



### 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 year ended December 2023.

#### OVERVIEW

Sagicor Real Estate X Fund Limited for the year ended December 2023 generated net profit attributable to stockholders of \$648.02 million, 39% higher than last year. This translated to positive Retained Earnings for the first time since 2019. The performance of the Group was driven by positive fair value and foreign exchange movements. Increased guest spending and higher room rates contributed to a 4% growth in hotel revenues climbing from \$7.07 billion in the prior year to \$7.37 billion at the end of current year. The Group's earnings per share improved by \$0.08 or 38% over the comparative prior period to close at \$0.29 for

December 2023. X Fund's share price ended the year at \$8.25 with a market capitalisation of \$18.50 billion.

#### EARNINGS

The Group closed the year with Total Revenue of \$8.07 billion, up 13% or \$949.59 million above prior year. Growth in revenues was led by gains on investment portfolio which ended the year at \$232.77 million (December 2022: \$238.26 million loss). This favourable outcome was driven by the current interest rate environment coupled with movements in the foreign exchange market. The strong out-turn on the investment portfolio was followed by an increase in hotel revenues of \$302.08 million over comparative period of \$7.07 billion. This was underpinned by an acceleration in guest spending fueled by increased bookings for corporate and group events.

#### DIRECT HOTEL OPERATIONS

DoubleTree Orlando's (DTO) net profit fell by 32% from \$566.98 million last year. The decline in hotel profits was due to an increase in indirect operating costs; however, tight cost containment measures were implemented to minimise the impact on profit. The segment posted revenues of \$7.37 billion,

exceeding the prior year's \$7.07 billion. The increase in revenues was positively impacted by a 3% growth in average daily rates above the same period last year. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for the period stood at \$1.88 billion, a decrease of 7% year over year.

#### HIGHLIGHTS

	December 2023 Audited	December 2022 Audited
Total Revenue - J\$ billion	8.07	7.12
Earnings before interest, tax, depreciation and amortization (EBITDA) - J\$ billion	2.18	1.93
Net Profit attributable to stockholders - J\$ billion	0.65	0.47
Earnings per stock unit - J\$	0.29	0.21
Total Assets - J\$ billion	30.91	28.65
Stockholders' Equity J\$ billion	20.83	19.10
JSE X Fund share price - J\$	8.25	8.67
Market capitalization - J\$ billion	18.50	19.45

**\$8.07B**  
Total Revenue

**\$20.83B**  
Stockholders' Equity

**\$30.91B**  
Total Assets

**\$2.18B**  
EBITDA

**\$0.29**  
Earnings Per Stock Unit

# Sagicor Real Estate X Fund Limited

## Report to our Stockholders | 2023 Performance



REAL ESTATE X FUND

### INDIRECT COMMERCIAL OPERATIONS

Indirect operations recorded a loss of \$8.58 million (December 2022: \$57.74 million) for the period. The segment's performance resulted from lower fair value movement on Sigma holdings.

### OTHER OPERATIONS

The segment reported a profit of \$273.50 million, a significant improvement on the prior period loss of \$158.81 million. The performance reflects positive foreign exchange movements and fair value gains for the period. Additionally, net investment income of \$428.93 million was up 53% on prior year, a result of growth in the segment's interest earning assets base and higher yields on the portfolio.

### LIQUIDITY AND SOLVENCY

The Group generated positive cash flows of \$1.78 billion (December 2022: \$2.38 billion) from its

operating activities. Cash and cash equivalents excluding restricted cash were \$5.73 billion up 7% from the prior comparable period, reflecting the strong liquidity position of the Group.

### BALANCE SHEET

Total assets increased by \$2.26 billion above December 2022 to end the year at \$30.91 billion. This increase primarily resulted from growth in the investment portfolio and revaluation gains. Stockholders' Equity as of December 2023 was \$20.83 billion, an increase of \$1.72 billion over December 2022.

### OUTLOOK

The year 2023 was robust for the international tourism sector as it saw the industry reaching 88% of pre-pandemic levels with an estimated 1.3 billion international arrivals. This was aided by the decrease in United States annual inflation rate by 3.1% in 2023 and

an increase in the employment rate by 3 basis points. This increase in employment resulted in an uptick in leisure activities for the year 2023 from higher disposable income.

The projections for 2024 are positive as the tourism industry is expected to fully recover to pre-pandemic levels with early indications pointing to a 2% growth over 2019. The IMF is projecting global economic growth to reach 3.1% in 2024. This is also expected to accelerate spending in travel and leisure for the year. Global tourism is expected to continue on an upward trajectory; however, keen attention should be paid to economic and geopolitical headwinds that can pose significant challenges to sustained recovery of the tourism industry and confidence levels. Persisting inflation, high interest rates, volatile oil prices and disruption to trade can continue to impact transport and accommodation costs in 2024. Florida, however; continues to be one of the states

with a high number of visitors with an estimated 8.3 million or 18.3% increase in tourist arrivals in 2023. We expect this growth to continue in 2024 and accelerate the strong performance at DTO.

X Fund continues to carefully monitor and assess the current economic environment. 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

29 February 2024

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023  
(Expressed in thousands of Jamaican dollars)

	December 2023 Audited	December 2022 Audited
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	17,410,319	16,773,390
Investment in Sigma Real Estate Portfolio	1,283,694	1,295,131
Financial investments	3,439,700	3,203,377
	<u>22,133,713</u>	<u>21,271,898</u>
<b>Current Assets</b>		
Inventories	51,170	45,607
Receivables	587,207	841,809
Securities purchased under resale agreement	3,134,410	2,971,544
Financial investments	2,848,619	-
Cash resources	2,155,592	3,523,560
	<u>8,776,998</u>	<u>7,382,520</u>
<b>TOTAL ASSETS</b>	<b><u>30,910,711</u></b>	<b><u>28,654,418</u></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
Equity Reserves	7,732,561	6,656,471
Retained earnings	453,260	(194,758)
<b>Total Equity</b>	<b><u>20,828,333</u></b>	<b><u>19,104,225</u></b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Deferred income taxes	2,307,097	1,970,735
Borrowings	6,588,938	6,809,066
	<u>8,896,035</u>	<u>8,779,801</u>
<b>Current Liabilities</b>		
Payables	506,804	529,330
Contractual Liabilities	232,566	145,388
Borrowings	252,469	66,467
Taxation payable	194,504	29,207
	<u>1,186,343</u>	<u>770,392</u>
<b>Total Liabilities</b>	<b><u>10,082,378</u></b>	<b><u>9,550,193</u></b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b><u>30,910,711</u></b>	<b><u>28,654,418</u></b>

Vinay Walia  
Chairman  
29 February 2023

Bruce James  
Director

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023  
(Expressed in thousands of Jamaican dollars)

	Q4 2023 Audited	Q4 2022 Audited	December 2023 Audited	December 2022 Audited
<b>Revenues:</b>				
Net investment income	133,918	68,963	428,932	280,390
Net capital gains/(losses) on financial assets	126,751	(6,563)	232,769	(238,263)
Hotel revenue	1,765,423	1,881,805	7,374,050	7,071,966
Other income	18,629	-	32,490	4,561
<b>Total revenues</b>	<b><u>2,044,721</u></b>	<b><u>1,944,205</u></b>	<b><u>8,068,241</u></b>	<b><u>7,118,654</u></b>
<b>Expenses:</b>				
Hotel expenses	1,339,825	1,271,721	5,492,661	5,049,187
Depreciation	234,066	219,443	927,697	875,178
Interest and other financing costs	53,677	50,624	314,998	321,875
Other operating expenses	107,011	36,838	398,196	141,398
<b>Total expenses</b>	<b><u>1,734,579</u></b>	<b><u>1,578,626</u></b>	<b><u>7,133,552</u></b>	<b><u>6,387,638</u></b>
Profit before taxation	310,142	365,579	934,689	731,016
Taxation	(88,061)	(111,273)	(286,671)	(265,107)
Net profit	<u>222,081</u>	<u>254,306</u>	<u>648,018</u>	<u>465,909</u>
<b>Earnings per stock unit for profit attributable to stockholders of the Company:</b>				
Basic and fully diluted	\$0.10	\$0.11	\$0.29	\$0.21
Net profit	222,081	254,306	648,018	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	(40,250)	(77,381)	251,098	(174,725)
<b>Items that will not be subsequently reclassified to profit or loss</b>				
Unrealised gains on revaluation of property, plant and equipment	824,992	216,493	824,992	2,223,417
Total other comprehensive income recognised in stockholders' equity, net of taxes	<u>784,742</u>	<u>139,112</u>	<u>1,076,090</u>	<u>2,048,692</u>
<b>Total comprehensive income</b>	<b><u>1,006,823</u></b>	<b><u>393,418</u></b>	<b><u>1,724,108</u></b>	<b><u>2,514,601</u></b>

# Sagicor Real Estate X Fund Limited

## Report to our Stockholders | 2023 Performance



REAL ESTATE X FUND

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 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 Audited
<b>Period ended 31 December 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	-	251,098	824,992	648,018	1,724,108	-	1,724,108
<b>Period ended 31 December 2023</b>	<b>12,642,512</b>	<b>2,144,016</b>	<b>5,588,545</b>	<b>453,260</b>	<b>20,828,333</b>	<b>-</b>	<b>20,828,333</b>
<b>Period ended 31 December 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	-	(174,725)	2,223,417	465,909	2,514,601	-	2,514,601
Wind up of Jamziv	-	-	-	-	-	(5,767,623)	(5,767,623)
<b>Period ended 31 December 2022</b>	<b>12,642,512</b>	<b>1,892,918</b>	<b>4,763,553</b>	<b>(194,758)</b>	<b>19,104,225</b>	<b>-</b>	<b>19,104,225</b>

### CONSOLIDATED SEGMENTAL FINANCIAL INFORMATION

for the year ended 31 December 2023  
(Expressed in thousands of Jamaican dollars)

for the year ended December 31, 2023	Direct Hotel Operations	Indirect Hotel and Commercial Operations	Other	Eliminations	Group Audited
<b>Operating results:</b>					
External revenues	7,374,050	-	428,932	-	7,802,982
Net capital (losses)/gains on financial assets and liabilities	-	(11,437)	276,696	-	265,259
Total revenue	7,374,050	(11,437)	705,628	-	8,068,241
Operating expenses	(5,492,661)	-	(398,196)	-	(5,890,857)
Depreciation	(927,697)	-	-	-	(927,697)
Finance costs	(349,771)	-	34,773	-	(314,998)
Profit/(loss) before taxation	603,921	(11,437)	342,205	-	934,689
Taxation	(220,828)	2,859	(68,702)	-	(286,671)
Net profit/(loss)	383,093	(8,578)	273,503	-	648,018
<b>Segment assets:</b>					
Total assets	22,875,639	1,283,694	6,753,639	(2,261)	30,910,711
<b>Segment liabilities:</b>					
Total liabilities	9,812,501	-	272,138	(2,261)	10,082,378
<b>Other Segment items:</b>					
Capital expenditure: Property, plant and equipment					161,918

#### Geographical Information

	Caribbean	United States of America	Total
Revenue	694,191	7,374,050	8,068,241
Total Assets	8,035,072	22,875,639	30,910,711

for the year ended December 31, 2022	Direct Hotel Operations	Indirect Hotel and Commercial Operations	Other	Eliminations	Group Audited
<b>Operating results:</b>					
External revenues	7,071,966	-	280,390	-	7,352,356
Net capital gains/(losses) on financial assets and liabilities	-	76,985	(310,687)	-	(233,702)
Total revenue	7,071,966	76,985	(30,297)	-	7,118,654
Operating expenses	(5,049,187)	-	(141,398)	-	(5,190,585)
Depreciation	(875,178)	-	-	-	(875,178)
Finance costs	(356,486)	-	34,611	-	(321,875)
Profit/(loss) before taxation	791,115	76,985	(137,084)	-	731,016
Taxation	(224,132)	(19,246)	(21,729)	-	(265,107)
Net profit/(loss)	566,983	57,739	(158,813)	-	465,909
<b>Segment assets:</b>					
Total assets	20,819,762	1,295,131	6,541,277	(1,752)	28,654,418
<b>Segment liabilities:</b>					
Total liabilities	9,289,453	-	262,492	(1,752)	9,550,193
<b>Other Segment items:</b>					
Capital expenditure: Property, plant and equipment					138,672

#### Geographical Information

	Caribbean	United States of America	Total
Revenue	46,688	7,071,966	7,118,654
Total Assets	7,834,656	20,819,762	28,654,418

### CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2023  
(Expressed in thousands of Jamaican dollars)

	December 2023 Audited	December 2022 Audited
<b>Cash Flows from Operating Activities:</b>		
Net Profit	648,018	465,909
Adjustments for:		
<b>Items not affecting cash:</b>		
Depreciation and amortisation	927,697	875,178
Amortisation of franchise fees	2,417	2,413
Interest income	(428,932)	(280,390)
Interest expense	314,998	321,875
Income tax charges	286,671	265,107
Effect of exchange (gains)/losses on foreign currency balances	(120,846)	86,706
Fair value losses/(gains) on units held in Sagicor Sigma Funds	11,437	(76,985)
Fair value (gains)/losses on other financial investments	(120,818)	205,445
	1,520,642	1,865,258
Changes in other operating assets and liabilities:		
Accounts receivable	241,922	435,887
Inventories	(4,556)	(15,732)
Accounts payable	54,582	115,207
Income taxes paid	(29,167)	(19,848)
<b>Net cash generated from operating activities</b>	<b>1,783,423</b>	<b>2,380,772</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of property, plant and equipment, net	(161,918)	(138,672)
Restricted cash	(343,620)	(167,097)
Net purchase of investments	(836,990)	(3,518,135)
Cash on dissolution of subsidiary	-	(15)
Interest income received	303,509	322,955
<b>Net cash used in investing activities</b>	<b>(1,039,019)</b>	<b>(3,500,964)</b>
<b>Cash Flows from Financing Activities:</b>		
Borrowings	(158,977)	(151,979)
Interest expense paid	(337,928)	(345,800)
<b>Net cash used in financing activities</b>	<b>(496,905)</b>	<b>(497,779)</b>
<b>Cash and cash equivalents:</b>		
Increase/(decrease) in cash and cash equivalents	247,499	(1,617,971)
Effect of exchange rate on cash and cash equivalents	111,525	(83,883)
Cash and cash equivalents at beginning of period	5,374,680	7,076,534
<b>Cash and cash equivalents at end of period</b>	<b>5,733,704</b>	<b>5,374,680</b>
<b>Comprising:</b>		
Cash and bank	698,411	2,435,143
Investment securities	1,902,190	-
Securities purchased under resale agreement	3,133,103	2,939,537
	<b>5,733,704</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, 2023 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.



REAL ESTATE X FUND