

Abridged audited financial statements for the year ended 28 February 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 YEAR ENDED 28 FEBRUARY 2019

The Company recorded a profit of USD 5,958,216 for the year ended 28 February 2019, and received dividends from Impact amounting to USD2,748,056.

All of the dividends received during the year were invested into the Old Mutual USD Money Market Fund ("the Fund"). At year-end, the Company's investment in the Fund was valued at USD19,114,710 after taking into account a fair value increase of USD475,998.

The Company's investment in Impact was valued at USD100,916,081 at year-end, compared to an acquisition cost of USD93,518,575 and a value of USD109,266,042 as at 28 February 2018. Impact generated a net profit of USD11,540,085 for the year and delivered robust financial results that are testament to the high quality of Impact's property portfolio and management team.

The other comprehensive loss of USD11,252,230 arose from the translation of Impact's South African operations into dollars because the Rand devalued from R11.72/USD at 28 February 2018 to R13.99/USD at 28 February 2019.

No dividends were declared or provided for during the year.

COMPANY OUTLOOK

Dacosbro remains well-positioned to capitalise on attractive investment opportunities and continues to explore direct real estate investment opportunities in Europe. Currently, the landscape for these acquisitions is highly competitive with asset values at record highs. The Company is therefore adopting a cautious approach to investment until an appropriate opportunity is identified.

Impact faces challenging economic conditions in all of the jurisdictions in which it operates but is expected to continue generating stable dividends and asset growth over the medium-term due to a strong 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 revenue.

STATEMENT OF FINANCIAL POSITION

	Audited as at 28 February 2019	Audited as at 28 February 2018
	US\$	US\$
Assets		
Non Current Assets	100,916,081	109,266,041
Investment in joint venture	100,916,081	109,266,041
Current assets	19,192,450	16,127,021
Prepayments	11,315	3,699
Current tax asset	477	-
Investment in Old Mutual Fund	19,114,710	15,899,036
Cash and cash equivalents	65,948	224,286
Total assets	120,108,531	125,393,062
Equity and Liabilities		
Equity	120,046,416	125,340,430
Share capital	109,125,346	109,125,346
Other reserves	(2,901,068)	8,351,162
Retained earnings	13,822,138	7,863,922
Current liabilities	62,115	52,632
Current tax liability	-	637
Accruals and provisions	62,115	51,995
Total equity and liabilities	120,108,531	125,393,062

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the year ended 28 February 2019	Audited for the period ended 28 February 2018
	US\$	US\$
Interest income	920	266,576
Other income	475,998	59,757
	476,918	326,333
Operating expenses	(28,962)	(26,243)
Professional fees	(46,547)	(254,828)
Audit fees	(8,020)	(7,590)
Directors fees	(76,000)	(33,781)
Accountancy fees	(9,500)	(8,000)
Foreign exchange loss	-	(1,196,917)
	(169,029)	(1,527,359)
Operating Profit/(Loss)	307,889	(1,201,026)
Share of profit from joint venture	5,585,401	8,485,511
Other financial item	64,926	580,074
Profit before tax	5,958,216	7,864,559
Tax expense	-	(637)
Profit for the period	5,958,216	7,863,922
Share of other comprehensive (Loss)/profit from joint venture	(11,252,230)	8,351,162
Total comprehensive (loss)/profit for the year/period	(5,294,014)	16,215,084

STATEMENT OF CASH FLOWS

	Audited for the year ended 28 February 2019	Audited for the period ended 28 February 2018
	US\$	US\$
Net cash used in operating activities	(166,717)	(15,570)
Net cash generated/(used) from investing activities	8,379	(107,688,573)
Net cash generated from financing activities	-	109,027,939
Net (decrease)/increase in cash and cash equivalents	(158,338)	1,323,796
Cash and cash equivalents at beginning of year/period	224,286	-
Effects of foreign exchange on cash and cash equivalents	-	(1,099,510)
Cash and cash equivalents at end of year/period	65,948	224,286

STATEMENT OF CHANGES IN EQUITY

28 February 2019	Attributable to the owners of the Company:			
	Share Capital	Other reserves	Profit for the year	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 year	-	-	5,958,216	5,958,216
Other comprehensive loss for the year	-	(11,252,230)	-	(11,252,230)
Audited as at 28 February 2019	109,125,346	(2,901,068)	13,822,138	120,046,416
Number of shares in issue				111,045,408
Earnings per share				0.05
Net Asset value per share				1.08

28 February 2018	Attributable to the owners of the Company:			
	Share Capital	Other reserves	Profit for the period	Total
	US\$	US\$	US\$	US\$
As at 29 May 2017	-	-	-	-
Shares issued	109,125,346	-	-	109,125,346
Profit for the period	-	-	7,863,922	7,863,922
Other comprehensive income for the period	-	8,351,162	-	-
Audited as at 28 February 2018	109,125,346	8,351,162	7,863,922	125,340,430
Number of shares in issue				111,045,408
Earnings per share				0.07
Net Asset value per share				1.13

NOTES

- This announcement presents the financial results of the Company for the year ended 28 February 2019. The abridged audited financial statements for the year ended 28 February 2019 ("abridged audited financial statements") have been prepared 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.
- No dividends were declared or provided for during the year ended 28 February 2019.
- The abridged audited financial statements have been reviewed by the Company's external auditors, Grant Thornton. These abridged audited financial statements were approved by the Board on 24 May 2019.
- Copies of the abridged audited 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 12.14 and section 88 of the Securities Act of Mauritius 2005. The Board of Dacosbro ("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
24 May 2019

