

Abridged unaudited financial statements for the quarter ended 31 May 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 QUARTER ENDED 31 MAY 2019

The Company recorded a profit of USD 632,472 for the quarter ended 31 May 2019 after accounting for profits of USD 560,241 from its shareholding in Impact and a USD 150,538 increase in the value of its investment in the Old Mutual Money Market Fund.

The other comprehensive loss of USD 3,374,448 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 R14.69/USD at 31 May 2019.

As a result, the value of the Company's investment in Impact also reduced to USD 98,059,709 as at 31 May 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 robust operating profits, low vacancy levels within its portfolio and an attractive pipeline of development opportunities. Dacosbro did not make any new investments during the period and no dividends were declared or provided for.

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

	Unaudited as at 31 May 2019	Audited as at 28 February 2019
	US\$	US\$
Assets		
Non Current Assets	98,059,709	100,916,081
Investment in joint venture	98,059,709	100,916,081
Current assets	19,284,633	19,192,450
Prepayments	7,319	11,315
Current tax asset	477	477
Investment in Old Mutual Fund	19,235,248	19,114,710
Cash and cash equivalents	41,589	65,948
Total assets	117,344,342	120,108,531
Equity and Liabilities		
Equity	117,304,440	120,046,416
Share capital	109,125,346	109,125,346
Other reserves	(6,275,516)	(2,901,068)
Retained earnings	14,454,610	13,822,138
Current liabilities	39,902	62,115
Current tax liability	-	-
Accruals and provisions	39,902	62,115
Total equity and liabilities	117,344,342	120,108,531

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the quarter ended 31 May 2019	Unaudited for the quarter ended 31 May 2018
	US\$	US\$
Interest income	175	-
Other income	150,538	96,499
	150,713	96,499
Operating expenses	(7,231)	(4,481)
Professional fees	(6,459)	(5,526)
Audit fees	(1,971)	(1,913)
Directors fees	(19,156)	(11,343)
Accountancy fees	(1,500)	(2,382)
	(36,317)	(25,645)
Operating Profit	114,396	70,854
Share of profit from joint venture	560,241	(974,060)
Other financial item	(42,165)	-
Profit/(Loss) before tax	632,472	(903,206)
Tax expense	-	(2,125)
Profit/(loss) for the period	632,472	(905,331)
Share of other comprehensive (loss) from joint venture	(3,374,448)	(5,521,522)
Total comprehensive (loss) for the period	(2,741,976)	(6,426,853)

STATEMENT OF CASH FLOWS

	Unaudited for the quarter ended 31 May 2019	Unaudited for the quarter ended 31 May 2018
	US\$	US\$
Net cash used in operating activities	(54,359)	(50,861)
Net cash generated from investing activities	30,000	-
Net cash generated from financing activities	-	-
Net decrease in cash and cash equivalents	(24,359)	(50,861)
Cash and cash equivalents at beginning of period	65,948	224,286
Cash and cash equivalents at end of period	41,589	173,425

STATEMENT OF CHANGES IN EQUITY

31 May 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	-	-	632,472	632,472
Other comprehensive loss for the period	-	(3,374,448)	-	(3,374,448)
Unaudited as at 31 May 2019	109,125,346	(6,275,516)	14,454,610	117,304,440
Number of shares in issue				111,045,408
Earnings per share				0.01
Net Asset value per share				1.06

31 May 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	-	-	-	-
Loss for the period	-	-	(905,331)	(905,331)
Other comprehensive loss for the period	-	(5,521,522)	-	(5,521,522)
Unaudited as at 31 May 2018	109,125,346	2,829,640	6,958,591	118,913,577
Number of shares in issue				111,045,408
Loss per share				0.01
Net Asset value per share				1.07

NOTES

- The Company is required to publish interim financial results in terms of Listing Rule 12.19 of the SEM and Section 88 (1) of the Mauritian Securities Act 2005. The abridged unaudited financial statements for the quarter ended 31 May 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 May 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 11 July 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
11 July 2019

