

Abridged unaudited financial statements for the three months and six months ended 31 August 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 31 AUGUST 2019

The Company generated a profit of USD 1,047,811 for the six months ended 31 August 2019 after accounting for profits of USD 756,361 from its shareholding in Impact and a USD 301,216 increase in the value of its investment in the Old Mutual Money Market Fund. Dividends of USD1,749,039 were also received from Impact during the period and were reinvested into the Old Mutual Money Market Fund.

The other comprehensive loss of USD 5,757,016 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 R14.49/USD at 31 August 2019. As a result, the value of the Company's investment in Impact also reduced to USD 94,247,482 as at 31 August 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

Dacosbro remains well-positioned to capitalise on attractive investment opportunities and continues to explore direct real estate investment opportunities in Europe. It is anticipated that the Company will establish a European platform within the next 12 months to enable the Company to implement its stated investment strategy of becoming a geographically diverse investment holding entity.

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 31 August 2019	Audited as at 28 February 2019
	US\$	US\$
Assets		
Non Current Assets	94,247,482	100,916,081
Investment in joint venture	94,247,282	100,916,081
Current assets	21,159,073	19,192,450
Prepayments	16,978	11,315
Current tax asset	477	477
Investment in Old Mutual Fund	21,134,965	19,114,710
Cash and cash equivalents	6,653	65,948
Total assets	115,406,555	120,108,531
Equity and Liabilities		
Equity	115,347,211	120,046,416
Share capital	109,125,346	109,125,346
Other reserves	(8,648,084)	(2,901,068)
Retained earnings	14,869,949	13,822,138
Current liabilities	59,344	62,115
Current tax liability	-	-
Accruals and provisions	59,344	62,115
Total equity and liabilities	115,406,555	120,108,531

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the 6 months ended 31 August 2019	Unaudited for the 3 months ended 31 August 2019	Unaudited for the 6 months ended 31 August 2018	Unaudited for the 3 months ended 31 August 2018
	US\$	US\$	US\$	US\$
Interest income	176	-	210	210
Other income	301,216	150,678	210,313	113,814
	301,392	150,678	210,523	114,024
Operating expenses	(14,700)	(7,468)	(9,198)	(4,717)
Professional fees	(19,263)	(12,803)	(20,116)	(14,591)
Audit fees	(4,220)	(2,250)	(4,026)	(2,113)
Directors fees	(38,104)	(18,948)	(22,685)	(11,343)
Accountancy fees	(4,750)	(3,250)	(4,764)	(2,382)
	(81,037)	(44,719)	(60,789)	(35,146)
Operating Profit	220,355	105,959	149,734	78,878
Share of profit/(loss) from joint venture	756,361	196,120	(856,093)	117,967
Other financial item	71,095	113,260	-	-
Profit/(Loss) before tax	1,047,811	415,339	(706,359)	196,845
Tax expense	-	-	(4,492)	(2,366)
Profit/(loss) for the period	1,047,811	415,339	(710,851)	194,479
Share of other comprehensive loss from joint venture	(5,747,016)	(2,372,568)	(14,884,500)	(9,362,979)
Total comprehensive loss for the period	(4,699,205)	(1,957,229)	(15,595,351)	(9,168,500)

STATEMENT OF CASH FLOWS

	Unaudited for the period ended 31 August 2019	Unaudited for the period ended 31 August 2018
	US\$	US\$
Net cash used in operating activities	(89,295)	(92,388)
Net cash generated from investing activities	30,000	-
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	(59,295)	(92,388)
Cash and cash equivalents at beginning of period	65,948	224,286
Cash and cash equivalents at end of period	6,653	131,898

STATEMENT OF CHANGES IN EQUITY

31 August 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	-	-	1,047,811	1,047,811
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

31 August 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	7,863,921	125,340,429
Shares issued	-	-	-	-
Loss for the period	-	-	(710,851)	(710,851)
Other comprehensive loss for the period	-	(14,884,500)	-	(14,884,500)
Unaudited as at 31 August 2018	109,125,346	(6,533,338)	7,153,070	109,745,078
Number of shares in issue				111,045,408
Loss per share				0.01
Net Asset value per share				0.99

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 six months ended 31 August 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 31 August 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 4 October 2019.
- 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
4 October 2019

