



"Dacosbro" or the "Company" or the "Group"
 Incorporated in the Republic of Mauritius • Registration Number: 147595 C1/GBL • ISIN Code: MU055N00007
 • SEM Share Code: DACO.N0000

Abridged unaudited consolidated financial statements for the three months and six months ended 31 August 2020

DIRECTORS' COMMENTARY

GROUP 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 Africa.

GROUP REVIEW FOR THE THREE MONTHS AND SIX MONTHS ENDED 31 AUGUST 2020

The Group reported a loss after tax of USD3,314,223 for the six months to 31 August 2020 and USD389,811 for the three months to 31 August 2020.

The capital value of the Company's investment in Impact declined to USD85.3m. The decline in the value of the investment was attributable to macroeconomic factors such as currency depreciation (due to the weakening of the Rand) and the revaluation of interest rate swaps (due to a 2.5% reduction in interest rates in South Africa). Despite the challenging conditions that have arisen as a result of Covid-19, Impact has maintained strong rental collections and low vacancies throughout this period. The Company's solid operational performance is testament to the high quality of Impact's property portfolio and tenant base. There was a slowdown in Impact's development activity as a result of Governmental lockdowns and the Company continues to adopt a cautious approach to speculative developments in light of economic conditions.

Dacosbro Europe and its subsidiaries ("European operations") contributed net comprehensive income of USD534,409 for the six month period and USD348,450 for the three month period. The property investment in the Netherlands has performed in line with expectations.

GROUP OUTLOOK AND COVID-19

Notwithstanding the challenging economic conditions that persist around the world, indicators continue to suggest that demand for logistics real estate remains strong. The impact of Covid-19 on real estate valuations remains uncertain but prime logistics real estate assets, such as those owned by Dacosbro's investee companies, are expected to remain attractive to investors and fare better than other classes of real estate assets such as retail and offices.

The Group is well-positioned to withstand the economic volatility and to capitalize on opportunities when they arise due to its strong balance sheet, low level of gearing and high quality asset base.

The Group continues to seek new investment opportunities in a cautious manner with the view to generating stable income streams, achieving long-term capital appreciation and improving the Group's geographic diversification.

By order of the Board
 15 October 2020

STATEMENT OF FINANCIAL POSITION

	*Group Unaudited as at 31-Aug-20 US\$	Company Unaudited as at 31-Aug-20 US\$	*Group Audited as at 29-Feb-20 US\$	Company Audited as at 29-Feb-20 US\$
Assets				
Non Current Assets	92,800,664	93,335,139	100,545,528	101,669,396
Investment property	7,478,824	-	6,889,431	-
Investment in subsidiaries	-	8,013,299	-	8,013,299
Investment in joint venture	85,321,840	85,321,840	93,656,097	93,656,097
Current assets	20,033,277	12,390,556	21,545,653	14,364,215
Other receivables	67,438	21,241	88,389	6,765
Other financial assets	19,781,410	12,368,721	21,241,014	14,341,640
Cash and cash equivalents	184,429	594	216,250	15,810
Total assets	112,833,941	105,725,695	122,091,181	116,033,611
Equity and Liabilities				
Equity	106,222,530	105,667,172	115,998,630	115,977,770
Share capital	109,125,346	109,125,346	109,125,346	109,125,346
Other reserves	(15,174,578)	(15,827,297)	(10,712,612)	(10,702,221)
Retained earnings	12,271,762	12,369,123	17,585,896	17,554,645
Current liabilities	6,611,411	58,523	6,092,551	55,841
Financial liabilities	6,408,604	-	5,905,494	-
Payables	141,161	58,523	135,757	55,841
Current tax liability	61,646	-	51,300	-
Total equity and liabilities	112,833,941	105,725,695	122,091,181	116,033,611

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	*Group Unaudited six months ended 31-Aug-20 US\$	*Group Unaudited three months ended 31-Aug-20 US\$	Company Unaudited six months ended 31-Aug-20 US\$	Company Unaudited three months ended 31-Aug-20 US\$	Company Unaudited six months ended 31-Aug-19 US\$	Company Unaudited three months ended 31-Aug-19 US\$
Rental income	246,379	129,269	-	-	-	-
Other property income	26,888	18,205	-	-	-	-
Total property income	273,267	147,474	-	-	-	-
Property expenses	(28,806)	(20,123)	-	-	-	-
Net property income	244,461	127,351	-	-	-	-
Total operating costs	(164,326)	(102,578)	(109,907)	(53,386)	(81,037)	(44,719)
Operating Profit/ (Loss)	80,135	24,773	(109,907)	(53,386)	(81,037)	(44,719)
Finance income	75,049	35,084	-	-	176	-
Finance costs	(32,445)	(18,369)	-	-	-	-
Foreign currency losses	(564,013)	(524,166)	-	-	-	-
Fair value through profit or loss	342,389	60,485	133,566	52,835	301,216	150,678
Share of (loss)/profit from joint venture	(3,121,310)	119,292	(3,121,311)	119,291	756,361	196,120
Other financial item	(87,870)	(90,827)	(87,870)	(90,827)	71,095	113,260
(Loss)/profit before tax	(3,308,065)	(393,728)	(3,185,522)	27,913	1,047,811	415,339
Tax expense	(6,158)	3,917	-	-	-	-
(Loss)/profit for the period	(3,314,223)	(389,811)	(3,185,522)	27,913	1,047,811	415,339
Share of other comprehensive (loss)/ income from joint venture	(5,125,076)	2,622,312	(5,125,076)	2,622,312	(5,747,016)	(2,372,568)
Foreign currency translation differences	663,110	603,556	-	-	-	-
Total comprehensive (loss)/ income for the period	(7,776,189)	2,836,057	(8,310,598)	2,650,225	(4,699,205)	(1,957,229)

STATEMENT OF CHANGES IN EQUITY

*Attributable to the owners of the Group:

31-Aug-20

Group	Share Capital	Other reserves	Retained earnings / (losses)	Total equity
	US\$	US\$	US\$	US\$
As at 1 March 2020	109,125,346	(10,712,612)	17,585,896	115,998,630
Shares issued	-	-	-	-
Loss for the period	-	-	(3,314,223)	(3,314,223)
Dividend payment	-	-	(2,000,000)	(2,000,000)
Other comprehensive (loss)/ income for the period	-	(4,461,966)	89	(4,461,877)
Unaudited as at 31 August 2020	109,125,346	(15,174,578)	12,271,762	106,222,530
Number of shares in issue				111,045,408
Earnings per share				(0.03)
Net Asset value per share				0.96

*Attributable to the owners of the Company:

31-Aug-20

Company	Share Capital	Other reserves	Retained earnings / (losses)	Total equity
	US\$	US\$	US\$	US\$
As at 1 March 2020	109,125,346	(10,702,221)	17,554,645	115,977,770
Shares issued	-	-	-	-
Loss for the period	-	-	(3,185,522)	(3,185,522)
Dividend payment	-	-	(2,000,000)	(2,000,000)
Other comprehensive loss for the period	-	(5,125,076)	-	(5,125,076)
Unaudited as at 31 August 2020	109,125,346	(15,827,297)	12,369,123	105,667,172
Number of shares in issue				111,045,408
Earnings per share				(0.03)
Net Asset value per share				0.95

*Attributable to the owners of the Company:

31-Aug-19

Company	Share Capital	Other reserves	Retained earnings / (losses)	Total equity
	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 period	-	-	1,047,811	1,047,811
Dividend payment	-	-	-	-
Other comprehensive loss for the period	-	(5,747,016)	-	(5,747,016)
Unaudited as at 31 August 2019	109,125,346	(8,648,084)	14,869,949	115,347,211
Number of shares in issue				111,045,408
Earnings per share				0.01
Net Asset value per share				1.04

STATEMENT OF CASH FLOWS

	*Group Unaudited six months ended 31-Aug-20	Company Unaudited six months ended 31-Aug-20	Company Unaudited six months ended 31-Aug-19
	US\$	US\$	US\$
Net cash used in operating activities	(224,133)	(121,701)	(89,295)
Net cash generated from investing activities	2,106,485	2,106,485	30,000
Net cash generated used in financing activities	(1,988,164)	(2,000,000)	-
Net change in cash and cash equivalents	(105,812)	(15,216)	(59,295)
Cash and cash equivalents at beginning of period	216,250	15,810	65,948
Effect of exchange differences	73,991	-	-
Cash and cash equivalents at end of period	184,429	594	6,653

Notes

*The Company is required to publish consolidated interim financial results for the three months and six months ended 31 August 2020 in terms of Listing Rule 12.19 of the SEM and Section 88 (1) of the Mauritian Securities Act 2005. Accordingly, this announcement presents the consolidated financial results of the Group and the Company for the three months and six months ended 31 August 2020. The comparative figures for the period ended 31 August 2019 are stand-alone figures.

The abridged unaudited consolidated financial statements for the three months and six months ended 31 August 2020 ("abridged unaudited consolidated financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting, the SEM Listing Rules and the Mauritian Securities Act 2005, using the same accounting policies as those of the audited consolidated financial statements for the year ended 29 February 2020.

No dividends were declared or provided for during the period ended 31 August 2020.

The abridged unaudited consolidated financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited consolidated financial statements were approved by the Board of Directors ("Board") on 14 October 2020.

Copies of the abridged unaudited 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 Ltd, 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 and Mauritian Securities Act 2005. The Board accepts full responsibility for the accuracy of the information contained in this communiqué.

By order of the Board

Intercontinental Trust Limited

Company Secretary

Perigeum Capital Ltd

SEM Authorised representative and Sponsor

15 October 2020

