



### DIRECTORS' REPORT

On behalf of the Board of Directors of Sagicor Real Estate X Fund Limited (X Fund or the Group), we present the performance of our Group of companies for the period ended September 2023.

#### OVERVIEW

Sagicor Real Estate X Fund Limited for the period ended September 2023 generated a net profit attributable to stockholders of \$425.94 million, 101% higher than the same period last year. This represents strong progress in the Group's performance despite global tourism not yet reaching pre-pandemic recovery levels. The results were driven by hotel revenues and recovery of earnings on investment portfolio which was boosted by the current macro-economic environment which led to positive fair value and foreign exchange movements. Increased guest spending and higher room rates contributed to an 8% growth in hotel revenues. The Group's earnings per share improved by \$0.10 or 111% over the comparative period

to close at \$0.19 for September 2023. X Fund's share price ended the quarter at \$8.30 with a market capitalisation of \$18.62 billion.

#### EARNINGS

The Group closed the quarter with Total Revenues of \$6.02 billion, up 16% on comparative period in prior year. Growth in hotel income contributed a \$418.47 million or almost 50% of the overall growth over the corresponding period. The other half of the revenue increases came mainly from the Group's increased earnings in net investment income and capital gains, due to a combination of higher interest-earning assets and an increase in interest rates. At September 2023 earnings were 91% of full year 2022.

#### DIRECT HOTEL OPERATIONS

DoubleTree Orlando (DTO) net profit fell by \$12.25 million or 4% compared to the similar period last year, resulting from lower than expected occupancy levels during the quarter. The segment posted

revenues of \$5.61 billion, exceeding the prior year's \$5.19 billion. The average daily rates increased by 5% above the same period last year. However, Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for the period of \$1.46 billion showed a 3% growth in comparison to September 2022. Effective cost management strategies remain at the forefront of the segment's

performance, evidenced by the consistency in its operational efficiency ratio.

#### INDIRECT COMMERCIAL OPERATIONS

Indirect operations recorded a loss of \$66.67 million for the period. The segment's performance was negatively impacted by the current economic environment.

#### HIGHLIGHTS

	September 2023 Unaudited	September 2022 Unaudited
Total Revenue - J\$ billion	6.02	5.17
Earnings before interest, tax, depreciation and amortization (EBITDA) - J\$ billion	1.58	1.29
Net Profit attributable to stockholders - J\$ billion	0.43	0.21
Earnings per stock unit - J\$	0.19	0.09
Total Assets - J\$ billion	30.03	28.37
Stockholders' Equity J\$ billion	19.82	18.71
JSE X Fund share price - J\$	8.30	8.20
Market capitalization - J\$ billion	18.62	18.39

**\$6.02B**  
Total Revenue

**\$19.82B**  
Stockholders' Equity

**\$30.03B**  
Total Assets

**\$1.58B**  
EBITDA

**\$0.19**  
Earnings Per Stock Unit

# Sagicor Real Estate X Fund Limited

## Report to our Stockholders | Q3 2023 Performance



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### OTHER OPERATIONS

The segment reported a profit of \$160.97 million, a significant improvement on the prior period loss of \$130.83 million. The performance reflects favourable foreign exchange movements and fair value gains for the period. Additionally, net investment income of \$295.01 million was up 40% on September 2022, a result of growth in the segment's interest earning assets base.

### LIQUIDITY AND SOLVENCY

The Group generated positive cash flows of \$1.59 billion (September 2022: \$1.99 billion) from its operating activities. Cash and cash equivalents excluding restricted cash were \$3.69 billion down 25% from the prior comparable period as excess cash was used to purchase higher-yielding assets.

### BALANCE SHEET

Total assets increased by \$1.37 billion above December 2022 to end the period at \$30.03 billion. This increase primarily resulted from strong performance from the hotel operations. Stockholders' Equity as of September 2023 was \$19.82 billion, an increase of \$717.29 million over December 2022.

### OUTLOOK

The tourism sector showed strong growth for the beginning of 2023 and this momentum has continued to the end of the third quarter. The World Tourism Organization (UNWTO) has indicated that further loosening of restrictions on travel contributed to a 10% boost in global travel over the period. This was also aided by an average decrease of 13.3% in travel prices over prior year according to the US Travel Association. It was estimated that around 700 million

tourists travelled between January & July 2023 a 43% increase over the same period in 2022. The UNWTO expects another 5% improvement in tourist arrivals for the remaining months of 2023. This is at a slower pace compared to the earlier months of the year.

Over the last quarter the interest rates were increased 25 basis points by the Federal Reserve. This decision has led to a moderate economic projection for the remainder of the year. The global growth is expected to finish the final quarter of the year at 3.0% before slowing further to 2.7% in 2024. We continue to monitor the market for any geopolitical conflicts. The final quarter of the year is normally the busiest for leisure travel and accommodation, which creates the expectation of an increase in Q4.

X Fund continues to carefully monitor and assess the current

economic environment. The Group is committed to the health and wellness of its team, clients, and stakeholders by implementing a multidimensional approach to safeguard health, minimize risk and ensure business continuity. We would like to thank our stakeholders for the confidence they continue to place in us, as we continue to look forward to the future with optimism.

On behalf of The Board of Directors:

VINAY WALIA  
Chairman

BRUCE JAMES  
Director

03 November 2023

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2023  
(Expressed in thousands of Jamaican dollars)

	September 2023 Unaudited	December 2022 Audited	September 2022 Unaudited
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	16,414,775	16,773,390	16,695,966
Investment in Sigma Real Estate Portfolio	1,224,138	1,295,131	1,216,212
Financial investments	6,167,911	3,203,377	3,252,967
	<u>23,806,824</u>	<u>21,271,898</u>	<u>21,165,145</u>
<b>Current Assets</b>			
Inventories	48,812	45,607	47,040
Receivables	962,127	841,809	950,519
Securities purchased under resale agreement	3,187,131	2,971,544	2,774,312
Cash resources	2,024,402	3,523,560	3,434,115
	<u>6,222,472</u>	<u>7,382,520</u>	<u>7,205,986</u>
<b>TOTAL ASSETS</b>	<b>30,029,296</b>	<b>28,654,418</b>	<b>28,371,131</b>
<b>STOCKHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Stockholders' Equity attributable to:</b>			
<b>Stockholders' of the company</b>			
Share capital	12,642,512	12,642,512	12,642,512
Equity Reserves	6,947,819	6,656,471	6,517,359
Retained earnings	231,179	(194,758)	(449,064)
<b>Total Equity</b>	<b>19,821,510</b>	<b>19,104,225</b>	<b>18,710,807</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income taxes	2,193,120	1,970,735	1,864,156
Borrowings	6,864,478	6,809,066	6,831,492
	<u>9,057,598</u>	<u>8,779,801</u>	<u>8,695,648</u>
<b>Current Liabilities</b>			
Payables	779,958	529,330	667,674
Contractual Liabilities	269,789	145,388	134,249
Borrowings	70,506	66,467	162,753
Taxation payable	29,935	29,207	-
	<u>1,150,188</u>	<u>770,392</u>	<u>964,676</u>
<b>Total Liabilities</b>	<b>10,207,786</b>	<b>9,550,193</b>	<b>9,660,324</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>30,029,296</b>	<b>28,654,418</b>	<b>28,371,131</b>

Vinay Walia  
Chairman  
03 November 2023

Bruce James  
Director

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the nine months ended 30 September 2023  
(Expressed in thousands of Jamaican dollars)

	Q3 2023 Unaudited	Q3 2022 Unaudited	YTD September 2023 Unaudited	YTD September 2022 Unaudited	December 2022 Full Year Audited
<b>Revenues:</b>					
Net investment income	120,514	71,621	295,014	211,427	280,390
Net capital gains/(losses) on financial assets	9,310	43,446	106,018	(231,700)	(238,263)
Hotel revenue	1,620,665	1,638,176	5,608,627	5,190,161	7,071,966
Other income	-	-	13,861	4,561	4,561
<b>Total revenues</b>	<b>1,750,489</b>	<b>1,753,243</b>	<b>6,023,520</b>	<b>5,174,449</b>	<b>7,118,654</b>
<b>Expenses:</b>					
Hotel expenses	1,296,060	1,249,652	4,152,836	3,777,466	5,049,187
Depreciation	232,830	218,679	693,631	655,735	875,178
Interest and other financing costs	88,366	88,709	261,321	271,251	321,875
Other operating expenses	90,096	47,052	291,185	104,560	141,398
<b>Total expenses</b>	<b>1,707,352</b>	<b>1,604,092</b>	<b>5,398,973</b>	<b>4,809,012</b>	<b>6,387,638</b>
Profit before taxation	43,137	149,151	624,547	365,437	731,016
Taxation	(37,754)	(47,706)	(198,610)	(153,834)	(265,107)
Net profit	5,383	101,445	425,937	211,603	465,909
<b>Earnings per stock unit for profit attributable to stockholders of the Company:</b>					
Basic and fully diluted	\$0.00	\$0.05	\$0.19	\$0.09	\$0.21
Net profit	5,383	101,445	425,937	211,603	465,909
<b>Other comprehensive income/(loss), net of taxes:</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
Re-translation of foreign operation	64,707	105,326	291,348	(97,344)	(174,725)
<b>Items that will not be subsequently reclassified to profit or loss</b>					
Unrealised gains on revaluation of property, plant and equipment	-	2,006,924	-	2,006,924	2,223,417
Total other comprehensive income recognised in stockholders' equity, net of taxes	64,707	2,112,250	291,348	1,909,580	2,048,692
<b>Total comprehensive income</b>	<b>70,090</b>	<b>2,213,695</b>	<b>717,285</b>	<b>2,121,183</b>	<b>2,514,601</b>

# Sagicor Real Estate X Fund Limited

## Report to our Stockholders | Q3 2023 Performance



REAL ESTATE X FUND

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine months ended 30 September 2023  
(Expressed in thousands of Jamaican dollars)

	Share Capital	Currency Translation Reserve	Fair Value and Other Reserves	Retained Earnings	Total Stockholders' Equity Unaudited	Non-controlling Interests	Total Stockholders' Equity Unaudited
<b>Period ended 30 September 2023</b>							
Balance as at 31 December 2022	12,642,512	1,892,918	4,763,553	(194,758)	19,104,225	-	19,104,225
Total comprehensive income for the period	-	291,348	-	425,937	717,285	-	717,285
<b>Balance as at 30 September 2023</b>	<b>12,642,512</b>	<b>2,184,266</b>	<b>4,763,553</b>	<b>231,179</b>	<b>19,821,510</b>	<b>-</b>	<b>19,821,510</b>
<b>Period ended 30 September 2022</b>							
Balance as at 31 December 2021	12,642,512	2,067,643	2,540,136	(660,667)	16,589,624	5,767,623	22,357,247
Total comprehensive (loss)/income for the period	-	(97,344)	2,006,924	211,603	2,121,183	-	2,121,183
Wind up of Jamziv	-	-	-	-	-	(5,767,623)	(5,767,623)
<b>Balance as at 30 September 2022</b>	<b>12,642,512</b>	<b>1,970,299</b>	<b>4,547,060</b>	<b>(449,064)</b>	<b>18,710,807</b>	<b>-</b>	<b>18,710,807</b>

### CONSOLIDATED SEGMENTAL FINANCIAL INFORMATION

for the nine months ended 30 September 2023  
(Expressed in thousands of Jamaican dollars)

	Direct Hotel Operations	Indirect Hotel and Commercial Operations	Other	Eliminations	Group Unaudited
<b>Nine months ended September 30, 2023</b>					
<b>Operating results:</b>					
External revenues	5,608,627	-	295,014	-	5,903,641
Net capital (losses)/gains on financial assets and liabilities	-	(70,994)	190,873	-	119,879
Total revenue	5,608,627	(70,994)	485,887	-	6,023,520
Operating expenses	(4,152,836)	-	(291,185)	-	(4,444,021)
Depreciation	(693,631)	-	-	-	(693,631)
Finance costs	(261,321)	-	-	-	(261,321)
Profit/(loss) before taxation	500,839	(70,994)	194,702	-	624,547
Taxation	(169,207)	4,327	(33,730)	-	(198,610)
Net profit/(loss)	331,632	(66,667)	160,972	-	425,937
<b>Segment assets:</b>					
Total assets	22,072,124	1,224,138	6,758,207	(25,173)	30,029,296
<b>Segment liabilities:</b>					
Total liabilities	9,889,364	-	343,595	(25,173)	10,207,786
<b>Other Segment items:</b>					
Capital expenditure: Property, plant and equipment					107,623

Geographical Information	United States of America		Total
	Caribbean		
Revenue	414,893	5,608,627	6,023,520
Total Assets	7,957,172	22,072,124	30,029,296

	Direct Hotel Operations	Indirect Hotel and Commercial Operations	Other	Eliminations	Group Unaudited
<b>Nine months ended September 30, 2022</b>					
<b>Operating results:</b>					
External revenues	5,190,161	-	211,427	-	5,401,588
Net capital losses on financial assets and liabilities	-	(1,935)	(225,204)	-	(227,139)
Total revenue	5,190,161	(1,935)	(13,777)	-	5,174,449
Operating expenses	(3,777,466)	-	(104,560)	-	(3,882,026)
Depreciation	(655,735)	-	-	-	(655,735)
Finance costs	(271,251)	-	-	-	(271,251)
Profit/(loss) before taxation	485,709	(1,935)	(118,337)	-	365,437
Taxation	(141,823)	484	(12,495)	-	(153,834)
Net profit/(loss)	343,886	(1,451)	(130,832)	-	211,603
<b>Segment assets:</b>					
Total assets	20,521,481	1,216,212	6,635,387	(1,949)	28,371,131
<b>Segment liabilities:</b>					
Total liabilities	9,353,381	-	308,892	(1,949)	9,660,324
<b>Other Segment items:</b>					
Capital expenditure: Property, plant and equipment					125,208

Geographical Information	United States of America		Total
	Caribbean		
Revenue	(15,712)	5,190,161	5,174,449
Total Assets	7,849,650	20,521,481	28,371,131

### CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine months ended 30 September 2023  
(Expressed in thousands of Jamaican dollars)

	September 2023 Unaudited	September 2022 Unaudited	December 2022 Audited
<b>Cash Flows from Operating Activities:</b>			
<b>Net Profit</b>	425,937	211,603	465,909
Adjustments for:			
<b>Items not affecting cash:</b>			
Depreciation and amortisation	693,631	655,735	875,178
Amortisation of franchise fees	1,607	1,610	2,413
Interest income	(295,014)	(211,427)	(280,390)
Interest expense	261,321	271,251	321,875
Income tax charges	198,610	153,834	265,107
Effect of exchange (gains)/losses on foreign currency balances	(140,170)	72,369	86,706
Fair value losses/(gains) on units held in Sagicor Sigma Funds	70,994	1,935	(76,985)
Fair value (gains)/losses on other financial investments	(34,377)	157,178	205,445
	1,182,539	1,314,088	1,865,258
Changes in other operating assets and liabilities:			
Accounts receivable	81,627	474,172	435,887
Inventories	(2,046)	(16,880)	(15,732)
Accounts payable	347,394	233,140	115,207
Income taxes paid	(21,875)	(16,734)	(19,848)
<b>Net cash generated from operating activities</b>	<b>1,587,639</b>	<b>1,987,786</b>	<b>2,380,772</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of property, plant and equipment, net	(107,623)	(125,208)	(138,672)
Restricted cash	(401,173)	(258,598)	(167,097)
Net purchase of investments	(2,724,360)	(3,612,391)	(3,518,135)
Cash on dissolution of subsidiary	-	-	(15)
Interest income received	224,900	269,055	322,955
<b>Net cash used in investing activities</b>	<b>(3,008,256)</b>	<b>(3,727,142)</b>	<b>(3,500,964)</b>
<b>Cash Flows from Financing Activities:</b>			
Borrowings, net	(118,650)	(113,118)	(151,979)
Interest expense paid	(253,172)	(260,486)	(345,800)
<b>Net cash used in financing activities</b>	<b>(371,822)</b>	<b>(373,604)</b>	<b>(497,779)</b>
<b>Cash and cash equivalents:</b>			
Decrease in cash and cash equivalents	(1,792,439)	(2,112,960)	(1,617,971)
Effect of exchange rate on cash and cash equivalents	106,494	(70,138)	(83,883)
Cash and cash equivalents at beginning of period	5,374,680	7,076,534	7,076,534
<b>Cash and cash equivalents at end of period</b>	<b>3,688,735</b>	<b>4,893,436</b>	<b>5,374,680</b>
<b>Comprising:</b>			
Cash and bank	503,278	2,247,848	2,435,143
Securities purchased under resale agreement	3,185,457	2,645,588	2,939,537
	<b>3,688,735</b>	<b>4,893,436</b>	<b>5,374,680</b>

### Explanatory Notes

#### Identification

Sagicor Real Estate X Fund Limited (X Fund), the Company, is incorporated as an international business company under the International Business Companies Act, 1999 (as amended) of Saint Lucia. The largest shareholder is the Sagicor Pooled Pension Investment Funds, which are administered by Sagicor Life Jamaica Limited.

The Company is the parent of X Fund Properties Limited, a wholly owned subsidiary incorporated and domiciled in Jamaica. X Fund Properties Limited, is the parent of X Fund Properties LLC, a subsidiary incorporated and domiciled in Delaware, USA.

These condensed financial statements have been prepared in conformity with International Accounting Standard (IAS) 34 Interim Financial Reporting and the accounting policies as set out in note 2 of the December 31, 2022 audited financial statements.

Standards, interpretations and amendments to published standards effective in the current year.

There are several new standards and amendments to published standards that came into effect 1 January 2023. No significant impact to the financial statements has been determined from the adoption of these standards.



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