

Abridged audited consolidated financial statements for the year ended 29 February 2020

DIRECTORS' COMMENTARY COMPANY OVERVIEW

Dacosbro is an investment holding company focused on the real estate sector whose objective is to acquire quality investments with the view to achieving significant capital appreciation and sustainable income returns over the medium to long-term.

The Company's core investments comprise a jointly-controlled investment in Impact Holdings (Mauritius S.A.) Limited ("Impact") and a wholly-owned investment in its subsidiary, Dacosbro Europe Investments s.a.r.l. ("Dacosbro Europe").

Impact is focused on the development, investment and management of prime logistics and warehousing real estate in sub-Saharan Africa, whilst Dacosbro Europe is focused on investment in prime logistics and warehousing real estate in Europe.

Impact owns 100% of the Improvon Group, one of the leading developers and investors in logistics property in South Africa and currently has operations and investments in Kenya, Zambia and South African.

COMPANY REVIEW FOR THE YEAR ENDED 29 FEBRUARY 2020

The Company earned dividends of US\$2.8m from Impact and reported a US\$3.2m share of profits from Impact. Impact's strong financial and operating results were overshadowed by significant depreciation of the Rand resulting in foreign currency translation losses that reduced the capital value of the Company's investment to USD93.7m at year-end.

Dacosbro Europe and its subsidiaries ("European operations") were incorporated in December 2019, and successfully concluded the acquisition of a 6,797m² prime logistics real estate asset in the Netherlands. The European operations contributed net profit after tax of USD31,250 during the year under review.

The Company's investment in the Old Mutual Money Market Fund yielded a total return of 3% during the year under review and was valued at USD14.3m at year-end. The reduction in value was due to the liquidation of a portion of the investment in order to capitalize Dacosbro Europe.

The Company and its subsidiaries ("the Group") generated a net profit after tax for the year of USD 3.7m. An interim dividend of USD 1.8 cents per share was declared by the Company after year-end. No further dividends have been declared or proposed.

The Company hereby presents its audited consolidated results for the year ended 29 February 2020.

COMPANY OUTLOOK AND COVID-19

The global economic impact of Covid-19 remains uncertain and it is not yet possible to determine the extent of the impact that the pandemic will have on global economies or on the Company's operations and investments.

Notwithstanding the challenging economic circumstances around the world, initial indicators suggest that demand for logistics real estate has increased as a result of higher inventory levels and accelerated e-commerce adoption. Time will tell how these events will influence real estate valuations, but the Company's focused strategy and high quality investments are expected to provide sustainable value for investors over the long-term.

The Company will continue to adopt a cautious approach to new investments by seeking high quality investment opportunities in developed markets with the view to generating stable income streams, preserving capital, achieving long-term capital appreciation and geographic diversification.

Dacosbro and Dacosbro Europe will continue to explore other investment opportunities in Europe. In order to capitalise on these opportunities, Dacosbro is exploring various means of raising equity capital, thereby also diversifying its shareholder base.

STATEMENT OF FINANCIAL POSITION

	*Group Audited as at 29 February 2020	Company Audited as at 29 February 2020	Company Audited as at 28 February 2019
	US\$	US\$	US\$
Assets			
Non Current Assets	100,545,528	101,669,396	100,916,081
Investment property	6,889,431	-	-
Investment in subsidiaries	-	8,013,299	-
Investment in joint venture	93,656,097	93,656,097	100,916,081
Current assets	21,545,653	14,364,215	19,192,450
Other receivables	88,389	6,765	11,315
Current tax asset	-	-	477
Other financial assets	21,241,014	14,341,640	19,114,710
Cash and cash equivalents	216,250	15,810	65,948
Total assets	122,091,181	116,033,611	120,108,531
Equity and Liabilities			
Equity	115,998,630	115,977,770	120,046,416
Share capital	109,125,346	109,125,346	109,125,346
Other reserves	(10,712,612)	(10,702,221)	(2,901,068)
Retained earnings	17,585,896	17,554,645	13,822,138
Current liabilities	6,092,551	55,841	62,115
Financial liabilities	5,905,494	-	-
Payables	135,757	55,841	62,115
Current tax liability	51,300	-	-
Total equity and liabilities	122,091,181	116,033,611	120,108,531

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	*Group Audited year ended 29 February 2020	Company Audited year ended 29 February 2020	Company Audited year ended 28 February 2019
	US\$	US\$	US\$
Finance income	51,869	176	920
Rental income	92,762	-	-
Fair value through profit or loss	545,455	545,455	475,998
Other income	11	-	-
Total income	690,097	545,631	476,918
Professional fees	(41,936)	(41,936)	(46,547)
Audit fees	(9,775)	(9,775)	(8,020)
Accountancy fees	(22,398)	(9,500)	(9,500)
Other expenses	(36,873)	(14,654)	(13,930)
Directors fees	(78,281)	(76,000)	(76,000)
Licence fees	(12,564)	(12,564)	(12,850)
Legal fees	(6,220)	-	-
Bank charges	(7,200)	(3,339)	(2,180)
Total expenditure	(215,247)	(167,768)	(169,027)
Operating Profit	474,850	377,863	307,891
Net foreign exchange losses	(3,253)	-	-
Finance costs	(11,183)	-	-
Share of profit from joint venture	3,245,747	3,245,747	5,585,401
Other financial item	108,897	108,897	64,924
Profit before tax	3,815,058	3,732,507	5,958,216
Tax expense	(51,300)	-	-
Profit for the year	3,763,758	3,732,507	5,958,216
Share of other comprehensive loss	(7,801,153)	(7,801,153)	(11,252,230)
Foreign exchange differences	(10,391)	-	-
Total comprehensive loss for the year	(4,047,786)	(4,068,646)	(5,294,014)

STATEMENT OF CASH FLOWS

	*Group Audited as at 29 February 2020	Company Audited as at 29 February 2020	Company Audited as at 28 February 2019
	US\$	US\$	US\$
Net cash used in operating activities	(87,996)	(168,839)	(166,717)
Net cash used in investing activities	(5,656,805)	118,701	8,379
Net cash generated from financing activities	5,905,494	-	-
Net change in cash and cash equivalents	160,693	(50,138)	(158,338)
Cash and cash equivalents at beginning of year	65,948	65,948	224,286
Effect of exchange differences	(10,391)	-	-
Cash and cash equivalents at end of year	216,250	15,810	65,948

STATEMENT OF CHANGES IN EQUITY

Group	*Attributable to the owners of the Group:			
	Share Capital	Other reserves	Profit for the year	Total
	US\$	US\$	US\$	US\$
As at 1 March 2019	109,125,346	(2,901,068)	13,822,138	120,046,416
Shares issued	-	-	-	-
Profit for the year	-	-	3,763,758	3,763,758
Other comprehensive loss for the year	-	(7,811,544)	-	(7,811,544)
Audited as at 29 February 2020	109,125,346	(10,712,612)	17,585,896	115,998,630
Number of shares in issue				111,045,408
Earnings per share				0.03
Net Asset value per share				1.04

Company	*Attributable to the owners of the Company:			
	Share Capital	Other reserves	Profit for the year	Total
	US\$	US\$	US\$	US\$
As at 1 March 2019	109,125,346	(2,901,068)	13,822,138	120,046,416
Shares issued	-	-	-	-
Profit for the year	-	-	3,732,507	3,732,507
Other comprehensive loss for the year	-	(7,801,153)	-	(7,801,153)
Audited as at 29 February 2020	109,125,346	(10,702,221)	17,554,645	115,977,770
Number of shares in issue				111,045,408
Earnings per share				0.03
Net Asset value per share				1.04

NOTES

- *The Company is required to publish audited consolidated financial results for the year ended 29 February 2020. Accordingly, this announcement presents the consolidated financial results of the Group and the Company for the year ended 29 February 2020. The comparative figures for the year ended 28 February 2019 are stand-alone figures.
- The abridged audited consolidated financial statements for the year ended 29 February 2020 ("abridged audited consolidated financial statements") have been prepared on the basis of accounting policies of the Company, which are in compliance with the International Financial Reporting Standards, the SEM Listing Rules and the Securities Act of Mauritius 2005. The auditors' report to the financial statements issued by Grant Thornton is unqualified.
- The accounting policies adopted in the preparation of these abridged audited consolidated financial statements are consistent with those applied in the previous audited financial statements, except for IFRS 10 – Consolidated Financial Statements as the Company has acquired subsidiaries during the year and is now required to prepare group accounts for the year ended 29 February 2020.
- No other dividends were declared or provided for during the year ended 29 February 2020, except for the interim dividend of USD 1.8 cents per share declared post year-end with respect to the financial year ended 29 February 2020. The abridged audited consolidated financial statements have been reviewed by the Company's external auditors, Grant Thornton. These abridged audited consolidated financial statements were approved by the Board of Dacosbro ("Board") on 25 June 2020.
- Copies of the abridged audited consolidated 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, Ebene 72201, Mauritius. Contact Person: Mrs Smitha Algoob-Bissonauth
- This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.14 and section 88 of the Securities Act of Mauritius 2005. The Board accepts full responsibility for the accuracy of the information contained in this communiqué. The directors of Dacosbro have disclosed all matters or circumstances arising subsequently to the year ended 29 February 2020 that require any additional disclosure or adjustment to the consolidated financial statements.

By order of the Board

Intercontinental Trust Limited
Company Secretary

Perigeum Capital Ltd
SEM Authorised representative and Sponsor
26 June 2020

