

Abridged unaudited financial statements for the three months and nine months ended 30 November 2019

DIRECTORS' COMMENTARY

COMPANY OVERVIEW

Dacosbro is a Global Business Company that listed on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") on 13 July 2017.

Dacosbro is an investment holding company focused on the property 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 anchor investment is its jointly-controlled investment in Impact Holdings (Mauritius S.A.) Limited ("Impact"). Impact is an investment holding entity based in Mauritius that is focused on the development, investment and management of prime logistics and warehousing real estate in sub-Saharan Africa. Impact currently owns properties in Kenya, Zambia and South Africa.

Impact owns 100% of the Improvon Group, one of the leading developers and investors in logistics property in South Africa.

COMPANY REVIEW FOR THE PERIOD ENDED 30 November 2019

The Company generated a profit of USD 2,712,197 for the nine months ended 30 November 2019 after accounting for profits of USD 2,358,823 from its shareholding in Impact and a USD 449,264 increase in the value of its investment in the Old Mutual Money Market Fund. Dividends of USD 2,813,475 were received from Impact during the period and were reinvested into the Old Mutual Money Market Fund.

The other comprehensive loss of USD 3,554,464 arose from the translation of Impact's South African operations into dollars because the Rand devalued from R13.99/USD at 28 February 2019 to R14.64/USD at 30 November 2019. As a result, the value of the Company's investment in Impact also reduced to USD 96,934,467 as at 30 November 2019.

Despite challenging economic conditions in South Africa, Zambia and Kenya, Impact's high quality property portfolio and well-located land bank has enabled Impact to maintain healthy operating profits, low vacancy levels within its portfolio and an attractive pipeline of development opportunities.

No dividends were declared or provided for by the Company during the period.

COMPANY OUTLOOK

In accordance with the Company's stated strategy of becoming a geographically diverse investment holding entity, Dacosbro has established a wholly-owned subsidiary in Luxembourg, Dacosbro Europe Investments *s.a.r.l.* ("Dacosbro Europe"). Dacosbro Europe shall be the Company's platform for investment opportunities into Europe and successfully completed the acquisition of its first property investment in December 2019, a 6,797m² warehouse located in Oirschot, the Netherlands ("the Dutch Property") that is let to VSA Holdings B.V. ("VSA") until December 2029 and that was acquired for a total purchase consideration of EUR 6.3m. VSA is a privately-owned Dutch business that supplies branded industrial products to the Dutch and Belgium markets.

Dacosbro and Dacosbro Europe will continue to explore other investment opportunities in Europe and Dacosbro remains well-positioned to capitalise on these opportunities.

Impact is expected to continue generating stable dividends and asset growth over the medium-term due to an attractive development pipeline that is underpinned by a high quality property portfolio. In the short-term, foreign currency volatility is expected to continue affecting Impact's financial performance due to Impact's significant investment in South Africa. Over time, these should be minimised as the Kenyan and Zambian property portfolios are developed and increase Impact's dollar-denominated assets and revenue.

STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 November 2019	Audited as at 28 February 2019
	US\$	US\$
Assets		
Non current assets	96,934,467	100,916,081
Investment in joint venture	96,934,467	100,916,081
Current assets	22,304,874	19,192,450
Prepayments	17,483	11,315
Current tax asset	477	477
Investment in Old Mutual Fund	22,245,450	19,114,710
Cash and cash equivalents	41,464	65,948
Total assets	119,239,341	120,108,531
Equity and Liabilities		
Equity	119,203,149	120,046,416
Share capital	109,125,346	109,125,346
Other reserves	(6,456,532)	(2,901,068)
Retained earnings	16,534,335	13,822,138
Current liabilities	36,192	62,115
Accruals and provisions	36,192	62,115
Total equity and liabilities	119,239,341	120,108,531

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the 9 months ended 30 November 2019	Unaudited for the 3 months ended 30 November 2018	Unaudited for the 9 months ended 30 November 2018	Unaudited for the 3 months ended 30 November 2018
	US\$	US\$	US\$	US\$
Interest income	176	-	554	345
Other income	449,264	148,048	334,533	124,219
	449,440	148,048	335,087	124,564
Operating expenses	(22,701)	(8,001)	(14,291)	(5,093)
Professional fees	(31,520)	(12,258)	(32,714)	(12,598)
Audit fees	(6,170)	(1,949)	(5,919)	(1,892)
Directors fees	(57,052)	(18,948)	(53,205)	(30,521)
Accountancy fees	(7,125)	(2,375)	(7,147)	(2,382)
	(124,568)	(43,531)	(113,276)	(52,486)
Operating profit	324,872	104,517	221,811	72,078
Share of profit from joint venture	2,358,823	1,602,462	664,600	1,520,694
Other financial item	28,502	(42,593)	-	-
Profit before tax	2,712,197	1,664,386	886,411	1,592,772
Tax expense	-	-	(6,654)	(2,162)
Profit for the period	2,712,197	1,664,386	879,757	1,590,610
Share of other comprehensive (loss) / income from joint venture	(3,555,464)	2,191,552	(10,260,913)	4,623,587
Total comprehensive loss / (income) for the period	(843,267)	3,855,938	(9,381,156)	6,214,197

STATEMENT OF CASH FLOWS

	Unaudited for the 9 months ended 30 November 2019	Unaudited for the 9 months ended 30 November 2018
	US\$	US\$
Net cash used in operating activities	(156,484)	(129,963)
Net cash generated from investing activities	132,000	-
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	(24,484)	(129,963)
Cash and cash equivalents at beginning of period	65,948	224,286
Cash and cash equivalents at end of period	41,464	94,323

STATEMENT OF CHANGES IN EQUITY

30 November 2019	Attributable to the owners of the Company:			
	Share capital	Other reserves	Retained earnings	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 period	-	-	2,712,197	2,712,197
Other comprehensive loss for the period	-	(3,555,464)	-	(3,555,464)
Unaudited as at 30 November 2019	109,125,346	(6,456,532)	16,534,335	119,203,149
Number of shares in issue				111,045,408
Earnings per share				0.02
Net Asset value per share				1.07

30 November 2018	Attributable to the owners of the Company:			
	Share capital	Other reserves	Retained earnings	Total
	US\$	US\$	US\$	US\$
As at 1 March 2018	109,125,346	8,351,162	7,863,922	125,340,430
Shares issued	-	-	-	-
Profit for the period	-	-	879,757	879,757
Other comprehensive loss for the period	-	(10,260,913)	-	(10,260,913)
Unaudited as at 30 November 2018	109,125,346	(1,909,751)	8,743,679	115,959,274
Number of shares in issue				111,045,408
Earnings per share				0.01
Net Asset value per share				1.04

NOTES

- The Company is required to publish interim financial results in terms of Listing Rule 12.19 of the SEM. The abridged unaudited financial statements for the three months and nine months ended 30 November 2019 ("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, the SEM Listing Rules and the Mauritian Securities Act 2005, using the same accounting policies as those of the audited financial statements for the year ended 28 February 2019.
- No dividends were declared or provided for during the quarter ended 30 November 2019.
- The abridged unaudited financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited financial statements were approved by the Board of Directors ("Board") on 13 January 2020.
- Copies of the abridged unaudited 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 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
13 January 2020

