31 December each year. In addition, and in accordance with the Company's valuation policies, investments that have been held for less than 12-months are held at cost unless there is evidence of a diminution in the value of that investment. Although the investment manager believes there not to be a diminution in value of investments held for less than 12-months, the Covid-19 pandemic has led to a significant increase in economic uncertainty which is evidenced by more volatile asset prices and currency exchange rates and therefore cost may not correspond to an appropriate measure of fair value in the current environment.
- (2) Temporary investments include cash and equivalents and is net of accounts receivable and payable
- (3) Symphony's share price is based on the Company's closing bid price at the NAV quarter-end report date

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Symphony's listed investments accounted for 13.0% of NAV at 31 March 2023 (or US\$0.1154 per share), which compares to 13.2% of NAV (or US\$0.1279 per share) at 31 December 2022. The decrease is due to the sale of MINT shares and warrants that was partially offset by an appreciation of 1.2% in the onshore Thai baht.

The value of Symphony's unlisted investments (including property) comprised 88.6% of Symphony's NAV (or US\$0.7890 per share), which compares to 86.8% (or US\$0.8398 per share) at 31 December 2022.

Temporary investments accounted for (1.55%) of NAV (or US\$0.0138) per share, which compares to (0.02%) of NAV (or US\$0.0002) per share, per share at 31 December 2022.

Symphony's share price continued to trade at a significant discount to NAV. At 31 March 2023, Symphony's share price was US\$0.45, representing a discount to NAV per share of 49.5%. This compares to a share price discount to NAV of 53.9% at 31 December 2022.

### MARKET OVERVIEW AND OUTLOOK

The first quarter of 2023 saw a continuation of tight monetary policies, high inflation and in the words of the IMF, 'geoeconomic fragmentation' with Russia's war in Ukraine, and China's economic reopening. However, there are signs now that inflation is slowing and there is a general expectation that central banks may pause interest rate hikes. The unexpected failures of two specialised regional banks in the United States in mid-March 2022 and the collapse of confidence in Credit Suisse, a globally significant bank, have roiled financial markets, with bank depositors and investors re-evaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable.

A major positive change to this year's global economic outlook is China's pro-growth policy shift late last year; these include easing pressures on the real estate sector and boosting private business confidence. In addition, pent-up demand following a three-year period of movement restrictions is expected to have a positive impact on the economy. This is reflected in China's economic data, which has broadly surprised on the upside, especially household services consumption (food services sales surged in March 26% yoy) and the housing sector (contraction eased to 5.8% in Q1 yoy compared to 10% in December yoy). Chinese policymakers' official 2023 GDP goal of "around 5%" is now seen as a floor rather than a ceiling by many market commentators.

India is set to become the second-fastest growing economy in the G20 in FY2022-23, despite decelerating global demand and the tightening of monetary policy to manage inflationary pressures. The Organisation for Economic Cooperation and Development ("OECD") has projected that the GDP growth will slow to 5.7% in FY2023-24 from 6.6% in FY2022-23, as exports and

domestic demand moderate. However, the Reserve Bank of India's ("RBI") Governor Mr. Shantikanta Das said, he was "quite optimistic and fairly confident" that the growth rate would be 6.5% in FY24 meaning that India will contribute 15% of the world growth in the year, stressing that this is no mean achievement.

Thailand's economy expanded faster than expected in the first quarter, as revealed from the data from the National Economic and Social Development Council ("NESDC"). This was helped by a rebound in private consumption and tourism, with the return of Chinese visitors in recent months, helping boost employment and domestic demand. GDP growth was 2.7% in the first quarter from a year earlier and 1.9% for the year versus a forecast of 1.7%. Thailand kept its forecast for foreign tourist arrivals in 2023 at 28 million versus 11 million in 2022; tourism typically accounts for 11%- 12% of GDP. Chinese tourist arrivals, which constituted about 30% of total visitors before the pandemic, are expected to reach one million per month starting in October this year. Pre-pandemic 2019 saw a record of nearly 40 million foreign tourist arrivals, who spent 1.9 trillion Thai baht (US\$56.6 billion). The increase in tourist arrivals should benefit our portfolio, particularly our investment in Minor International Pcl ("MINT").

Vietnam's GDP growth rate moderated to a pace of 3.3% in the first quarter of 2023, after rapid GDP growth of 8.0% in 2022. Vietnam's manufacturing export sector faced increasing headwinds due to slowing demand from the US and EU, which are two key export markets accounting for over 40% of Vietnam's goods exports. Vietnam's goods exports fell by 11.9% yoy in the first quarter of 2023. In addition, a government-led anti-graft campaign has also contributed to slowing economic growth. Anti-corruption investigations have led to a number of prosecutions and also resulted in significant delays for licence and project approvals. This has impacted many businesses and brought a number initiatives to a halt. However, Vietnam is expected to gradually resume its growth trajectory in the medium-term, as the country is a key beneficiary of the shift in global manufacturing supply chains from China. Symphony's investment in Indo Tran Logistics Corporation ("ITL Logistics") will be impacted in the near term from Vietnam's slowing economy, but is well positioned to benefit from the country's long-term secular growth trends.

During the first quarter, Symphony completed a new investment in Isprava, a luxury residential real estate developer in non-urban locations in India.

It is with profound sadness that we announce the unexpected passing of our Independent Director and Audit Committee Chairman Mr. Rajiv Luthra. Mr. Luthra was an invaluable asset to our organisation. His leadership, insight and stewardship will be greatly missed.

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### PORTFOLIO DEVELOPMENTS

#### HOSPITALITY

##### MINOR INTERNATIONAL PUBLIC COMPANY LIMITED

Minor International Public Company Limited (“MINT”) is a global company focused on three core businesses: hospitality, restaurants and lifestyle brands distribution. MINT is a hotel owner, operator and investor with a portfolio of over 530 hotels under the Anantara, Avani, Oaks, Tivoli, NH Collection, NH, nhow, Elewana, Marriott, Four Seasons, St. Regis and Radisson Blu brands in 56 countries across Asia Pacific, the Middle East, Africa, the Indian Ocean, Europe, South and North America. MINT is also one of Asia’s largest restaurant companies with over 2,500 outlets system-wide in 24 countries under The Pizza Company, The Coffee Club, Riverside, Benihana, Thai Express, Bonchon, Swensen’s, Sizzler, Dairy Queen, Burger King, Coffee Journey and GAGA brands, in addition to over 1,000 outlets of MINT’s strategic alliances (i.e. S&P and BreadTalk). MINT is one of Thailand’s largest distributors of lifestyle brands and contract manufacturers. Its brands include Anello, BergHOFF, Bossini, Charles & Keith, Joseph Joseph, Zwilling J.A. Henckels and Minor Smart Kids.

**Update:** In 1QFY23, MINT reported significantly improved financial results with core EBITDA more than doubling yoy to Baht 6.9 billion from Baht 2.7 billion in the same period last year (a 150% yoy increase). The increase was due to robust travel demand and increased restaurant store traffic, together with the implementation of a dynamic pricing strategy and the addition of new hotels and restaurants to MINT’s portfolio. Although MINT reported a core loss of Baht 647 million in 1QFY23, primarily due to expected and budgeted European business seasonality, it was a significant improvement from a core loss of Baht 3.6 billion in 1QFY22.

In 1QFY23, Minor Hotels’ business experienced a strong operational recovery, resulting in a 76% yoy growth in total core revenue. The system-wide RevPar for the entire portfolio in 1QFY23 increased significantly by 61% yoy, exceeding pre-pandemic levels by 12%. Continued increase in demand and average room rates drove strong business growth yoy, led by hotels in Thailand, Europe, Latin America and Australia.

Minor Food’s 1QFY23 total core restaurant revenue grew by 21% yoy, driven by operational improvement of all hubs, together with a turnaround of share of profit from joint ventures. The total-system-sales increased by 19.9% yoy. This included the sales growth in China which has turned positive and grew by 19.8% in 1QFY23 yoy following the easing of local restrictions since December 2022 and country reopening in January 2023.

All hubs reported positive total-system-sales growth from higher traffic and the addition of new outlets.

Despite a high interest rate environment, MINT remains active in balance sheet management, reducing its net leverage ratio to 0.94 at the end of 1QFY23 from 1.17x as at end 2022 through successful refinancing initiatives, including the issuance of Baht 10.5 billion unsubordinated perpetual debentures in the quarter.

Mr. Dillip Rajakarier, Group CEO of MINT, reiterated his confidence in the Company’s outlook and performance for the remainder of 2023, underpinned by strongly positive global travel trends and MINT’s dynamic brand strategies for its restaurant business.

During the quarter, the value of Symphony’s investment in MINT decreased from US\$ 65.7 million at 31 December 2022 to US\$ 59.2 million at 31 March 2023. The change in value is predominantly due to the sale of 6.3 million shares and 6.1 million warrants (generating US\$ 7.8 million in net proceeds) that was partially offset by a 1.2% appreciation in the Thai baht. Subsequent to 31 March 2023 Symphony sold additional warrants in MINT that generated US\$1.1 million in net proceeds.

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### PORTFOLIO DEVELOPMENTS

#### LIFESTYLE/ REAL ESTATE

##### MINUET LIMITED

Minuet Limited (“Minuet”) is a joint venture between the Company and a Thai partner. The Company has a direct 49% interest in the venture and is considering several development and/or sale options for the land owned by Minuet, which is located in close proximity to central Bangkok, Thailand. Since the original investment, several parcels of land have been sold to local developers and a large piece has been used to develop the Wellington International School in Bangkok. As at 31 March 2023 Minuet held approximately 186.75 rai (29.88 hectares) of land in Bangkok, Thailand.

**Update:** The value of Symphony’s interest at 31 March 2023 was US\$61.9 million that compares to US\$61.1 million at 31 December 2022, which is based on third party valuation. The change in value is predominantly due to an appreciation in the Thai baht by 1.3% and other minor movements in the assets and liabilities of Minuet.

Symphony’s original investment in Minuet was \$78.3 million. Total distribution receipts from partial sales of land have amounted to US\$65.2 million. We believe, that barring unforeseen developments, and given the development activity in the area, the remaining land will enable us to realise proceeds well in excess of the current valuation.

##### SG LAND COMPANY LIMITED

SIHL acquired approximately 50% of the outstanding shares of SG Land in a JV with Thai Factory Development (“TFD”). SG Land owns the leasehold rights to SG Tower and Millenia Tower, which are office buildings in central Bangkok, Thailand. The leases for the two buildings expire at the end of October 2023 and November 2025, respectively. As the end of the lease approaches, occupancy levels are expected to decline as tenant leases run-off.

**Update:** SG Land continues to make regular distributions to its shareholders. In April 2023, Symphony received net distribution payment of US\$0.5 million. We expect to continue to receive distributions from this investment through to the expiry of the leases.

As the building leases approach expiry, there has been a faster than expected decline in occupancy levels, which has led to a revision of our total expected return from this investment. Based on the latest information,

we anticipate that this investment will give us a return of approximately 8.5% per annum over a period of approximately 16 years.

##### NISEKO PROPERTY JOINT VENTURE

Symphony invested in a property development venture that acquired land in Niseko, Hokkaido, Japan. Symphony has a 37.5% interest in this venture. The Niseko JV sold 31% of the development site to Hanwha Hotels & Resorts with a further 39% to a new joint venture company that is equally held and being co-developed by the Niseko JV and the Hanwha Group. The Niseko JV continues to effectively hold approximately 50% of the total site, which includes a 100% interest in one parcel of land which is being held for future development and/or sale.

**Update:** The 2022/2023 ski season in Niseko has been strong following the removal of restrictions on foreign tourist arrivals however, visitor volumes remain below pre-pandemic levels. Property sales have also rebounded, partially been driven by buyers taking advantage of a weaker yen. There is an expectation that the market environment will continue to improve.

##### DESARU PROPERTY JOINT VENTURE IN MALAYSIA

The Company has a 49% interest in a property joint venture in Malaysia with an affiliate of Destination Resorts and Hotels Sdn Bhd, a hotel and destination resort investment subsidiary of Khazanah Nasional Berhad, the investment arm of the Government of Malaysia. The joint venture has developed a beachfront resort with private villas for sale on the south-eastern coast of Malaysia and that are branded and managed by One&Only Resorts (“O&O”). The hotel operations were officially launched in September 2020.

**Update:** The hotel operates close to full occupancy during weekends and holiday periods while weekday occupancy remains below expectations. Management continues to work towards activating more weekday visitors from Singapore through a number of initiatives. Planning for the launch of sales of the private residences at the end of 2023 is progressing.

Symphony invested an aggregate of US\$58.8 million in the joint venture at 31 March 2023. The fair value on the same date was US\$27.9 million. This compares to a fair value of US\$30.5 million at 31 December 2022. The change in value is due to different assumptions used in the discounted cashflow model to value this investment.

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### PORTFOLIO DEVELOPMENTS (*cont'd*)

#### ISPRAVA VESTATE PRIVATE LIMITED

In January 2023 Symphony invested in Isprava, a company in the business of construction, designing and sale of branded villas in non-urban markets in India such as Alibagh, Goa and Kasauli. The company is also in the business of renting luxury holiday homes under the brand name of “Lohono Stays” and includes both homes constructed and sold by Isprava and third party homes in India and overseas

**Update:** Isprava ended the March fiscal year with an increase in revenues by 77.5% yoy. The order book, which is the precursor to the sales in the P&L, was negatively impacted by the delay in receiving certain regulatory approvals for two projects in Goa, however it still increased by 9.5% over 2022. The gross profit margin increased during the year ended 31 March 2023 by 740 basis points yoy. Isprava won awards in three categories at the Economic Times (“ET”) Real Estate Awards 2023 including “Best Residential Project-Theme based”, “Best Interior Design” and “Best Residential Project - Villa”.

#### HEALTHCARE

#### ASG HOSPITALS PRIVATE LIMITED

ASG Hospitals Private Limited (“ASG”) is a full-service eye- healthcare provider with operations in India, Africa, and Nepal. ASG was founded in Rajasthan, India in 2005. ASG's operations have since grown to over 150 clinics, which offer a full range of eye-healthcare services, including outpatient consultation and a full suite of inpatient procedures. ASG also operates an optical and pharmacy business, which is located within clinics. Symphony invested in ASG in tranches from October 2019 through to July 2020 and subsequently acquired secondary shares in October 2021. In 2022, Symphony sold approximately a third of its shares at 2.4 times its cost of shares sold.

**Update:** The group continued to expand operations with the consolidation of Vasan Health Care Pvt Ltd in March 2023 that added approximately 90 clinics to ASG's network. With greenfield and brownfield projects as well as M&A, ASG has grown its revenue at a compounded annual growth rate of 46% for the past three years. The group currently employs 450 doctors and 4,000 other employees in 21 states in India, Nepal and Africa.

Symphony's net investment cost in ASG was US\$3.7 million at 31 March 2023. The fair value of Symphony's investment on the same date was US\$25.8 million, which compares to US\$28.3 million at 31 December 2022. The difference in value is due to changes in certain assumptions used in the valuation for this investment.

#### SOOTHE HEALTHCARE PRIVATE LIMITED

Soothe Healthcare Private Limited (“Soothe”) was founded in 2012 and operates within the fast-growing consumer healthcare products market segment in India. Soothe's core product portfolio includes feminine hygiene and diaper products. Symphony completed an initial investment in Soothe in August 2019 and subsequently made investments through convertible notes and securities in 2020, 2021 and 2022.

**Update:** Soothe continues to focus on improving margins across its products. Input costs have begun to reduce, which is reversing the inflationary pressures that had negatively affected the business over the last year. This has helped the company on its path to profitability. Management has revamped its sales teams to enable the business to continue growing key distribution channels.

Symphony's gross and net investment cost in Soothe was US\$12.8 million at 31 March 2023. The fair value of Symphony's investment on the same date was US\$21.4 million, which compares to US\$23.4 million at 31 December 2022. The difference in value is due to changes in certain assumptions used in the valuation for this investment.

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### PORTFOLIO DEVELOPMENTS (*cont'd*)

#### LIFESTYLE

##### LIAIGRE GROUP

Liaigre Group (“Liaigre”) was founded in 1985 in Paris and is a brand synonymous with discreet luxury, and has become one of the most sought-after luxury furniture brands, renowned for its minimalistic design style. Liaigre has a strong intellectual property portfolio and provides a range of bespoke furniture, lighting, fabric & leather, and accessories. In addition to operating a network of 24 showrooms in 11 countries across Europe, the US and Asia, Liaigre has a Design Studio which undertakes exclusive architecture and interior design projects for select yachts, hotels, restaurants and private residences.

**Update:** New showroom orders in Q1 2023 were behind expectations in Europe and the US while ahead in Asia. The interior design business continues to perform well with a growing pipeline of selected projects. Overall sales have been strong as management continue to improve its supply chain to reduce bottlenecks that has allowed for a higher velocity of deliveries.

Symphony’s gross investment cost in Liaigre was US\$79.7 million at 31 March 2022. The net cost on the same date, after deducting partial realisations, was US\$67.6 million. The fair value of Symphony’s investment was US\$49.0 million at 31 March 2023. This compares to US\$41.9 million at 31 December 2022. The difference in value is predominantly due to an increase in comparable company market multiples used to value this investment and an improvement in the trailing 12-month EBITDA for the company.

#### CHANINTR

CHANINTR (“Chanintr”) Chanintr is a luxury lifestyle company, based in Thailand, which primarily distributes high- end U.S. and European furniture and household accessory brands, including Liaigre, Barbara Barry, Baker, Herman Miller, Marquee, Minotti, Bulthaup kitchens amongst others. Chanintr also provides FF&E solutions for real estate and hotel projects. In 2019, Chanintr launched a new program called Chanintr Residences which will showcase custom-designed luxury residences as turnkey projects.

**Update:** Chanintr’s sales recorded for Q1 2023 increased 30% yoy mainly driven by the continued developer projects. Retail sales remains relatively sluggish, with the company planning to launch sales events and promotions to drive sales. Sales Closed (Orders confirmed) dropped by 35% from the same

period last year as in the prior year the company had closed a few large developer projects. Spruce, the online furniture subscription service, was officially launched in Thailand in early March with good feedback from design lovers, millennials and small businesses. The company is focused on improving inventory management by improving the re-ordering process and reducing the time to deliver the furniture to clients. These steps enabled the company to reduce the inventory by 8.0% qoq.

#### WINE CONNECTION GROUP

At the end of April 2014, Symphony invested WCG, one of Southeast Asia's leading wine themed Food and Beverage chains with approximately 86 outlets in Singapore and Thailand.

**Update:** The sale of this business has been completed. Certain earn-out thresholds have been met, which has increased the expected sale proceeds that Symphony will receive over the coming months.

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### PORTFOLIO DEVELOPMENTS (*cont'd*)

#### EDUCATION

##### WCIB INTERNATIONAL CO. LTD.

Symphony entered into a joint venture with WCIB International Co. Ltd. (“WCIB”), that developed and operates Wellington College International Bangkok, the fifth international addition to the Wellington College family of schools from the UK. WCIB operates a co-educational school that began operations in August 2018 and will ultimately cater to over 1,500 students aged 2-18 years of age when all phases are fully complete.

**Update:** The school continues to perform ahead of expectations. The state of the art facilities and strong reputation of Wellington College International Bangkok has supported growing admission enquiries. WCIB is on track to be profitable this academic year.

#### CREATIVE TECHNOLOGY SOLUTIONS

Creative Technology Solutions DMCC (“CTS”) is a UAE-based company that provides technology solutions to K12 schools in the UAE and the Kingdom of Saudi Arabia (“KSA”). The company was founded in 2013 to provide customized IT solutions to the education sector, including hardware, software and training. Symphony made its investment in CTS in June 2019.

**Update:** CTS continues to successfully grow its businesses in the K12 and higher education markets in the gulf region. Management have indicated they expect the business to grow by approximately 30% this current financial year.

#### LOGISTICS

##### INDO TRANS LOGISTICS CORPORATION

Indo Trans Logistics Corporation (“ITL”) was founded in 2000 as a freight-forwarding company and has since grown to become Vietnam’s largest independent integrated logistics company with a network that is spread across Vietnam, Cambodia, Laos, Myanmar, and Thailand. ITL has grown to national champion status in Vietnam with over 2,000 employees across its business units and joint ventures. ITL’s strategic plans include supporting small and medium enterprises in Vietnam and across the Indochina region. Symphony bought the shares that had originally been held by Singpost, the Singapore Post office, at a cost of \$42.6 million for a roughly 28.6% interest. Following a subsequent issue of shares and share buybacks by ITL, Symphony’s interest was 28.4% at 31 March 2023.

**Update:** The logistics sector faced increasing headwinds in Q1 2023. ITL’s management reported that Vietnam was particularly affected by a slowdown in exports, which impacted key lines of business for the company. Aviation, freight management and contract logistics all performed worse than expected. Guidance by ITL indicate the logistics market will remain weak until the end of 2024. However, the long-term prospects for the business remain unchanged with fundamental secular long-term growth trends remaining intact, such as onshoring of manufacturing, increasing domestic consumption and growing intraregional trade.

Symphony’s agreement to sell a small amount of shares to a strategic Asian logistics company as part of a larger secondary offering mentioned in earlier updates completed in April 2023. The gross and net sale consideration received was 5.5 times and 4.6 times Symphony’s cost of shares sold, respectively.

Symphony’s gross and net investment cost related to ITL at 31 March 2023 was US\$42.6 and US\$42.1 million, respectively. The fair value for Symphony’s interest in ITL on the same date was US\$106.2 million, which compares to US\$152.3 million at 31 December 2022. The change in value is due to a decline in trailing EBITDA and market comparable multiples that are used to value this business.



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### PORTFOLIO DEVELOPMENTS (*cont'd*)

#### NEW ECONOMY

##### SMARTEN SPACES PTE. LTD.

In November 2019, Symphony invested in Smarten, a Singapore based SaaS (Software-as-a-Service) company that provides software solutions for space management in commercial and industrial properties. Smarten was founded in 2017 by Dinesh Malkani and offers an end-to-end solution for workplace flexibility on a single technology platform, to help businesses navigate the new hybrid workplace. The SaaS technology includes four key aspects – Desk Management, Workforce Rostering, Demand & Supply, Expenses & Chargeback, and Asset Management; bringing together key workforce and workplace considerations for a future-ready solution.

**Update:** The adoption of the hybrid workplace model has led to growth in user activity with clients including a number of Fortune 500 companies. Smarten Spaces currently operates in over 30 countries, with significant traction in North America. In Q1 Smarten Spaces launched the full Microsoft Teams integration with Microsoft as a sales partner for the product. The company is seeing increasing deal closures which has led to a steady growth of the business with Q1 2023 recurring revenue increasing 15.2% qoq.

##### AUGUST JEWELLERY PVT. LTD.

Founded in January 2015, Melorra is an omni-channel fast fashion Indian jewellery company that introduces a fresh collection of 75 new designs every Friday, resulting in over 300 new designs per month. Melorra adopts a minimal inventory model that uses 3-D printing technology to achieve just-in-time manufacturing to bring products to market efficiently. The company currently has 23 operational experience centres across India.

**Update:** Melorra's channel diversification strategy started taking firm steps in the last few quarters. New channels like Marketplace (which is Ajo, Flipkart, Amazon etc.) and offline stores started growing revenues significantly. The Marketplace channel posted a growth of 848% yoy, albeit off a low base. The offline stores' footprint grew with 12 new stores being added in the year to take the total count to 23. Melorra is now expanding the offline stores via the FOFO model (Franchisee Owned Franchisee Operated) and has started well on this journey with over half dozen franchisees already signing up with the company.

#### GOOD CAPITAL PARTNERS

GCP is majority owned by brothers Rohan and Arjun Malhotra who have been investing their own capital since 2014 to create a thriving ecosystem of technology start-ups. Symphony announced its investment in July 2019 with a 10% stake in GCP and serving as an anchor investor in its first fund, GCF1.

**Update:** Good Capital Fund I made no new fund investments in the quarter. The Fund's cumulatively deployed capital is currently US\$11.47 million across 18 core fund investments and 52 Bharat Founders Fund investments ("BFF"), where the cheque size is US\$25,000. Currently, the Fund is in closing conversations for 1 new core investment and 5 BFF investments in the pipeline. At an aggregate level, the MOIC at the close of this quarter is approximately 2.45x.

##### CATBUS INFOLABS PRIVATE LIMITED

In August 2021, Symphony invested in Catbus Infolabs Private Limited, the owner of the Blowhorn platform. Blowhorn is a same-day intra-city last-mile logistics provider headquartered in Bangalore, India. The company provides seamless transportation, warehousing, and a fully technologically integrated system to manage the end-to-end supply chain process through an asset-light transportation and distributed micro-warehousing network. The company currently serves enterprise customers and more than 150 brands with an active presence in more than 100 cities across India.

**Update:** The adoption of e-commerce and direct-to-consumer business models in India is continuing to grow, creating tailwinds for the logistics industry. However, due to the challenging fund raising environment, the company has reduced cash spending in order to extend runway which has led to LTM revenues decreasing by -7.6% yoy.

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## SHAREHOLDER UPDATE



**symphony**  
INTERNATIONAL HOLDINGS LIMITED

### PORTFOLIO DEVELOPMENTS (*cont'd*)

#### KIERAYA FURNISHING SOLUTIONS PRIVATE LIMITED

Founded in October 2012 in Bangalore, India, Furlenco is a residential furniture rental services business. The business has since expanded to include Furbicle, a brand selling refurbished & recycled furniture; UNLMTD, an annual furniture and appliance subscription service; Prava, which sells high-end retail furniture and KreateOne, an in-house furniture manufacturing facility.

**Update:** In the last quarter Furlenco launched its new brand image which brings buying and renting under a common platform. The company has started its journey from being a tech enabled company to a tech driven company as they have revamped their entire tech stack. The marketing spends which were on hold the last few months has been restarted. This has enabled the company to increase the brand traffic and customer acquisitions. In terms of financial performance, the company recorded the highest monthly revenue in its history in the last quarter. However, EBITDA margins were lower owing to increased marketing spends. This is expected to normalize in the coming months as the company scales.

#### SOLARSQUARE ENERGY PRIVATE LIMITED

Solar Square was founded in 2015 and is a rooftop solar power services company that focuses on residential homes, primarily standalone houses, gated societies, and small commercial centres. The company aims to make clean energy affordable and accessible and become the trusted brand in the space.

**Update:** Solar Square is currently the number 2 residential solar brand in India after Tata Solar by monthly volumes. Since founding 2.5 years ago the company has enabled 7,000 homes to go solar. The monthly homes booked with the company are in excess of 500 per month; this is up from 100 plus homes per month in 2021. The homes that are moving to solar will offset 24 million kgs of CO2 every year which is the equivalent of planting more than 350K trees. In the first 8 cities where Solar Square was launched the company has more than 20% market share. The company is well capitalised having raised US\$15 million across seed and Series A but having burnt less than US\$4 million to date.

#### MEESHO, INC.

Founded in March 2016 in Bangalore, India, Meesho is a social e-commerce platform to sell to the next 500 million Indians coming online. Meesho is the most downloaded app globally and is currently the third largest e-commerce platform in India behind Flipkart and Amazon.

**Update:** Meesho had a strong first quarter in 2023 with revenues increasing 6% qoq and 42% yoy; this was aided by 681% take-rate expansion. The company's revenues are primarily driven by advertising and fulfilment revenue; unlike other marketplaces the company does not charge vendors any listing fees to be on their platform. The company continued with its trajectory of managing its cash burn, which was at the lowest levels seen over the last 2 years. The company has maintained its growth momentum of orders at 26% yoy while reducing user and supplier growth spends by 64% qoq and 86% yoy. The company is the 2nd most downloaded shopping app globally in the Q1FY23 despite significantly lower spends. Meesho continues to have a strong cash position on its balance sheet and remains focused on achieving profitability by the end of 2023.

#### MAVI HOLDING PTE. LTD.

In December 2022 Symphony invested in MAVI, a B2B insurance and warranty programme administration services company headquartered in Singapore with operations in India, Thailand, and Singapore. Mavi is an early-stage start-up business with a goal to develop insurance products that are accessible, competitively priced, and tailored for the Asian markets. The company will provide insurance and warranty programme management services and partner with insurance and carriers in the region to bring these products to market.

**Update:** In Q1 2023 Mavi started generating revenues through both the insurance business in Singapore as well as the automotive warranty business in India. The Company is continuing to build and secure partnerships for its insurance and warranty services across Asia to grow the revenue streams.

19 June 2023

## SHAREHOLDER UPDATE



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### PORTFOLIO DEVELOPMENTS (cont'd)

#### SUBSEQUENT EVENTS

- Subsequent to 31 March 2023, Symphony completed the partial sale of shares held in ITL. The total consideration was less than 2% of NAV
- Subsequent to 31 March 2023, Symphony completed the sale of 3.9 million MINT warrants that generated net proceeds of US\$1.1 million

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#### COMPANY INFORMATION

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#### Dealing codes

The ISIN number of the Ordinary Shares is VGG548121059, the SEDOL code is B231M63 and the TIDM is SIHL.

The LEI number of the Company is 254900MQE84GV5DS6F03.