

ANNUAL REPORT 2024

TOURISM PROPERTIES
OFFICE AND RETAIL BUSINESS
INDUSTRIAL PROPERTIES
DEVELOPMENT LAND



Sagicor

REAL ESTATE X FUND

20

ABOUT X FUND

Sagicor Real Estate X Fund Limited (“X Fund” or “the Group”), a St. Lucian International Business Company, is the largest publicly traded real estate investment company in Jamaica on the Jamaica Stock Exchange (“JSE”).

The Group maintains direct ownership of DoubleTree by Hilton at the Entrance to Universal Orlando (DTO) in Florida, through its wholly owned subsidiary X Fund Properties LLC. In September 2024, the Group acquired a block of retail units at The Strand Shopping Centre located in West Bay, Grand Cayman, through its subsidiary X Fund Properties Limited. X Fund additionally maintains an investment in the Sigma Real Estate Portfolio, which provides exposure primarily to commercial real estate located across Jamaica. The Group continues to actively assess profitable real estate investment opportunities across the region with good growth prospects in the medium term, which supports its mandate of improving shareholder value.



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Howard Mitchell
Chairman

“Our strong cash position will allow us to aggressively pursue new opportunities and expand our portfolio of strong real estate assets, which aligns with our mandate and long-term vision of increasing shareholder value for all stakeholders.”

STATEMENT OF THE CHAIRMAN & CEO

On behalf of the Board of Directors, we present the performance and activities of Sagicor Real Estate X Fund Limited (“X Fund” or “the Group”) for the year ended December 31, 2024.

For the financial year ended December 2024, X Fund’s total assets increased in value to \$32.2 billion, 4% above the value at the end of 2023 of \$30.9 billion. Stockholders’ equity stood at \$22.1 billion, representing an increase of 6% from \$20.8 billion in 2023.

The profitability of the Group fell below our target, with net profit attributable to stockholders closing the year at \$456.7 million. This performance was largely driven by the impact of macro-economic factors, including lower foreign exchange gains compared to previous year, fair value losses on investment securities from adverse interest rate movements, and a one-off revaluation loss on a property holding. Notwithstanding, the DoubleTree by Hilton in Orlando, our largest real estate asset, continues to contribute positively to the Group’s overall performance, recording a 26% improvement in net profits compared to last year. This solid performance was driven by an uptick in group bookings, which we continue to push as the more profitable area of business for us, as it carries higher average daily rates, with the added benefit of various spin-off revenue streams for the hotel.

Average occupancy for the period was maintained above 85% and average daily rates increased by approximately 2% over prior year. We strongly believe that the Group’s activities throughout 2024 have placed us in a position to earn higher returns in 2025, as we begin to reap the positive returns of our investments. Additionally, our strong cash position will allow us to aggressively pursue new opportunities and expand our portfolio of strong real estate assets, which aligns with our mandate and long term vision of increasing shareholder value for all stakeholders.

In September 2024, the Group completed the purchase of a block of retail units at The Strand Shopping Centre, a prime commercial complex located along the world-famous Seven Mile Beach Corridor in Grand Cayman. This shopping centre is ideally located near luxury hotels and includes a diverse mix of well-known brands, including restaurants, sporting and entertainment which support the local and tourism market. We believe that this acquisition complements our existing portfolio and further solidifies our strategy of diversifying our portfolio across strong and buoyant real estate markets.

OUTLOOK

The global tourism industry continued its growth trajectory into 2024 contributing a record-breaking \$11 trillion to global GDP. This was driven by an increase in domestic and international travel, as well as the addition of new hotels.

At the end of December 2024, the US inflation rate stood at 2.9% representing a 50 basis points (bps) increase over the previous quarter. This was led by an uptick in demand during the holiday season.

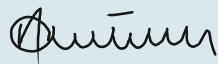
The Cayman economy is estimated to have grown by 2.2% in 2024 and is expected to increase to 2.5% in 2025 following closely behind projected global economic growth of 2.8%. This is expected to be led by an expansion in tourism of 14.9% and a low unemployment rate of 2.7%. This will allow for continued growth in the commercial real estate market, foster robust demand for rental space and keep occupancy levels above 90%. The Strand remains a high demand area for both visitors and locals in Cayman, which should translate to stable and consistent revenue flows for X Fund from its block of units.

The Planning Institute of Jamaica has forecasted a return to positive growth in the Jamaican economy of 0-1% in the March 2025 quarter, and the Bank of Jamaica is predicting 1-3% growth

in the fiscal year ending 2026. This is an improvement from the estimated contraction of between 0.4% and 1.4% in 2024. The Bank of Jamaica (BoJ) reduced policy interest rates by 100 bps to close 2024 at 6%, which resulted in an inflation rate of 5%, falling within the bank's target range of between 4% and 6%. These rates are expected to hold for the upcoming year and should increase consumer spending and boost business confidence. The forecast for 2025 of continued global growth within the tourism sector is expected to facilitate improved results for X Fund in the upcoming year.

We have not lost sight of the potential challenges and risks faced with the uncertainties of the current economic and political climate and the possible effect on the hospitality sector in 2025.

We continue to carefully and actively monitor this current environment in order to respond to changes as necessary. We would like to thank our stakeholders for the confidence they continue to place in us, as we look forward to the future with optimism.



Howard Mitchell

Chairman



Brenda-Lee Martin

Chief Executive Officer



Brenda-Lee Martin
Chief Executive Officer

"The forecast for 2025 of continued global growth within the tourism sector is expected to facilitate improved results for X Fund in the upcoming year."

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING of the Company will be held at McNamara Corporate Services Inc., Bella Rosa Road, Gros Islet, Saint Lucia on Friday, May 16, 2025, at 10:30 a.m. and accommodated virtually to consider, and if thought fit, pass the following Resolutions:

1. To receive the Audited Accounts and Reports of the Directors and Auditors for the year ended December 31, 2024.

Resolution No. 1

"THAT the Audited Accounts and the Reports of the Directors and Auditors for the year ended December 31, 2024, be and are hereby adopted."

2. To elect Directors:

Resolution No. 2

"That the election of directors be made en bloc."

Resolution No.3

- a. **Article 102** of the Company's Articles of Association provides that one-third of the directors or if their number is not three or a multiple of three then the number nearest to one-third shall retire from office at each Annual General Meeting. The directors retiring under this Article are **Directors Colin Steele and Bruce James** who, being eligible, offer themselves for re-election.

"THAT Messrs. **Colin Steele and Bruce James**, who retire by rotation and being eligible offer themselves for re-election, be and are hereby re-elected as Directors of the Company en bloc."

3. To fix the remuneration of the Directors

Resolution No. 4

"THAT the amount of \$20,202,000.00 included in the Audited Accounts of the Company for the year ended December 31, 2024, as remuneration for their services as Directors be and is hereby approved."

4. To appoint the Auditors and authorise the Directors to fix the remuneration of the Auditors.

Resolution No. 5

"THAT, PricewaterhouseCoopers East Caribbean, Chartered Accountants, having agreed to continue in office as Auditors for the Company, be and are hereby appointed Auditors for the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

Dated the 31st day of March 2025

BY THE ORDER OF THE BOARD



MCSI Inc.
Corporate Secretary

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member. Proxy Forms must be lodged with the Company Secretary, MCSI Inc. at its registered offices at 20 Micoud Street, Castries, St. Lucia not less than 48 hours before the time of the meeting.

A Form of Proxy is enclosed for your convenience.

DIRECTORS' REPORT

The Directors are pleased to submit their Report and the Audited Financial Statements for the year ended December 31, 2024. The Financial Statements reflect the results of Sagicor Real Estate X Fund Limited (X Fund).

	2024 J\$000's	2023 J\$000's
Operating Results:		
Group Profit before tax	752,148	934,689
Taxation	(295,446)	(286,671)
Net Profit	456,702	648,018
Attributable to Stockholders of the Company	456,702	648,018
Stockholders' Equity:		
Stockholders' equity brought forward	20,828,333	19,104,225
Share Capital, opening	12,642,512	12,642,512
Shares issued	-	-
Share Capital, ending	12,642,512	12,642,512
Retained earnings, opening	453,260	(194,758)
Net Profit	456,702	648,018
Retained earnings, ending	909,962	453,260
Currency translation, opening	2,144,016	1,892,918
Currency reserve	111,020	251,098
Currency translation, ending	2,255,036	2,144,016
Fair value reserves, opening	5,588,545	4,763,553
Unrealised gain on revaluation of owner-occupied properties	674,754	824,992
Fair value reserves, closing	6,263,299	5,588,545
Stockholders' equity carried forward	22,070,809	20,828,333
Non-Controlling Interest	-	-

DIRECTORS

Article 102 provides that one-third of the Directors shall retire from office at each Annual General Meeting. Directors Colin Steele and Bruce James retire under this Article, and being eligible, offer themselves for re-election.

AUDITORS

The auditing firm, PricewaterhouseCoopers East Caribbean, Chartered Accountants, having agreed to continue in office as Auditors for the Company, will do so and a resolution authorising the Directors to fix the remuneration of the Auditors will be presented at the Annual General Meeting.



Chairman

April 9, 2025

BOARD OF DIRECTORS

Howard Mitchell*

C.D., J.P.



Mr Howard Mitchell is a lawyer by profession who ran a successful commercial law practice for over 35 years, specialising in mining law and taxation, before retiring in 2010 to focus on business and public service.

He has served as Chairman of the National Housing Trust, the National Health Fund, and the Council of the Institute of Jamaica, among other statutory boards in the mining and agricultural sectors. Mr Mitchell has also served as a Director of the Bank of Jamaica and has negotiated several mining agreements on behalf of the Government of Jamaica.

He is a former President of the PSOJ and a former Vice President of the Jamaica Manufacturers and Exporters Association.

Mr Mitchell's philanthropic work includes board memberships with the Mustard Seed Communities, Issa Trust Foundation, and his former Chairmanship of the St Patrick's Foundation.

*Appointed as Director and Chairman of the Sagicor Real Estate X Fund Board-March 1, 2024.

Stephen McNamara

Barrister-at-law



Stephen McNamara was called to the Bar at Lincoln's Inn, and in St Lucia in 1972. He is the senior partner of McNamara & Company, Attorneys-at-Law of St. Lucia. The barrister/solicitor specialises in the representation of foreign investors in St Lucia in the Tourism, Manufacturing and Banking sectors. He served as Chairman of the St Lucia Tourist Board for nine years. Throughout his career, Mr. McNamara was appointed a Non-Executive Chairman of Sagicor Financial Corporation, on January 1, 2010, having formally served as Vice Chairman since June 2007. He is the Chairman of Sagicor Life Inc. and several other subsidiaries within the Sagicor group of companies.

Mr. McNamara's St Lucia-based service includes the Board of St Lucia Electricity Services Ltd, where he was elected as the Chairman in December 2015, and served until his retirement at the end of 2017. He is also the President of the St Lucia Tennis Association.

Mr. McNamara was made a Commander of the Order of the British Empire (CBE) in the 2015 Queen's Birthday Honours for public service and services to the legal profession. In 2015 he was awarded an honorary doctorate from the University of the West Indies for his outstanding achievements and contribution to the region in the areas of business, sports, and general philanthropy for more than forty years.

Peter W. Pearson

B.Sc., F.C.C.A, F.C.A, J.P.



Mr Pearson is a graduate of Cornwall College and the University of the West Indies, where he earned a BSc in Management Studies. He is a Fellow of both the Institute of Chartered Accountants and the Chartered Association of Certified Accountants.

A former Partner at PricewaterhouseCoopers Jamaica, Mr Pearson oversaw the firm's Montego Bay office. He has significant experience in public accounting, particularly in the tourism, hospitality, banking, and government sectors.

He currently serves as a director and audit committee member for several companies, including four listed on the Jamaica Stock Exchange. Mr Pearson has served as a Justice of the Peace since 1988.

Bruce R.V. James

O.D, B.Sc., M.B.A.



Mr James has more than 15 years' executive experience in banking, having held senior roles at Citibank N.A. Jamaica, including Vice President for Corporate Banking and Relationship Management. His expertise includes risk management and analysis, marketing of credit products, relationship management, and leadership.

He is also a seasoned governance professional, having served on boards across banking, investments, real estate, finance, charitable organisations, and sport. He is President and Co-founder of the MVP Track and Field Club and is known for his work as a track and field analyst across television, radio, and online platforms.

Mr James is a TEDx Jamaica speaker and motivational presenter. He was awarded the Order of Distinction (Officer Class) in 2019. He holds a BSc in Management and an MBA from Florida State University, where he was recognised as the most outstanding MBA student in his class.

He also holds a Corporate Director Certificate from Harvard Business School (2022) and a Mergers and Acquisitions Certificate from the University of Chicago Executive Education programme (2024).

Colin Steele

B.B.A., M.B.A., C.P.A.



Mr Steele is an entrepreneur and housing developer who began his career as a Certified Public Accountant. He has experience in lending, capital markets, and investment banking.

He has served on several public sector boards, including the Port Authority of Jamaica and the University Hospital of the West Indies. He is currently a director of Sagicor Bank Jamaica Limited, Sagicor Investments Jamaica Limited, and Chairman of Sagicor Select Funds Limited.

Mr Steele has also chaired the Economic Policy Committee of the Private Sector Organisation of Jamaica (PSOJ).

BOARD OF DIRECTORS

John Bailey**

B.B.A. (Finance)



John Bailey is a distinguished business leader with more than 30 years' experience across finance, manufacturing, real estate development, tourism, and hospitality. He holds a degree in Business Administration (Finance) from the University of South Florida and is widely respected for his negotiation skills and pursuit of excellence.

In recent years, Mr Bailey has ventured into real estate development, creating luxury villas and commercial projects such as Harmony Hall and New Brunswick Village in Jamaica.

His experience and leadership continue to make a positive impact on Jamaica's economic landscape and across the wider Caribbean.

***Appointed as Director of the Sagicor Real Estate X Fund Board-March 1, 2024.*

Carlton Barclay***

ACCA, FCCA, MBA



Mr. Barclay has over 25 years of experience in the field of banking and finance and has served at the most senior levels in the industry including as Managing Director of Republic Bank (Cayman) Limited, General Manager of the National Building Society of Cayman, Deputy Manager for Jamaica National Building Society, and CEO of Community and Workers Coop Credit Union. He is a fellow of the Association of Chartered Certified Accountants (ACCA) and a Fellow of the Institute of Chartered Accountants of Jamaica (ICAJ). He holds an MBA from the Kellogg School of Management, Northwestern University. He is the former Chairman of the Caribbean Association of Banks Incorporated (CAB) and has served on the Strategic Planning and Advocacy Sub-Committees of CAB and the Current Affairs Committee of the Institute of Chartered Accountants of Jamaica (ICAJ). He is a former President of Kingston and St. Andrew Football Association (KSAFA) and a former Treasurer of the Jamaica Football Federation (JFF). Mr. Barclay has served on the boards of several entities including the National Road Maintenance Fund of Jamaica and is a member of the Rotary Club of St. Andrew North.

****Resigned as Director of Sagicor Real Estate X Fund Limited - February 29, 2024.*

Vinay Walia ****

Bachelor of Commerce, A.C.C.A.



Mr. Walia served as Managing Director of Guardsman Group until the end of 2024, and was also a member of its Board of Directors. He joined the company in 1998 as Financial Controller, was promoted to Financial Director in 2000, then to Co-Managing Director in 2012, and finally to Managing Director in 2016. During his tenure, he provided financial leadership to the Group and its subsidiaries, supported strategic growth and profitability initiatives, and ensured compliance with government regulations, industry standards, and corporate policies.

Prior to joining Guardsman Group, Mr. Walia built a reputable career in accounting and auditing with A.F. Ferguson & Co. (a representative of KPMG Peat Marwick in India), and later with KPMG Peat Marwick in Jamaica. He is a Chartered Certified Accountant (ACCA) and holds a Bachelor of Commerce degree with Honours from Delhi University.

**** Resigned as Director of the Sagicor Real Estate X Fund Board – March 1, 2024.

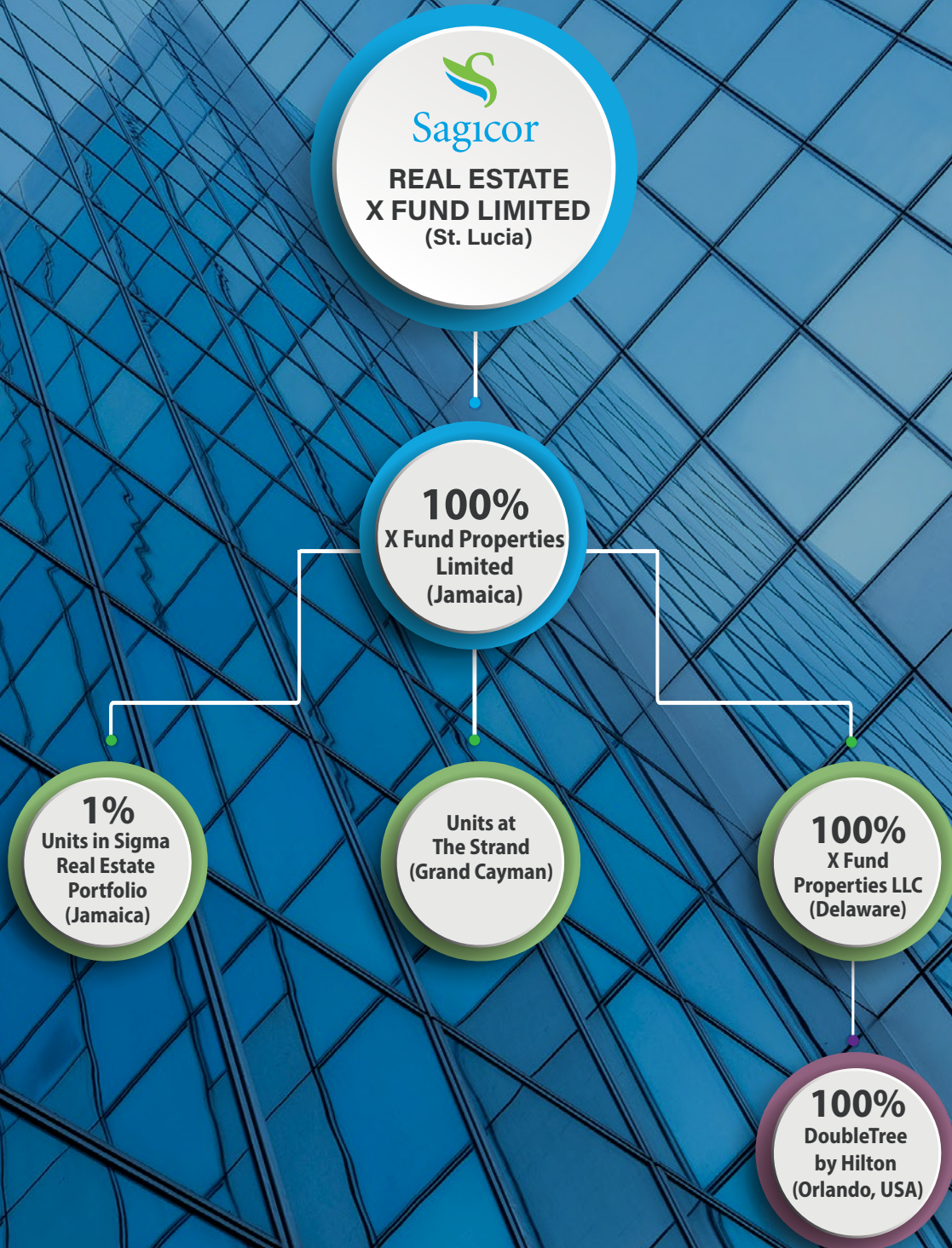
**CHIEF EXECUTIVE OFFICER****Brenda-Lee Martin** B.Sc., M.B.A. (Finance)

Brenda-Lee Martin was appointed Chief Executive Officer of Sagicor Real Estate X Fund Limited in 2018. She worked with Sagicor Group Jamaica from December 1992 to September 2022, serving in several senior roles.

She has extensive experience in investment management and held the position of Vice President – Asset Management from 2015 to 2022. In this role, she oversaw Sagicor's pension, mortgage, and Sigma portfolios, along with the operations of Sagicor Property Services Limited (SPS), Jamaica's largest private property management firm.

Ms Martin holds a BSc in Economics and Management from the University of the West Indies, Mona, and an MBA in Finance from the University of Wales and Manchester Business School. She also holds the FLMI designation from LOMA.

CORPORATE STRUCTURE



CORPORATE DATA



DIRECTORS:

Howard Mitchell
Chairman

Stephen McNamara

Peter Pearson

Colin Steele

Bruce James

John Bailey

EXECUTIVE:

Brenda-Lee Martin
Chief Executive Officer

CORPORATE SECRETARY:

MCSI Inc.
20 Micoud Street,
Castries, Saint Lucia

Auditors:

PricewaterhouseCoopers East
Caribbean
Unit 111 Johnsons Centre
No. 2 Bella Rosa Road
P.O. Box BW 304
Gros Islet, Saint Lucia

Bankers:

Sagicor Bank Jamaica Limited
17 Dominica Drive
Kingston 5

Attorneys:

Patterson Mair Hamilton
Attorney-at-Law
Temple Court
85 Hope Road
Kingston 6

Registered Office:

20 Micoud Street
Castries
St. Lucia

Territories of Operation

St. Lucia

Sagicor Real Estate X Fund Limited
20 Micoud Street
Castries
St. Lucia

Jamaica

X Fund Properties Limited
(wholly owned subsidiary)
28 – 48 Barbados Avenue
Kingston 5
Jamaica

USA

X Fund Properties LLC
(wholly owned subsidiary of X Fund
Properties Limited)
5780 Major Boulevard
Orlando, Florida 32819
USA

Cayman Islands

X Fund Properties Limited
(wholly owned subsidiary)
68 George Town
P.O. Box 31726
Grand Cayman KY1-1207
Cayman Islands



**RESORT
PROPERTY
DOUBLETREE
BY HILTON**

The DoubleTree by Hilton at the Entrance to Universal Orlando, consistently surpasses market performance benchmarks. This success is attributed to its synergistic partnership with Universal Studios Orlando, the comprehensive renovation undertaken in 2017/18, and the professional management by Aimbridge Hospitality. These factors have propelled the hotel to achieve another impressive occupancy year of 86.1%, significantly outpacing the Orlando market average of 69.1%.



Despite facing a softening in leisure travel demand in 2024, the hotel maintained its competitive edge, achieving an occupancy rate of 86.1% compared to the 69.1% average of its competitors. This achievement was facilitated through strategic pricing, brand advertising, and third-party promotions on platforms such as Expedia and Booking.com.

Looking ahead to 2025, the hotel aims to further enhance revenue growth and surpass competitor projections, with a particular focus on increasing the Average Daily Rate (ADR) and achieving a modest rise in occupancy. A key strategy continues to involve the Group





742
Guest
Rooms

19
Guest
Suites

Sales and Catering. Currently, the hotel is seeing increases in both categories over 2024, which bodes well for the hotel as the leisure market has yet to rebound. This effort will also produce an increase in food and beverage sales, which will be more profitable, moving revenue from à la carte to banquets and catering. Our collaborative partnership with Aimbridge and the Hilton National Sales Office is pivotal to this strategy, aiming to forecast over 60,000 group room bookings in 2025. While the leisure demand continues to be softer than its peak in 2023, Florida still predicts healthy travel numbers to the state. The addition of Universal's Epic Universe will help bolster Florida's already good economic health.





The DoubleTree by Hilton remains a premier leisure destination in Orlando, owing to its prime location near key attractions.

The hotel's strategic focus for 2025 is to continue optimising ADR during peak group demand periods, while leveraging third-party partnerships to drive occupancy during lower demand periods. These efforts are complemented by a strong alliance with Universal Orlando Resorts to enhance brand visibility and business growth.

The DoubleTree by Hilton remains a premier leisure destination in Orlando, owing to its prime location near key attractions. The Group Sales and Catering team is committed to maximising market share across all segments, while initiatives to boost customer service awareness aim to elevate the hotel's standing in TripAdvisor ratings and Guest Satisfaction scores.



THE STRAND SHOPPING CENTRE GRAND CAYMAN



In 2024, Sagicor Real Estate X Fund completed the purchase of units at The Strand Shopping Centre, in Grand Cayman, at a cost of J\$1.70 billion. This acquisition represents the purchase of 14,700 square feet of commercial space and the company's expansion across the Caribbean region.

The asset represented a significant milestone in X Fund's strategy to diversify its portfolio across strong, buoyant real estate markets and has already provided good income from the tenanted property.

The Strand Shopping Centre is situated within a tourism region on the island, and is within close proximity to known hotels such as The Ritz-Carlton Grand Cayman and Westin Grand Cayman. The commercial centre provides a diverse mix of well-known brands. The businesses operating there include restaurants, banking services, and other key retail services.

MANAGEMENT'S DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Sagicor Real Estate X Fund Limited generated net profit attributable to stockholders of \$456.70 million for the year ended December 2024, down 30% on prior year. The Group's profitability remains positive and robust amidst the headwinds experienced during the year. X Fund's results were negatively impacted by a combination of macro-economic factors, decelerated growth in tourism and revaluation losses on real estate holdings. During the quarter The Group's investment income was improved by its investment property earnings which came from the purchase of a block of units at The Strand in Cayman. The property is ideally located along the world-famous Seven Mile Beach Corridor and includes a variety of offerings spanning sports, restaurants, entertainment and other core services. X Fund's Earnings per share fell \$0.09 from the comparative period to \$0.20 as at December 31, 2024. X Fund's share price ended December 2024 at \$8.50 with a market capitalisation of \$19.07 billion.

EARNINGS

As at December 31, 2024, Total Revenues were \$7.80 billion. X Fund's earnings included a 26% growth in Net Investment Income which improved from \$428.93 million in 2023 to \$539.03 million for 2024. However, this was outpaced by Net Capital losses of \$89.33 million (December 2023: \$232.77 million gains) which included lower foreign exchange

HIGHLIGHTS		
	December 2024 Audited	December 2023 Audited
Total Revenue - J\$ billion	7.80	8.07
Earnings before interest, tax, depreciation and amortisation (EBITDA) - J\$ billion	1.79	2.18
Net Profit attributable to stockholders - J\$ billion	0.46	0.65
Earnings per stock unit - J\$	0.20	0.29
Total Assets - J\$ billion	32.21	30.91
Stockholders' Equity J\$ billion	22.07	20.83
JSE X Fund share price - J\$	8.50	8.00
Market capitalisation - J\$ billion	19.07	17.94

gains, fair value losses and a one-off revaluation loss. Hotel revenues of \$7.33 billion were marginally below the previous year by 1% as a result of tapering growth rates in tourism compared to the prior year.

DIRECT HOTEL OPERATIONS

DoubleTree Orlando's (DTO's) net profit was up 26% on the corresponding period last year to close the period at \$484.46 million. Increased guest spending resulted in an improvement of 3% in Food and Beverage revenues over the same period last year. This was underpinned by an uptick in group bookings. Profit growth was boosted by a 22% reduction in depreciation charges to \$726.25 million due to fully written down renovation costs. Earnings before Interest, Tax, Depreciation and

Amortization (EBITDA) for the period were at \$1.79 billion, down 18% on prior comparative period.

COMMERCIAL OPERATIONS

Commercial operations recorded a net loss of \$30.45 million (December 2023: \$8.58 million loss) for the period. The segment's performance resulted from higher fair value movement on Sigma holdings, which was offset by revaluation loss on investment property. This loss was attributable to high acquisition costs from administration and regulatory fees that were added to the cost of the property. The increase in the asset portfolio is reflected in a corresponding reduction in indirect commercial real estate holdings, as Sigma units were sold and a block of units at The Strand in Cayman purchased.



OTHER OPERATIONS

The segment reported a net profit of \$2.69 million (December 2023: \$273.50 million) for the period. The results were impacted by the higher interest rates in the first two quarters of 2024. Lower interest rates in the third and fourth quarters were not sufficient to stem losses in the current year as prices continued to deteriorate. Net investment income reflected year-on-year improvement of \$110.10 million to \$539.03 million at December 2024, a result of higher yields on the portfolio and an increase in investment assets. This was further boosted by net rental earnings from investment property holdings which contributed to about quarter of the increase over the comparative period.

LIQUIDITY AND SOLVENCY

The Group's net cash used in operating activities was \$753.34 million (2023: net cash generated by operating activities was \$1.78 billion) resulting mainly from the purchase of investment property for \$1.70 billion. Cash and cash equivalents, excluding restricted cash, stood at \$4.51 billion (2023: \$5.73 billion), reflecting the strong liquidity position of the Group.

BALANCE SHEET

Total assets increased by \$1.30 billion, closing at \$32.21 billion for the year ending December 31, 2024. This increase primarily resulted from growth in the investment portfolio and a higher property value. For the period ending December 31, 2024, stockholders' Equity was \$22.07 billion. This represents an increase of \$1.24 billion over December 31, 2023.

Total Revenues

\$7.80B

Net Profit Attributable to Stockholders

\$0.46B

Total Assets

\$32.21B

Stockholders' Equity

\$22.07B

In 2024, the global economy showed signs of resilience in the face of continued and emerging challenges. Geopolitical tensions remained a significant concern throughout 2024 with the ongoing Russia-Ukraine war continuing to disrupt energy markets and impacting volatility in commodity prices. According to the International Monetary Fund (IMF), global growth is projected to be 3.2%, which lags behind the pre-pandemic rate of 3.7%.

GLOBAL ECONOMY

In 2024, the global economy showed signs of resilience in the face of continued and emerging challenges. Central banks worldwide maintained a cautious approach to monetary policy. While inflation moderated in some areas, it continued to exceed targets in several major economies, prompting Central Banks to make very conservative rate cuts though keeping rates elevated. This led to continued tight financial conditions and subdued economic activity. Additionally, geopolitical tensions remained a significant concern throughout 2024 with the ongoing Russia-Ukraine war continuing to disrupt energy markets and impacting volatility in commodity prices. Escalating trade disputes involving major economies have also led to heightened uncertainty affecting global trade and investment flows. According to the International Monetary Fund (IMF), global growth is projected to be 3.2%, which lags behind the pre-pandemic rate of 3.7%.

In December 2024, the United States recorded an annual inflation rate of 2.9%, a decrease from 3.4% recorded in December 2023. This decline is attributed to a stabilisation in prices across major categories. In 2024, the US Federal Reserve implemented three rate cuts, from the 5.25% to 5.00%



range down to the 4.25% to 4.50% range, reflecting a response to cooling inflation. However, signs of cooling inflation and the prospect of rate cuts by global central banks led many major indices to record substantial gains with bonds reversing previous losses. This positive market performance reflects growing investor optimism amid stabilising economic indicators. Global equity markets maintained their

upward trajectory in 2024. The MSCI All-Country World Index, comprising 1,395 constituents from 23 developed and 24 emerging markets, rose by 17.5% over the year, while the S&P 500 and NASDAQ posted gains of 23.3% and 28.6%, respectively. Europe's Stoxx 600 Index grew by 6.0%, while the Asia Dow Index rose by 14.1% during 2024.



TOURISM SECTOR REVIEW

Global Environment

International tourism experienced a strong resurgence in 2024, with approximately 1.4 billion international tourists recorded globally, a growth of 11% over 2023, and reaching 99% of 2019 levels. Regionally, the Middle East led this recovery, with international arrivals surpassing pre-pandemic numbers by 32%, totalling 95 million tourists. Europe, the world's most

visited region, saw 747 million international arrivals, exceeding 2019 numbers by 1%. Africa saw a 7% increase over 2019, with 74 million arrivals. The Americas recorded 97% of pre-pandemic levels with 213 million tourists, while Asia and the Pacific continued their recovery achieving 87% of 2019 levels with 316 million arrivals.



Domestic visitors accounted for 91.5% of total visitors, however, this was the lowest share since 2019. Total enplanements at Florida airports grew by 3.1% in 2024, moving to 111.6 million, with Orlando accounting for 27% of enplanements.

Orlando is set to surpass 80 million visitors by the end of 2025 with 6.5 million of those being international guests.

Orlando, Florida Environment

Florida achieved a record-breaking 142.9 million visitors in 2024, up 1.6% year over year. This growth was aided by increased international visitors, with 8.9 million estimated overseas visitors, a 6.6% increase over 2023. Domestic visitors accounted for 91.5% of total visitors, however, this was the lowest share since 2019. Total enplanements at Florida airports grew by 3.1% in 2024, moving to 111.6 million, with Orlando accounting for 27% of enplanements.

Despite this, Orlando's hotel occupancy was down for most of 2024 as Orlando added more hotel rooms but attracted fewer visitors, resulting in

the occupancy rate sliding from 72.7% in 2023 to 71.6% in 2024. Hospitality experts attributed this decrease partially to a strong US dollar which saw domestic tourists electing to travel internationally.

However, the outlook for Orlando remains strong, with the opening of new theme parks and The Orange County Convention Center (OCCC) continuing to see growth following declines from COVID-19. Orlando is set to surpass 80 million visitors by the end of 2025 with 6.5 million of those being international guests.



Jamaican Environment

Jamaica recorded a modest 0.5% decline in stopover tourist arrivals in 2024 (from 2,916,006 in 2023 to 2,900,358 in 2024). Notably, arrivals from China surged by 44.7% although they still represented only 0.1% of total visitors. The USA remained the dominant source market, constituting

73.9% of visitors despite a 4.1% decline. Jamaica's other major markets, however, saw growth, with Canada and the UK growing by 6.2% and 11.0%, respectively. Cruise arrivals also fell by 1.0% or 13,102 persons.

Nonetheless, Jamaica has seen an improvement in its Spend per Visitor

metric with preliminary numbers suggesting that stopover visitors spent US\$1,409.99 on average per visitor compared to US\$1,402.55 in 2023. Cruise passengers likewise spent more per person, averaging US\$112.77 per visitor compared to US\$111.67 in the prior year.



Tourism Outlook 2025

The global tourism industry is poised for continued growth in 2025, surpassing pre-pandemic levels at a record 1.75 billion international tourists. Robust source markets in Europe, the Americas and Asia will continue to fuel tourism growth around the world. The US travel industry predicts an 8.8% growth in inbound international visits in 2025 and an 8.9% increase in 2026. Europe and the Americas are also likely to benefit from strong travel from the United States supported by a strong US dollar. There are several growing trends, with travellers seeking out lesser-known destinations to avoid tourist hotspots. There is also a growing trend of travellers planning trips around major events, such as sporting events, concerts and natural phenomena, reflecting a growing desire for unique experiences. Despite this, several challenges could impact the tourist industry's growth in 2025. Ongoing political tensions, such as the Russia-Ukraine war, continue to weigh on traveller confidence. Persisting inflation and high interest rates likewise continue to soften traveller demand.



Real Estate and Construction Industry Review

Jamaica

In 2024, Jamaica's real estate and construction sectors faced notable challenges. As at September 30, 2024, the construction industry contracted by 3.3% on a year-over-year basis. This was the fourth consecutive quarter of declines, and the Planning Institute of Jamaica (PIOJ) estimates that as at December 31, 2024, the sector declined by 2.1%, marking the fifth consecutive quarter of declines. According to estimates by the PIOJ, up to September there was a 3.5% downturn in housing starts by the NHT. In addition, the volume and value of mortgages fell by 22.8% and 16.5%, respectively. There was also lower capital expenditure on civil engineering activities, largely due to the National Works Agency (NWA) and the Jamaica Public Service (JPS) reducing their spending by 88.7% (J\$2.2 billion) and 49.6% (J\$1.2 billion), respectively. Similarly, there was a 10% decline in the sales of construction-related goods.

Cayman Islands

During 2024, the Cayman Islands' economy maintained steady growth, albeit at a slower pace compared to the previous year. Real GDP for the first half of 2024 was estimated at 3.2%, down from 3.6% in 2023. The Hotel & Restaurant segment as well as the Electricity & Water Supply segments saw the fastest rate of growth, increasing by 5.7% and 7.4%, respectively. However, Financing and Insurance Services remained the largest contributor to the economy. Inflation slowed down in the Cayman Islands, moving from 5.3% in the first half of 2023 to 1.6% in the first half of 2024. Most categories saw a decline in inflation and only three categories, namely Health, Communication and Education, accelerated relative to 2023. The Prime Lending Rate stood at 8.50% as at Q2 2024, compared to 8.13% as at Q2 2023. For the first half of 2024, the Cayman Islands' Real Estate market saw an increase in the value of properties traded, however, the number of transits declined. The value of traded properties increased by 4.2% to KYD662.8 million, reflecting expansions in freehold and leasehold transfers. The number of transferred properties, however, declined by 4.4% to 1,236.



2025 Economic Outlook

The global tourism industry continued its growth trajectory into 2024 contributing a record-breaking \$11 trillion to global GDP. This was driven by an increase in domestic and international travel, as well as the addition of new hotels. At the end of December 2024, the US inflation rate stood at 2.9% representing a 50 basis-point (bp) increase over the previous quarter. This was led by an uptick in demand during the holiday season. Point-to-point inflation fell by 46bps from December 2023 to 3.4%.

The Federal Reserve decreased target interest rate by 50bps to range between 4.25% and 4.50%, which would have positively influenced deflationary movements during the year. Low and stable unemployment rates have contributed to a solid labour market. These broader macroeconomic factors are expected to increase consumer spending within the tourism and hospitality sector.

The Cayman economy is estimated to have grown by 2.2% in 2024 and is expected to increase to 2.5% in 2025 following closely behind projected global economic growth of 2.8%. This is expected to be led by an expansion in tourism of 14.9% and a low unemployment rate of 2.7%. This will allow for continued growth in the commercial real estate market, foster robust demand for rental space and keep occupancy levels above 90%.

The Strand remains at the top of the list for entertaining and dining experience for both visitors and locals in Cayman. This should translate into stable and consistent revenue flows for X Fund from its block of units.

The Jamaican economy is showing positive signs for a return to growth ranging from 1% and 3% for 2025 coming from estimated contraction of between 0.4% and 1.4% in 2024. The Bank of Jamaica (BoJ) reduced policy

interest rates by 100 bps to close 2024 at 6%, which resulted in an inflation rate of 5%, falling within the bank's target range of between 4.00% and 6.00%. These rates are expected to hold for the upcoming year and should increase consumer spending and boost business confidence.

The forecast for 2025 of continued global growth within the tourism sector and projected favourable economic climate is expected to facilitate improved results for X Fund in the upcoming year. However, rising travel and accommodation costs coupled with other economic and political risk factors can pose a challenge to the hospitality sector in 2025. 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 look forward to the future with optimism.

SIGMA REAL ESTATE

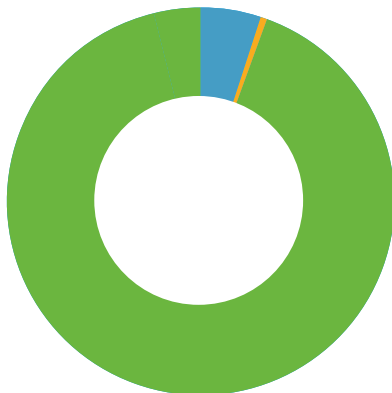
The Sigma Real Estate Fund (Sigma) is an exclusive real estate portfolio offered by Jamaica’s largest Unit Trust – Sagicor Sigma Global Funds. Sigma provides a collective and diverse unitised real estate solution for accredited and institutional investors, offering exposure to real estate and real estate-related assets across property types.

The primary focus of Sigma includes investments in commercial, warehousing and tourism properties, as well as land, with an objective to provide investors with real returns through property valuation improvements, along with competitive and stable rental income. The Fund offers exposure to over 3.5 million square feet of prime real estate across Jamaica.

For the year ended December 31, 2024, the Sigma was valued at \$28.5 billion, and generated a return to investors of 9.5%. The Fund’s asset allocation is shown below:

Asset Allocation for Sigma Real Estate Fund

PERCENTAGE (%)



- 94.1%** INVESTMENT PROPERTIES
- 5.4%** EQUITY
- 0.5%** FIXED INCOME
- 0.0%** REPURCHASE AGREEMENTS

The Sigma Real Estate Fund portfolio consists of 14 investment properties, which represent 94.1% of the total assets. A breakout of the property type is detailed below.

Investment Property Breakout by Property Type

PERCENTAGE (%)



- 50%** COMMERCIAL
- 18%** WAREHOUSING
- 15%** TOURISM
- 17%** LAND

For 2024, the occupancy level at the commercial and warehousing properties averaged in excess of 90%, with a net income yield of 5%. Additionally, property values improved by 9%, on average.

Sagicor Property Services Limited (SPS), the largest property management company in Jamaica, managing over 2.5 million square feet of prime real estate, is responsible for the management and maintenance of these properties. SPS has ISO 9001:2015 (Quality Management) and ISO 14001:2015 (Environment Management) certification and conducts property assessments that align to these global

best standards for all properties owned by Sigma Real Estate. These assessments ensure the necessary renovation exercises are scheduled and completed, along with the sales and marketable activities to generate cash flows and attractive returns for investors.

Sigma continues to eye growth opportunities to enhance returns to investors. For 2025, the portfolio will continue to develop its property portfolio. The focus will be on the development of Portmore Promenade, a commercial development located in St. Catherine:



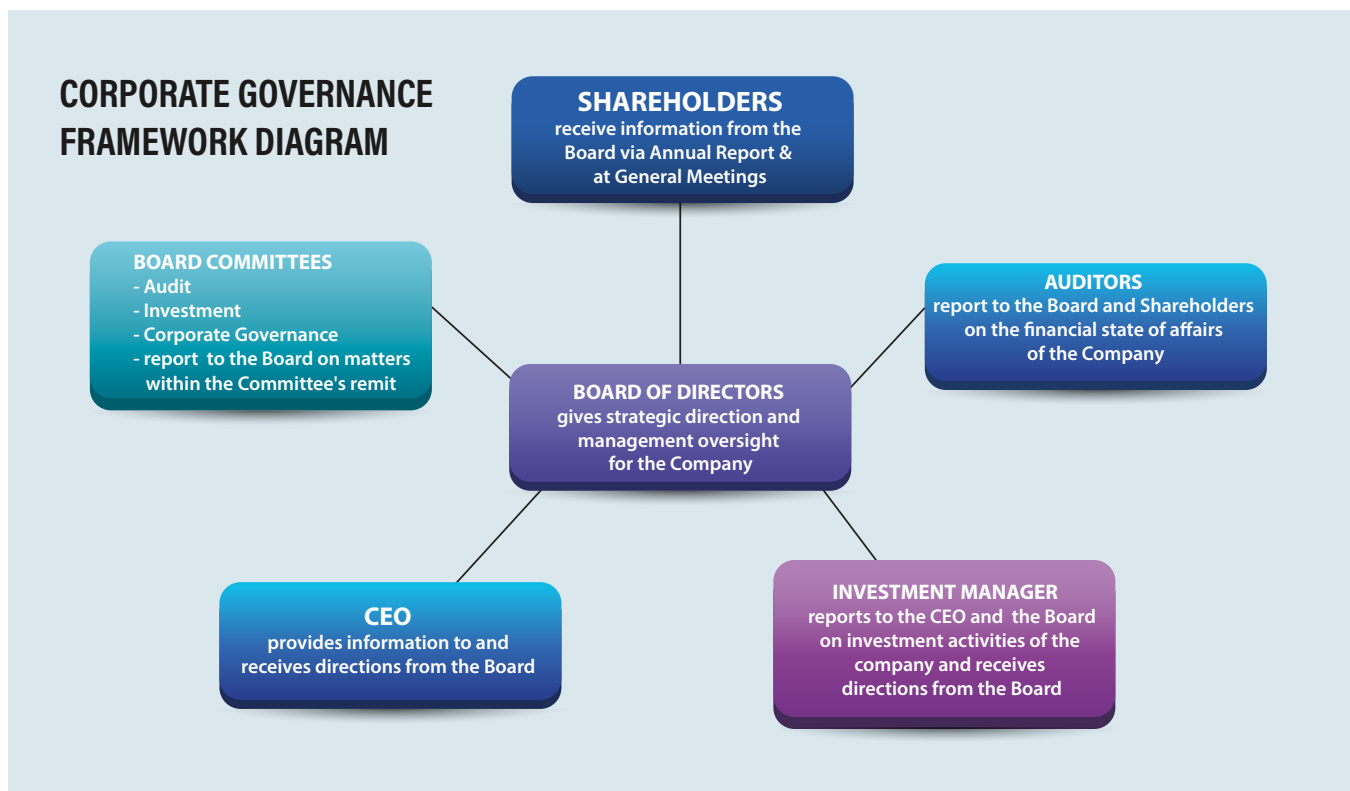
The Portmore Promenade (proposed rendering above), a commercial village in Portmore, St. Catherine, will be developed across 30 acres of land to provide key services to the residential community.

CORPORATE GOVERNANCE

Since inception, Sagicor Real Estate X Fund Limited (“the Company”) and its subsidiaries (“the X Fund Group”) have embodied what it means to maintain a high standard of corporate governance. Over the years, the Company has demonstrated this commitment to corporate governance by adhering to the principles and guidelines laid out in the Company’s Corporate Governance Policy (the “Policy”). The Policy is influenced by applicable laws and regulations, internationally accepted corporate governance best practices and recent trends in governance. This Policy is available on the Company’s website at www.realestatexfund.com.



Scan to view Corporate Governance Policy



Corporate Governance Framework

The Company’s corporate governance framework is intentionally structured to facilitate contributions from all stakeholders, encouraging holistic involvement and participation at all levels. The structure is also designed to ensure that the Company makes timely disclosures and shares accurate information regarding its financials and performance, as well as the leadership and governance of the X Fund Group.

Shareholder Rights and Responsibilities

The Board of the X Fund Group takes shareholder involvement very seriously and considers corporate disclosure and transparency to be integral parts of corporate governance. Consequently, the Company consistently makes a concerted effort to ensure that all shareholders are provided with adequate and timely information on the Group's performance. This is coordinated through the implementation of a question and answer session at the Company's Annual General Meeting, and shareholders are given clear guidelines before voting at General Meetings.

Each year, shareholders are provided with interim reports, annual reports, press releases and other information which can be found on the Company's website at www.realestatexfund.com.

Board of Directors

The Company's Board of Directors consists of six (6) Non-Executive Directors as at December 31, 2024. Mr. Howard Mitchell is now the Chairman of the Board, having been elected to serve as a member of the Board at the last Annual General Meeting. There are several factors used to determine the cohort of Directors to serve within a given year such as their strengths, expertise and experience. Based on the fact the Company is heavily real estate based, all Directors are required to have experience in the real estate industry. The essential objective is to create cohesion among the Directors in an effort to preserve the legacy of providing effective strategic oversight to the X Fund Group.

In 2024, the Board undertook the following:

- Guided the strategic direction of X Fund (and its subsidiaries) which involves setting business objectives and the plans for achieving them
- Executed the approved business objectives through adequate management, leadership and resources
- Monitored the performance of its hotel property and the Sigma Real Estate Portfolio with a view to achieving the strategic objectives and ensuring compliance with all applicable legal and regulatory regimes
- Ensured due and proper accounting to all stakeholders of X Fund, including the stockholders
- Achieved further regional expansion with the purchase of retail units at The Strand in Grand Cayman.

Chairman

The Chairman, Mr. Howard Mitchell, is responsible for the effective leadership, operation and governance of the Board and its Committees, ensuring that all Directors contribute to the development and implementation of the Company's strategic goals. He provides oversight on the management of the risks that the Company faces in the implementation of its strategy.

Chief Executive Officer

The Chief Executive Officer, Ms. Brenda-Lee Martin, is responsible for the management of the key objectives of X Fund and executing the strategic development initiatives as directed by the Board.

Director Independence

As at December 31, 2024, all Directors of the Board are Independent Directors. This adds to the objectivity and transparency of the Board. Independence is based on criteria agreed by the Board and outlined in the Company's Corporate Governance Policy in accordance with applicable laws and regulations. The minimum requirement for the Company per the Corporate Governance Policy is at least two (2) Independent Directors.

Directors are required to submit to an annual self-assessment of their compliance with these criteria and any conflict-of-interest requirements.

Board Evaluation

- A key function of the Board as a fiduciary of the shareholders is to ensure consistent monitoring and review of its effectiveness as a Board, the effectiveness of its committees, and each director. The Board works along with the Corporate Governance Committee to establish the evaluation criteria for the performance of each director as well as the overall Board. The criteria are used to evaluate its performance annually and that of its individual directors.
- The evaluation of the Chief Executive Officer and the Company Secretary is also covered under this review process. Action plans and issues are monitored over the period under review and may include adjustments to the strategic planning process to allow for more time to deliberate on the strategies presented and the continued focus on the Board's agenda to cover certain critical non-standard items.

The main consideration of the Corporate Governance Committee is to determine the prevailing needs of the Company based on strategic imperatives, external business drivers and the existing talents around the Board table. The Committee must also be mindful of the importance of maintaining an essential mix and balance of talents on the Board to deal with the Company's present and impending challenges.

DIRECTOR NOMINATION AND APPOINTMENT

The Amended and Restated Articles of X Fund sets out the basis on which Directors are appointed. These assessment criteria are:

- Board Core Competency Requirements
- Director Core Competency Requirements
- Knowledge and Expertise
- Representational Factors
- Time Commitments
- Director Independence

Annually, at least one third of the Directors retire at the Company's Annual General Meeting and said Directors are eligible for re-election. The Directors retiring in 2025 are Colin Steele and Bruce James, and being eligible, offer themselves for re-election, and are being recommended to the shareholders for re-appointment.

The Corporate Governance Committee is the arm of the Board of Directors that is responsible for driving good corporate governance practices within the Company to provide oversight to the Board in respect of same. The main consideration of the Corporate Governance Committee is to determine the prevailing needs of the Company based on strategic imperatives, external business drivers and the existing talents around the Board table. The Committee must also be mindful of the importance

of maintaining an essential mix and balance of talents on the Board to deal with the Company's present and impending challenges.

The Corporate Governance Committee conducts the relevant interviews, does due-diligence checks, and prepares a new Director profile providing information on the assessment criteria once potential candidates are identified. If the Committee deems the independence qualifications and biographical information to be in order, and if the other tests have been met, i.e., the Board's competencies will be enhanced by the addition of this individual to the Board, the candidate meets Board competency requirements for directors, his/her representation is consistent with Company requirements and he/she commits to the time requirements of the role, the Committee will make a recommendation to the Board for the admission of the candidate as director.

Director Orientation and Training

All new Directors inducted to the Board are introduced to the business through a formal orientation process. Current Directors and the Secretariat provide an overview of the X Fund Group's operations, organisational structure, services and subsidiaries, constitution, Board procedures, matters reserved for the Board and major risks and risk

management strategy of the X Fund Group.

The Board's existing Directors receive periodic training relating to the core business of the Company and its subsidiaries, including the drivers of the business lines and their products. Directors are kept abreast of trends in the business and regulatory environment and informed of trends in financial reporting. Directors are also required to participate in annual mandatory AML/CFT (Anti Money Laundering & Counter Finance Terrorist Activity) training.

Directors' Expertise

The Board and Committees are structured to ensure there is an appropriate mix of both knowledge, skill, and experience relevant to the business of X Fund. Its members have experience in positions with a high degree of responsibility and possess the necessary competencies and knowledge in wide and diverse areas relevant to the business. These include areas of general management, corporate finance, mergers and acquisitions, strategic management, corporate governance, corporate law, asset management and property management. This breadth of knowledge and expertise provide for diversity of opinions and invaluable support to the Board's decision-making process, which underpins the need for independent and critical thinking in their ability to represent the interests of shareholders.

The table below illustrates the skillset of the directors:

SKILLS & EXPERTISE	BOARD MEMBERS							
	Howard Mitchell*	Stephen McNamara	Peter Pearson	Bruce James	Colin Steele	Carlton Barclay**	Vinay Walia***	John Bailey****
GENERAL MANAGEMENT	■	■		■		■	■	■
INTERNATIONAL BUSINESS	■	■					■	■
FINANCE	■		■	■	■	■	■	■
STRATEGIC MANAGEMENT	■			■		■	■	■
CORPORATE LAW	■	■						
BANKING			■	■	■	■		
CORPORATE FINANCE (Mergers & Acquisitions)	■			■		■	■	
ASSET MANAGEMENT				■			■	
PROPERTY					■	■	■	

Board Operations

The Board of Directors is scheduled to meet quarterly, however, throughout the year, additional ad hoc meetings are held to deal with urgent matters. The critical agenda items which were covered at Board meetings in 2024 include:

- The approval of the year-end audited financial statements
- The review and approval of the quarterly unaudited financial statements and reports to the stockholders;
- Discussion on major investments/operations and strategic business initiatives including hotel portfolio
- Ratification/approval of decisions of the Board Committees

*Appointed as Director and Chairman of the Sagicor Real Estate X Fund Board – March 1, 2024.

**Resigned as Director of Sagicor Real Estate X Fund Limited – February 29, 2024.

***Resigned as Director and Chairman of Sagicor Real Estate X Fund Limited – February 29, 2024.

**** Appointed as Director of the Sagicor Real Estate X Fund Board – March 1, 2024.

Board Committees and Attendance Records

A total of sixteen (16) Board and Committee Meetings were held for the year 2024. All meetings were held virtually. In addition to the Board Meetings held during the year, the Board regularly provided consultation to the CEO virtually.

The Board has delegated certain of its authorities to various Board Committees to focus on complex and

specialised issues facing X Fund and its subsidiaries. These Committees make recommendations and report regularly to the Board who retains ultimate responsibility for all decisions taken. The Board Committees meet periodically (typically quarterly) to examine issues that fall within their respective mandate and report on their activities to the Board.

The Committee members are appointed by the Board of Directors and hold office until otherwise determined by the Board of Directors or until they cease to be Directors. The CEO and representatives of the investment manager attend meetings as invitees and participate in the meetings through presentations of discussion documents and development of strategies.

Attendance at meetings of the Board and its committees as at December 31, 2024 is summarised below:

Directors	Board	Audit Committee	Investment Committee	Corporate Governance Committee
Number of meetings total - 16	6	4	4	2
Howard Mitchell*	5	3	3	1
Stephen McNamara	5			2
Peter Pearson	6	4		2
Bruce James	6		3	
Colin Steele	6		4	
Carlton Barclay**	1	1		
Vinay Walia***	1	1	1	1
John Bailey****	5	3	3	

Directors' Remuneration

The Board determines the level and structure of fees paid to Non-Executive Directors; Executive Directors (if any), do not receive fees in respect of their office as Directors of the Company. The level of fees is in line with other listed companies in the financial sector. Fees are paid quarterly based on an annual retainer. A total of \$20,202,000.00 was paid as Directors' fees in 2024.

Board/Committee J\$	Annual Retainer	Audit Committee	Investment Committee	Corporate Governance Committee
Board Chairman*	2,652,000.00			
Board Director (ALL)	1,872,000.00			
Committee Chair		1,287,000.00	1,170,000.00	780,000.00
Member of Committee		858,000.00	858,000.00	546,000.00

* Where the Board Chairman or Committee Chair is an Executive Director, an annual retainer will not be paid in accordance with the Company's Corporate Governance policy.



Board Subcommittees

The Board of Directors for the X Fund Group are members of three (3) Committees established by the Board – Audit, Investment and Corporate Governance. These Committees meet periodically to ensure ongoing review of its corporate integrity and to examine issues that fall within their respective mandates. These Committees are responsible for ensuring X Fund's ability to achieve its strategic and operational objectives. Two (2) of these committees (Audit and Investment Committees) meet quarterly in the absence of any pressing matter or emergency. The Corporate Governance Committee is scheduled to meet at least twice annually.

Audit Committee

The Audit Committee is chaired by Mr. Peter Pearson with support from Mr. Howard Mitchell, Mr. Carlton Barclay**, and Mr. John Bailey. The Committee has responsibility for safeguarding the shareholders' investment and the Company's value. It has overall responsibility for ensuring the Company maintains an ongoing system of internal control and risk management, to provide it with reasonable assurance regarding effective and efficient operation, internal financial control and compliance with laws and regulations.

Investment Committee

The Investment Committee meets at least quarterly and is chaired by Mr. Howard Mitchell, with support from Mr. John Bailey, Mr. Vinay Walia, and Mr. Colin Steele and Mr. Bruce James.

The primary purpose of the committees are to advise on issues related to the focus area for each committee. The key responsibilities of each committee are outlined as follows:

COMMITTEE	MEMBERS	KEY RESPONSIBILITIES
Audit Committee	Peter Pearson (Chair) Howard Mitchell* John Bailey**** Carlton Barclay**	<ul style="list-style-type: none"> Monitors the adequacy and effectiveness of the Company's systems of risk management and control, the Business Risk Assurance function and external auditors Reviews the Company's annual and quarterly unaudited financial statements and related policies and assumptions and any accompanying reports or related policies and statements Establishes and ensures the effectiveness of the Company's internal audit function and fraud management Establishes and ensures the external auditor's independence, objectivity, and effectiveness.
Corporate Governance Committee	Peter Pearson (Chair) Vinay Walia*** Stephen McNamara Howard Mitchell*	<ul style="list-style-type: none"> Establishes and ensures adherence to procedures designed to identify potential conflicts of interest, prevent conflicts of interest, and resolve them, if they occur Reviews the annual Board Evaluation and initiates and assesses the outcome of the evaluations of the previous year or as the election and re-election procedures determine and at such other times as any member of the Board may request.
Investment Committee	Vinay Walia*** Bruce James Colin Steele John Bailey**** Howard Mitchell* (Chair)	<ul style="list-style-type: none"> Ensures that the company adheres to prudent standards in making investment and lending decisions and in managing its investments Approves the annual investment policy for the Company.

*Appointed as Director and Chairman of the Sagicor Real Estate X Fund Board – March 1, 2024.

**Resigned as Director of Sagicor Real Estate X Fund Limited – February 29, 2024.

***Resigned as Director and Chairman of Sagicor Real Estate X Fund Limited – February 29, 2024.

**** Appointed as Director of the Sagicor Real Estate X Fund Board – March 1, 2024.

Corporate Governance Committee

The Corporate Governance Committee is chaired by Mr. Peter Pearson and is supported by Mr. Stephen McNamara, Mr. Vinay Walia and Mr. Howard Mitchell.

Corporate Values

Corporate governance is the task of a company's board to provide entrepreneurial leadership, guidance, and oversight to the Company for maximising shareholder wealth within the bounds of law and community standards of ethical conduct. Good corporate governance is the foundation of a healthy organisation as it sets the tone for how an organisation behaves both towards its internal and external stakeholders. The direction and momentum assumed by the governance

process must be driven by a value system that permeates the organisation to ensure business priority alignment between board and management. X Fund Group will continue to embrace good corporate governance practices to develop a culture which enhances its strategic initiatives.

Conflict of Interest

It is the standard practice of the Company to coordinate the annual declarations of disclosure of conflicts of interest for Directors of the Sagicor Real Estate X Fund Board. This disclosure includes declarations of any personal interest that he or she may have (whether directly or indirectly), which may have an impact on any matters being considered by the Board. The completed forms are submitted to the Corporate Governance Committee for review.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT

ESG reporting is the disclosure of information covering an organisation's operations as it relates to environmental, social and corporate governance.

Please note the disclosure below:

Sagicor Real Estate X Fund

Sagicor Real Estate X Fund Limited (X Fund) has engaged Sagicor Property Services (SPS) to manage and operate its direct and indirect real estate assets domiciled in Jamaica and the Cayman Islands.

In 2024, SPS achieved ISO certification in the following areas:

- Quality Management (ISO 9001:2015)
- Environmental Management (ISO 14001:2015)

Attaining ISO certification underscores the managers commitment to ESG investing, with the principles of Environmental and Governance operating at global best standards. X Fund's shareholders will benefit from the management of existing properties and future developments which fall under the remit of SPS.

DoubleTree by Hilton

As guest service providers and an employer of choice, at Doubletree by Hilton, we are committed to environmental stewardship and sustainable practices across all aspects of our operations. We recognise our responsibility to protect the natural resources and biodiversity of the communities in which we operate while providing exceptional experiences for our guests. Our environmental policy is guided by the following principles:

Environmental Management

- We comply with all applicable environmental laws and regulations and strive to exceed them where possible
- We utilise a comprehensive environmental management system to measure, monitor, and continuously improve our environmental performance
- We set annual environmental objectives and targets for energy, water, waste, and carbon emissions reduction.

Resource Conservation

- We implement energy efficiency measures and prioritise renewable energy sources where feasible
- We practise water conservation through low-flow fixtures, linen reuse programmes, and other water-saving initiatives
- We actively work to reduce waste generation, increase recycling and composting, and responsibly manage hazardous materials.

Sustainable Sourcing

- We prioritise locally sourced and sustainably produced food, beverages, and supplies
- We partner with environmentally responsible suppliers and consider sustainability in our purchasing decisions.

Guest and Employee Engagement

- We educate and empower our employees to be environmental stewards through training programmes
- We engage our guests in our sustainability efforts and provide opportunities for them to participate in environmental initiatives.



Community Impact

- We support local environmental conservation projects and participate in community sustainability initiatives
- We strive to minimise our impact on local ecosystems and biodiversity

We are committed to transparency in our environmental efforts and to continually improving our sustainability practices. Through these actions, we aim to be a leader in sustainable hospitality and contribute to a more environmentally responsible future for our industry and the planet.

The Strand

As owners of units at The Strand, we will focus on employing environmentally sustainable principles to conduct operation of the commercial units. This framework will focus on minimising its own environmental footprint with emphasis on the following:

- **Energy and water conservation**
Efficient heating and cooling systems
- **Recycling programmes**
Reduction of paper and plastics

We are committed to reducing pollution and maintaining all environmental regulatory requirements. Additionally, procurement of items with lower toxicity and packaging to reduce the use of natural resources will be prioritised.



2024

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Independent auditors' report

To the Shareholders of Sagicor Real Estate X Fund Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements present fairly, in all material respects, the consolidated financial position of Sagicor Real Estate X Fund Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2024, and their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

Sagicor Real Estate X Fund Limited's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in stockholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2024;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in stockholders' equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Group audit scoping was determined based on the results of the group auditors' understanding and risk assessment activities of the group and its environment. The Company and both of its subsidiaries were considered individually significant due to risk or size with full scope audits of component financial information being performed.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters, as it pertains to the stand-alone financial statements, in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of owner-managed hotel property (Group) <i>Refer to notes 2 (m), 3 (b) and 16 to the financial statements for disclosures of related accounting policies and balances.</i>	
Owner-managed hotel property represents \$17.8 billion or 55.4% of total assets for the Group as at the end of the reporting period.	Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures, amongst others:



The determination of the fair value of the hotel property requires significant judgement and is inherently subjective due to, among other factors, the individual nature of the property, the location of the property and the expected future revenues from room as well as food and beverage sales.

Management, with the assistance of independent valuation experts, used the income capitalisation approach, which consists of a discounted cash flow forecast to value the owner-managed hotel property. The income capitalisation approach considers the following key assumptions:

- capitalisation rate;
- discount rate; and
- estimation of revenue from room revenue and food and beverage sales.

We focused on this area because changes in key assumptions may have a significant impact on the carrying value of owner-managed hotel property.

- Evaluated the competence and objectivity of management's experts in order to determine whether they were appropriately qualified and whether there was any affiliation to the Group.
- Obtained an understanding of the valuation methods used by management along with significant developments within the industry. This included evaluating the appropriateness of the valuation methodology used and its suitability for determining market value in accordance with the financial reporting framework.
- Compared management's discount and capitalisation rates to those of comparable companies taking into account entity and industry risk factors as well as historical financial information.
- Evaluated the estimation of revenue from future room and food and beverage sales by analysing the local market for transient accommodations, examining existing and proposed competition, and developing a forecast of income and expense that reflects current and anticipated income trends and cost components.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditors' report thereon), which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

Management is responsible for the preparation and fair presentation of the consolidated and stand-alone financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditors' responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement leader on the audit resulting in this independent auditors' report is Charissa Andrews.

PricewaterhouseCoopers

Castries, St Lucia
3 March 2025

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Revenues:			
Net investment income	8	539,031	428,932
Net capital (losses)/gains on financial assets and liabilities	8	(89,333)	232,769
Hotel revenue	8	7,332,155	7,374,050
Other income		18,920	32,490
Total revenue		<u>7,800,773</u>	<u>8,068,241</u>
Expenses:			
Direct expenses	9(a)	(2,452,343)	(2,555,114)
Administration and other operating expenses	9(b)	(4,283,085)	(4,263,440)
Operating expenses		<u>(6,735,428)</u>	<u>(6,818,554)</u>
Operating profit		1,065,345	1,249,687
Finance costs	11	(313,197)	(314,998)
Profit before taxation		752,148	934,689
Taxation	12	(295,446)	(286,671)
Net profit		456,702	648,018
Other comprehensive income -			
<i>Items that may be subsequently reclassified to profit or loss -</i>			
Re-translation of foreign operation		111,020	251,098
<i>Items that will not be subsequently reclassified to profit or loss -</i>			
Revaluation of land and buildings		674,754	824,992
Other comprehensive income for the year, net of taxes		<u>785,774</u>	<u>1,076,090</u>
Total comprehensive income for the year		<u>1,242,476</u>	<u>1,724,108</u>
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic and fully diluted	13	<u>\$0.20</u>	<u>\$0.29</u>

The accompanying notes on pages 51 to 102 form an integral part of these financial statements.

Consolidated Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

Non-Current Assets	Note	2024 \$'000	2023 \$'000
Property, plant and equipment	16	17,847,043	17,410,319
Investment property	15	1,604,917	-
Investment in Sagicor Sigma Global Funds - Sigma Real Estate Portfolio	17	285,469	1,283,694
Financial investments	18	3,291,927	3,439,700
		<u>23,029,356</u>	<u>22,133,713</u>
Current Assets			
Inventories	19	76,349	51,170
Receivables	20	680,027	587,207
Financial investments	18	3,671,179	2,848,619
Securities purchased under agreements to resell	21	2,372,759	3,134,410
Cash resources	22	2,384,625	2,155,592
		<u>9,184,939</u>	<u>8,776,998</u>
Current Liabilities			
Payables	23(a)	583,725	506,804
Contract liabilities	23(b)	260,235	232,566
Borrowings	25	6,708,014	252,469
Taxation payable		185,672	194,504
		<u>7,737,646</u>	<u>1,186,343</u>
Net Current Assets		<u>1,447,293</u>	<u>7,590,655</u>
		<u>24,476,649</u>	<u>29,724,368</u>
Stockholders' Equity			
Share capital	27	12,642,512	12,642,512
Currency translation reserve	29(b)	2,255,036	2,144,016
Fair value and other reserves	29(a)	6,263,299	5,588,545
Retained earnings	30	909,962	453,260
Total Equity		<u>22,070,809</u>	<u>20,828,333</u>
Non-Current Liabilities			
Borrowings	25	-	6,588,938
Deferred income taxes	26	2,405,840	2,307,097
Total Liabilities		<u>2,405,840</u>	<u>8,896,035</u>
Total Equity and Liabilities		<u>24,476,649</u>	<u>29,724,368</u>

Approved for issue by the Board of Directors on 3 March 2025 and signed on its behalf by:



Howard Mitchell

Chairman



Bruce James

Director

The accompanying notes on pages 51 to 102 form an integral part of these financial statements.

Consolidated Statement of Changes in Stockholders' Equity

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital Note 27 \$'000	Currency Translation Reserve Note 29 \$'000	Fair Value and Other Reserves Note 29 \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2023	12,642,512	1,892,918	4,763,553	(194,758)	19,104,225
Net profit for the year	-	-	-	648,018	648,018
Unrealised gain on revaluation of property, plant and equipment	-	-	824,992	-	824,992
Re-translation of foreign operations	-	251,098	-	-	251,098
Total comprehensive income	-	251,098	824,992	648,018	1,724,108
Balance at 31 December 2023	12,642,512	2,144,016	5,588,545	453,260	20,828,333
Net profit for the year	-	-	-	456,702	456,702
Unrealised gain on revaluation of property, plant and equipment	-	-	674,754	-	674,754
Re-translation of foreign operations	-	111,020	-	-	111,020
Total comprehensive income	-	111,020	674,754	456,702	1,242,476
Balance at 31 December 2024	12,642,512	2,255,036	6,263,299	909,962	22,070,809

The accompanying notes on pages 51 to 102 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities			
Net cash (used in)/provided by operating activities	32	(753,337)	1,783,423
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	16	(156,607)	(161,918)
Purchase of investments		(890,910)	(868,266)
Proceeds from sale of investments		1,052,181	31,276
Restricted cash		(431,530)	(343,620)
Interest received		413,499	303,509
Net cash used in investing activities		<u>(13,367)</u>	<u>(1,039,019)</u>
Cash Flows from Financing Activities			
Loan repayment		(170,880)	(158,977)
Interest paid		(335,544)	(337,928)
Net cash used in financing activities		<u>(506,424)</u>	<u>(496,905)</u>
(Decrease)/increase in cash and cash equivalents		(1,273,128)	247,499
Effect of exchange gains on cash and cash equivalents		48,937	111,525
Cash and cash equivalents at beginning of year		<u>5,733,704</u>	<u>5,374,680</u>
Cash and Cash Equivalents at year end	22	<u><u>4,509,513</u></u>	<u><u>5,733,704</u></u>

The accompanying notes on pages 51 to 102 form an integral part of these financial statements.

Company Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Revenues			
Net investment income	8	2,958	11,473
Net capital gains on financial assets and liabilities	8	2,033	12,681
Other		16	-
		<u>5,007</u>	<u>24,154</u>
Administration and other operating expenses	9(b)	<u>(280,453)</u>	<u>(346,717)</u>
Operating loss before taxation		(275,446)	(322,563)
Taxation	12	<u>-</u>	<u>-</u>
Net loss, being total comprehensive loss for the year		<u><u>(275,446)</u></u>	<u><u>(322,563)</u></u>

The accompanying notes on pages 51 to 102 form an integral part of these financial statements.

Company Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Non-Current Assets			
Investment in subsidiaries	14	9,518,204	9,518,204
Deferred income taxes	26	744	744
		<u>9,518,948</u>	<u>9,518,948</u>
Current Assets			
Securities purchased under agreement to resell	21	33,510	290,715
Cash resources	22	1,186	1,185
		34,696	291,900
Current Liabilities			
Payables	23	76,726	58,484
Net Current (Liabilities)/Assets		<u>(42,030)</u>	<u>233,416</u>
		<u>9,476,918</u>	<u>9,752,364</u>
Stockholders' Equity			
Share capital	27	12,642,512	12,642,512
Accumulated deficit	30	(3,165,594)	(2,890,148)
Total Equity		<u>9,476,918</u>	<u>9,752,364</u>
Total Equity and Liability		<u>9,476,918</u>	<u>9,752,364</u>

Approved for issue by the Board of Directors on 3 March 2025 and signed on its behalf by:



Howard Mitchell

Chairman



Bruce James

Director

The accompanying notes on pages 51 to 102 form an integral part of these financial statements.

Company Statement of Changes in Stockholders' Equity

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Share Capital \$'000	Accumulated Deficit \$'000	Total \$'000
Balance at 1 January 2023	12,642,512	(2,567,585)	10,074,927
Net loss, being total comprehensive loss for the year	-	(322,563)	(322,563)
Balance at 31 December 2023	12,642,512	(2,890,148)	9,752,364
Net loss, being total comprehensive loss for the year	-	(275,446)	(275,446)
Balance at 31 December 2024	12,642,512	(3,165,594)	9,476,918

The accompanying notes on pages 51 to 102 form an integral part of these financial statements.

Company Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities			
Net loss for the year		(275,446)	(322,563)
Items not affecting cash:			
Interest income	8	(2,958)	(11,473)
Effect of exchange gains on foreign currency balances		(2,551)	(11,913)
		<u>(280,955)</u>	<u>(345,949)</u>
Change in operating assets and liabilities:			
Receivables		-	6,209
Payables		(4,916)	23,391
Related parties		23,157	(1,813)
Net cash used in operating activities		<u>(262,714)</u>	<u>(318,162)</u>
Cash Flows from Investing Activity			
Interest received		3,012	11,459
Net cash provided by investing activity		<u>3,012</u>	<u>11,459</u>
Decrease in cash and cash equivalents		(259,702)	(306,703)
Effect of exchange gains on cash and cash equivalents		2,552	11,912
Cash and cash equivalents at beginning of year		291,838	586,629
Cash and Cash Equivalents at year end	22	<u><u>34,688</u></u>	<u><u>291,838</u></u>

The accompanying notes on pages 51 to 102 form an integral part of these financial statements.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

- (a) Sagicor Real Estate X Fund Limited (The Company”), was incorporated on May 31, 2011 with the name Sagicor X Funds SPC Ltd, as an international business company under the International Business Companies Act, Cap. 12.14 of the Revised Laws of Saint Lucia. On February 28, 2013, the Company changed its name to Sagicor Real Estate X Fund Limited (“X Fund”).

The Company is 65.34% owned by the Sagicor Pooled Investments Funds Limited, which is administered by Sagicor Life Jamaica Limited (SLJL). Effective, October 1, 2018 the Company became a subsidiary of Sagicor Group Jamaica Limited (SGJL) as SGJL owned 29.2% and had significant representation on the Board of Directors. In 2022, SGJL sold its 29.2% interest in X Fund thus resulting in the company no longer being a subsidiary of SGJL.

The Company’s main business activity is to invest in hotel and commercial real estate activities.

On 24 February 2025, the Board of Directors approved the consolidated financial statements and authorised them for issue. The Board of Directors has the power to amend the financial statements after issue.

- (b) On December 1, 2014 X Fund Properties Limited was formed and is a wholly owned subsidiary of X Fund. X Fund Properties Limited is incorporated and domiciled in Jamaica and has coterminous year with its parent Company.
- (c) On July 31, 2015, X Fund Properties Limited established a wholly owned subsidiary, X Fund Properties LLC. X Fund Properties LLC is incorporated and domiciled in Delaware, USA and has coterminous year with its parent company. Its main business activity is the operation of the DoubleTree Hotel in Orlando, Florida (the DoubleTree).
- (d) The Company’s subsidiaries which together with the Company are referred to as “the Group”, are as follows:

Subsidiaries	Incorporation in	Principal Activities	Holdings held by Company %
X Fund Properties Limited	Jamaica	Hospitality and real estate investment	100
X Fund Properties LLC	USA	Hospitality	100

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

(e) *Management agreements*

(i) Ambridge Hospitality LLC

The Group entered into a property management agreement with Ambridge Hospitality LLC to manage the hotel property DoubleTree Orlando. The property management agreement has an initial term of five years and may be extended or shortened in accordance with the property management agreement. The management agreement may be terminated prior to the expiration of the initial term upon the sale of the hotel to a bona fide third-party purchaser, an event of default as defined in the property management agreement, or if a predetermined performance standard is not satisfied. Ambridge Hospitality LLC is entitled to receive a base management fee equal to 2.18% of total operating revenues, as defined. For the year ended 31 December 2024 the Group recognised property management fees of \$157,717,000 (2023 - \$158,934,000). The Group reimburses Ambridge for expenses incurred relating to hotel operations. For the year ended 31 December 2024, the Group incurred reimbursable expenses of \$566,476,000 (2023 - \$533,494,000).

(ii) Sagicor Property Services Limited

Effective September 2023, the Group entered into a management services agreement with Sagicor Property Services Limited to provide investment advice, property management, and consultancy services. Sagicor Property Services Limited is entitled to receive annual fee of 1.25% of net average assets to 31 December 2024 and 1.5% thereafter. Sagicor Property Services is also to receive an incentive based on the Group's performance as defined. The agreement is in full force until terminated by either party, providing the required notice period or if the predetermined conditions are not met. For the year ended 31 December 2024 the Group recorded management service cost of \$369,533,000 (2023 - \$298,438,000). During the year Sagicor Property Services Limited entered into a property management agreement with BCQS Property Management Limited to manage a block of units purchased at The Strand in Cayman. The agreement can be terminated by either party provided that the predetermined conditions are satisfied. The Group reimburses Sagicor Property Services Limited for the contractual service fees as per the agreement. For the year ended 31 December 2024, the Group incurred reimbursable expenses of \$747,000 (2023 - \$ Nil).

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

IFRS Accounting Standards

IAS Standards

Interpretations developed by the IFRS Interpretations Committee (IFRIC® Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed and financial assets and investment properties.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new interpretations and amendments, and has adopted the following, which are relevant to its operations.

Amendment to IAS 1 – Non-current liabilities with covenants, (effective for annual periods beginning on or after 1 January 2024). (effective for annual reporting periods beginning on or after 1 January 2024). These amendments clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these amendments. There was no material impact to the Group on adoption of this amendment.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are mandatory for the Group's accounting periods beginning on or after 1 January 2025 and were not effective at the statement of financial position date. The Group having assessed the relevance of all such new standards, interpretations and amendments, has determined that the following maybe relevant to its operations:

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

(a) Basis of preparation (Continued)

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments, (effective for annual periods beginning on or after 1 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI). The Group is currently assessing the impact of these standards on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, (effective for annual periods beginning on or after 1 January 2027). This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Group is currently assessing the impact of this standard on the financial statements.

Annual improvements to IFRS – Volume 11 , (effective for annual periods beginning on or after 1 January 2026). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The Group is currently assessing the impact of these amendments on the financial statements.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(b) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities over which the Group has control. The Group has control over an entity when the Group is exposed to the variable returns from its ownership interest in the entity and when the Group can effect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group, and subsidiaries are de-consolidated from the date on which control ceases.

All material intra-group balances, transactions and gains are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group uses the acquisition method of accounting when control over entities and insurance businesses is obtained by the Group. The cost of an acquisition is measured as the fair value of the identifiable assets given, the equity instruments issued and the liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest. Acquisition-related costs are expensed as incurred.

The excess of the cost of the acquisition, the non-controlling interest recognised and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognised in income as a gain on acquisition. Any non-controlling interest balances represent the equity in a subsidiary not attributable to X Fund's interests.

On an acquisition by acquisition basis, the Group recognises at the date of acquisition the components of any minority interest in the acquiree either at fair value or at the proportionate share of the acquiree's net identifiable assets. The latter option is only available if the minority interest component is entitled to a proportionate share of net identifiable assets of the acquiree in the event of liquidation.

Non-controlling interest balances are subsequently re-measured by the minority's proportionate share of changes in equity after the date of acquisition. Investments in subsidiaries are stated in the Company's financial statements at cost less impairment.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(c) Segment reporting

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

(d) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The consolidated financial statements are presented in Jamaican dollars, which is the Group's presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. These rates represent the weighted average rates at which the Group trades in foreign currency.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments.

All foreign exchange gains and losses recognised in the statement of comprehensive income are presented net in the statement of comprehensive income within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

(iii) *Group companies*

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised as a separate component of stockholders' equity in the currency translation reserve.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(d) Foreign currency translation (continued)

(iii) Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and borrowings are taken to stockholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

(e) Revenue recognition

Revenues from service contracts with customers consist primarily of hotel revenue from guests reservations, management fees and rental income. These service contracts generally impose single performance obligations, each consisting of a series of similar related services to the guests. The Group's performance obligations within these service arrangements are generally satisfied over time as the guests receive and consume contracted benefits.

Revenue from service contracts with customers is recognised when (or as) the Group satisfies the performance obligation of the contract. For obligations satisfied over time, revenue is recognised daily over the reservation period. For performance obligations satisfied at a point in time, revenue is recognised at that point in time.

(i) Interest income

Interest income on financial assets at amortised costs and fair value through profit or loss is recognised in the income statement for all interest bearing instruments on an accrual basis using the effective interest method.

(ii) Gain or loss on sale of investment

Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in the income statement.

(iii) Unrealised gains

Unrealised gains or losses on appreciation or depreciation of value in Sigma Real Estate Portfolio and investment securities are recognised in income statement.

(iv) Rental income

Rental income is recognised on an accrual basis.

(f) Taxation

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges. Current and deferred tax is charged or credited to profit in the statement of comprehensive income, except where they relate to items charged or credited to other comprehensive income or equity, in which case, they are also dealt with in other comprehensive income or equity.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at year end.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(f) Taxation (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(g) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash on hand and deposits held at Group less bank overdrafts and restricted cash.

(h) Restricted Cash

Restricted cash represents funds legally restricted as to usage or withdrawal. Restricted cash includes reserves for insurance and real estate taxes for amounts to be paid in the future related to replacement of furniture, fixtures, and equipment as defined in the franchise agreement.

(i) Securities purchased under agreement to resell

The purchase of securities under resale agreements are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired. The related interest income was recorded on the accrual basis.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(j) Financial assets

(i) *Classification of financial assets*

IFRS 9 introduces a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost based on the nature of the cash flows of these assets and the Group's business model. Equity instruments are measured at FVTPL, unless they are not held for trading purposes, in which case an irrevocable election can be made on initial recognition to measure them at FVOCI with no subsequent reclassification to profit or loss.

Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured at amortised cost or at FVTPL. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provision of the instrument. Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets measured at amortised cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gains or loss arising on de-recognition is recognised directly in profit or loss and presented in net capital gains and financial assets and liabilities.

Financial assets measured at fair value through profit and loss

Financial assets that do not meet the criteria for amortised cost are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net with net capital gains and financial assets and liabilities in the period it arises. Interest income and interest earned on assets measured at fair value through profit and loss. Interest income is earned based on the effective interest rate based on the carrying amount before allowances. Interest earned on assets measured at fair value through profit and loss is recognised based on the effective interest rate. Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted effective interest rate (CAEIR). ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

(i) *Classification of financial assets (continued)*

Business model assessment

Business models are determined at the level which best reflects how the Group manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, grouping a portfolio of assets.
- The nature of the market of the assets in the country of origination of a portfolio of assets.
- How the Group intends to generate profits from holding a portfolio of assets.
- The historical and future expectations of asset sales within a portfolio.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(j) Financial assets (continued)

Solely repayments of principal and interest ("SPPI")

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets is classified and measured at FVTPL.

(i) *Impairment of financial assets measured at amortised cost*

IFRS 9 introduces an impairment model that requires the recognition of expected credit losses ("ECL") on financial assets measured at amortised cost which were previously provided for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR) an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit-impaired are in 'stage 3'. Purchased or originated credit-impaired financial assets ("POCI") are treated differently as set out below.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(j) Financial assets (continued)

(ii) Purchased or originated credit-impaired assets

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty that otherwise would not have been considered. The amount of change-in-lifetime ECL is recognised in profit or loss until the POCI is derecognised, even if the lifetime ECL is less than the amount of ECL included in the estimated cash flows on initial recognition.

(iii) Definition of default

The Group determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

(iv) Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(v) The general approach to recognising and measuring ECL

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Measurement

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(j) Financial assets (continued)

(v) *The general approach to recognising and measuring ECL (continued)*

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience, but given that IFRS 9 requirements have only just been applied, there has been little time available to make these comparisons. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in regulatory modelling and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage existing processes for estimating losses on impaired loans, however, these processes will be updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An expected credit loss estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision of expected life-time losses which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information

The estimation and application of forward-looking information will require significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(j) Financial assets (continued)

(v) *The general approach to recognising and measuring ECL (continued)*

Each macroeconomic scenario used in the expected credit loss calculation will have forecasts of the relevant macroeconomic variables – including, but not limited to, unemployment rates and gross domestic product, for a three year period, subsequently reverting to long-run averages. Our estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. Our base case scenario will be based on macroeconomic forecasts where available. Upside and downside scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios will occur on at least an annual basis and more frequently if conditions warrant. Scenarios will be probability-weighted according to our best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis.

- (vi) A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Group are homogeneous.

(k) Inventories

Inventories are stated at the lower of average cost and net realisable value. Cost is determined using the average cost method. In the case of the Group, cost represents invoiced cost plus direct inventory-related expenses. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(l) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 2 (i).

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(m) Property, plant and equipment

Property, plant and equipment, including owner-managed properties, are recorded at cost less accumulated depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into existing use. Subsequent to their initial recognition, property, plant and equipment are carried at revalued amounts. Revaluations are performed by independent qualified valuers annually.

Increases in the carrying values arising from the revaluations are credited to fair value reserve. Decreases in the carrying values arising from revaluations are first offset against increases from earlier revaluations in respect of the same assets and are thereafter charged to the statement of comprehensive income. All other decreases in carrying values are charged to the statement of comprehensive income. Any subsequent increases are credited to the statement of comprehensive income up to the respective amounts previously charged.

Revaluation surplus realised through the depreciation or disposal of revalued assets are retained in the fair value reserve and will not be available for offsetting against future revaluation losses. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Depreciation is calculated mainly on the straight line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives which are estimated as follows:

Buildings	25 - 40 years
Furniture, fixtures and equipment	7-10 years
Computer equipment	3-5 years
Motor vehicles	5 years

Land is not depreciated. No depreciation is provided for construction in progress until they are completed and ready for use.

Property, plant and equipment are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amounts by which the carrying amount of a cash generating unit exceeds the higher of its fair value less costs to sell and its value in use, which is the estimated net present value of future cash flows to be derived from the cash generating unit.

Repairs and maintenance expenses are charged in arriving at profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(n) Impairment of non-financial assets

Property, plant and equipment and other assets, excluding goodwill, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(o) Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Contract liabilities are recognised when guests prepay for reservation.

(p) Leases

As lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease in a manner which reflects a constant periodic rate of return on the net investment in the lease.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned assets. Rental income is recognised on a straight-line basis over the lease term.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(q) Financial liabilities

(i) *Classification of financial liabilities*

Financial liabilities are measured at initial recognition at fair value and are classified as and subsequently measured at amortised cost. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

(ii) *Loans and debt obligations*

Bank overdrafts are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the statement of comprehensive income as finance cost.

(r) Share capital

Common shares which are non-redeemable, and for which the declaration of dividends is discretionary are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds. Shares are classified as equity when there is no obligation to transfer cash or other assets.

(s) Dividends

Dividends on ordinary shares are recognised in stockholders' equity in the period in which they are approved by the Group's Board of Directors.

(t) Fair value and other reserves

Carried in the fair value reserve and other reserves are the increase/decrease in the carrying value arising from the revaluations of property plant and equipment.

(u) Investment property

Investment property is held for long-term rental yields and is not occupied by the Group. Investment properties are initially recognised at cost including related transaction costs and subsequently measured at fair value. The fair value is determined annually by an external valuator. Any gain or loss arising from a change in fair value is recognised in the statement of comprehensive income.

(v) Related parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or are under common control with the Company are also considered related parties.

(w) Going concern

These Group and Company financial statements have been prepared on a going concern basis whereby it is assumed that the Group and the Company will realize its assets and assume its liabilities in the normal course of business.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported assets and liabilities within the next financial year. The resulting accounting estimates will, by definition, seldom equal the related actual results. Areas of key sources of estimation uncertainty include the following:

Income taxes

The Group is subject to income taxes. Significant judgement is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Valuation of owner managed hotel property

Freehold land and buildings are carried in the statement of financial position at fair value. The changes in fair value for owner managed hotels are recognised in fair value reserve through other comprehensive income. The Group uses independent qualified property appraisers to value its land and buildings annually. Those fair values were derived using the income capitalization approach. This approach takes in consideration various assumptions and factors that require estimation and judgement. Assumptions are made about key factors in particular capitalisation rate, discount rate and revenue from room revenue and food and beverage sales. A change in any of these assumptions and factors could have a significant impact on the carrying value of the owner managed hotel property.

Valuation of investment property

Investment properties are carried in the statement of financial position at market value. The Group uses independent qualified property appraisers to value its investment properties annually, generally using the income/investment approach and the sales comparison approach. The income/investment approach is based on the principle of anticipation that recognizes the present value of the future income benefits to be derived from ownership in the property while the sales comparison approach is based on the analysis of sales of comparable properties in the market, with the valuer making appropriate adjustments to reflect differences in such factors as location, age, condition, valuation dates etc. between the comparable property and the subject of the valuation, in order to arrive at an appropriate opinion of value for the subject property.

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4. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is a very important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Group's receivables from customers and investment activities. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

Credit review process

The Sagicor Property Services investment manager, Sagicor Life Jamaica Limited, manages the Group's exposure to credit risk relating to investment by reviewing the ongoing financial status of each counterparty and makes recommendation to the investment committee. The investment manager's finance department has responsibility for conducting credit reviews for customers through regular analysis of the ability of financial institutions and other counterparties to meet repayment obligations.

Investments

The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Receivables

The Group exposure to credit risk is influenced mainly by the individual characteristics of each customer. The investment manager's finance department assesses the credit worthiness of customers prior to the Group offering them a credit facility. Customers credit risk is monitored according to their credit characteristics such as whether it is an individual or company, geographic location, industry, aging profile, and previous financial difficulties.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Maximum exposure to credit risk

The Group and Company's maximum exposure to credit risk at the year-end were as follows:

	The Group		The Company	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Trade receivables (Note 20)	266,139	164,922	-	-
Financial investments (Note 18)	6,963,106	6,288,319	-	-
Securities purchased under agreement to resell (Note 21)	2,372,759	3,134,410	33,510	290,715
Cash and cash equivalent (excluding cash on hand) (Note 22)	2,377,053	2,148,085	1,186	1,185
	<u>11,979,057</u>	<u>11,735,736</u>	<u>34,696</u>	<u>291,900</u>

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets

The Group has financial assets that are subject to the expected credit loss model:

- i. Trade receivables for the provision of services, and
- ii. Other receivables

While cash at bank is also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

i. Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, the Group first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors. All other non-specific trade receivables are then grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2024 and 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables. The Group has identified the inflation and foreign exchange rate of the country in which it sells services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for trade receivables:

The Group

		More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2024	Current				
	0.00%	0.00%	0.00%	96.54%	3.16%
Gross carrying amount \$'000	226,634	32,512	6,682	8,997	274,825
Loss allowance provision \$'000	-	-	-	8,686	8,686

The Group

		More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
31 December 2023	Current				
	0.00%	0.00%	0.00%	26.12%	3.22%
Gross carrying amount \$'000	134,659	14,040	724	20,978	170,401
Loss allowance provision \$'000	-	-	-	5,479	5,479

The creation and release of provision for impaired receivables have been included in administration expenses in statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

- (a) **Credit risk (continued)**
Impairment of financial assets (continued)
 (i) **Trade receivables (Continued)**

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The Group addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances. The Group's average credit period on the sale of service is 30 days. The Group has provided fully for all trade receivables that are over 90 days past due based on historical experience which dictates that amounts past due beyond 90 days are generally not recoverable.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

Analysis of trade receivables

The following table summarises the Group's credit exposure for trade receivables at their carrying amounts, as categorised by customer sector:

	The Group	
	2024	2023
	\$'000	\$'000
Travel agents	125,676	101,284
Other	149,149	69,117
	274,825	170,401
Less: Impairment loss	(8,686)	(5,479)
	<u>266,139</u>	<u>164,922</u>

The closing loss allowance provision for trade receivables as at 31 December 2024 and 2023 reconciles to the opening loss allowance for that provision as follows:

	The Group	
	2024	2023
	\$'000	\$'000
Opening loss allowance at 1 January	5,479	1,115
Impairment losses:		
Increase in loss allowance	3,207	4,364
At 31 December	<u>8,686</u>	<u>5,479</u>

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(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(a) Credit risk (continued) Impairment of financial assets (continued)

Net impairment losses/reversals on financial assets recognised in profit or loss

During the year, the following losses were recognised in the statement of comprehensive income in administration expenses in relation to impaired financial assets:

	The Group	
	2024	2023
	\$'000	\$'000
Movement in loss allowance for trade receivables	3,207	4,364
	<u>3,207</u>	<u>4,364</u>

(b) Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of grouping through an adequate amount of committed credit facilities and the ability to close out market positions. The Group's liquidity management process includes monitoring future cash flows and liquidity on a daily basis.

Liquidity risk management process

The Group's liquidity management process, as carried out and monitored by the Finance Department, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure financing required.
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Optimising cash returns on investment;

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

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4. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

The maturity profile of the Group and the Company's financial liabilities at year end based on contractual undiscounted payments was as follows:

	The Group			
	1 to 12	1 to 5	Over	Total
	Months	Years	5 Years	
31 December 2024	\$000	\$000	\$000	\$000
Payables	522,422	-	-	522,422
Borrowings	6,978,854	-	-	6,978,854
	<u>7,501,276</u>	<u>-</u>	<u>-</u>	<u>7,501,276</u>

	The Company			
	1 to 12	1 to 5	Over	Total
	Months	Years	5 Years	
31 December 2024	\$000	\$000	\$000	\$000
Payables	76,726	-	-	76,726
	<u>76,726</u>	<u>-</u>	<u>-</u>	<u>76,726</u>

	The Group			
	1 to 12	1 to 5	Over	Total
	Months	Years	5 Years	
31 December 2023	\$000	\$000	\$000	\$000
Payables	449,398	-	-	449,398
Borrowings	499,941	6,847,376	-	7,347,317
	<u>949,339</u>	<u>6,847,376</u>	<u>-</u>	<u>7,796,715</u>

	The Company			
	1 to 12	1 to 5	Over	Total
	Months	Years	5 Years	
31 December 2023	\$000	\$000	\$000	\$000
Payables	58,484	-	-	58,484
	<u>58,484</u>	<u>-</u>	<u>-</u>	<u>58,484</u>

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(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising mainly from the US dollar currency exposure. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximising foreign currency earnings and holding foreign currency balances. Payments of foreign liabilities are also made timely.

Concentration of currency risk

The table below summaries the Group and Company exposure to foreign currency exchange rate risk at 31 December.

	The Group		
	2024		
	J\$ J\$'000	US\$ J\$'000	Total J\$'000
Financial Assets			
Financial investments excluding units in Sigma Global Funds	401,401	8,934,464	9,335,865
Investment in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	285,469	-	285,469
Cash resources	4,749	2,372,304	2,377,053
Receivables	-	266,139	266,139
Total financial assets	691,619	11,572,907	12,264,526
Financial Liabilities			
Payables	143,831	378,591	522,422
Borrowings	-	6,680,579	6,680,579
Total financial liabilities	143,831	7,059,170	7,203,001
Net financial position	547,788	4,513,737	5,061,525

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31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

- (c) **Market risk (continued)**
 (i) **Currency risk (continued)**

Concentration of currency risk (continued)

	The Company		
	2024		
	J\$ J\$'000	US\$ J\$'000	Total J\$'000
Financial Assets			
Financial assets at fair value through profit and loss and securities purchased under agreement to resell	4,274	29,236	33,510
Cash resources	-	1,186	1,186
Total financial assets	4,274	30,422	34,696
Financial Liabilities			
Payables	76,726	-	76,726
Total financial liabilities	76,726	-	76,726
Net financial position	(72,452)	30,422	(42,030)

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(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Group		
	2023		
	J\$ J\$'000	US\$ J\$'000	Total J\$'000
Financial Assets			
Financial investments excluding units in Sigma Global Funds	544,892	8,877,837	9,422,729
Investment in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	1,283,694	-	1,283,694
Cash resources	6,182	2,141,903	2,148,085
Receivables	-	164,922	164,922
Total financial assets	1,834,768	11,184,662	13,019,430
Financial Liabilities			
Payables	104,891	344,507	449,398
Borrowings	-	6,790,762	6,790,762
Total financial liabilities	104,891	7,135,269	7,240,160
Net financial position	1,729,877	4,049,393	5,779,270

	The Company		
	2023		
	J\$ J\$'000	US\$ J\$'000	Total J\$'000
Financial Assets			
Financial assets at fair value through profit and loss and securities purchased under agreement to resell	651	290,064	290,715
Cash resources	-	1,185	1,185
Total financial assets	651	291,249	291,900
Financial Liabilities			
Payables	58,484	-	58,484
Total financial liabilities	58,484	-	58,484
Net financial position	(57,833)	291,249	233,416

Foreign currency sensitivity

The following table indicates the currencies to which the Group and Company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for changes in foreign currency rates. The sensitivity of the profit was as a result of foreign exchange gains/losses on translation of US dollar denominated receivables, trade payables, borrowings, investment securities and cash and cash equivalent balances.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Group			
	Change in Currency Rate	Effect on Pre-tax Profit	Change in Currency Rate	Effect on Pre- tax Profit
	2024 %	2024 \$'000	2023 %	2023 \$'000
Currency: USD				
Revaluation	1	(52,721)	1	(60,349)
Devaluation	4	210,883	4	241,395

	The Company			
	Change in Currency Rate	Effect on Pre-tax Profit	Change in Currency Rate	Effect on Pre- tax Profit
	2024 %	2024 \$'000	2023 %	2023 \$'000
Currency: USD				
Revaluation	1	(304)	1	(2,912)
Devaluation	4	1,217	4	11,650

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk. The Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities.

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group and Company's exposure to interest rate risk are as follows:

	The Group				Total
	1 to 12 Months	2 to 5 Years	Over 5 Years	Non-Interest Bearing	
31 December 2024	\$000	\$000	\$000	\$000	\$000
Assets					
Financial investments excluding units in Sigma Global Funds	6,042,058	2,967,645	293,674	32,488	9,335,865
Investment in Sagicor Sigma Global Funds –Sigma Real Estate Portfolio	-	-	-	285,469	285,469
Receivables	-	-	-	266,139	266,139
Cash resources	2,377,053	-	-	-	2,377,053
Non-financial assets:					
Cash resources	-	-	-	7,572	7,572
Other assets	-	-	-	472,459	472,459
Property, plant and equipment	-	-	-	17,847,043	17,847,043
Investment property	-	-	-	1,604,917	1,604,917
Inventories	-	-	-	76,349	76,349
Total assets	8,419,111	2,967,645	293,674	20,592,436	32,272,866
Liabilities					
Payables	-	-	-	522,422	522,422
Borrowings	6,652,509	-	-	28,070	6,680,579
Non-financial liabilities:					
Borrowings	-	-	-	27,435	27,435
Contract liabilities	-	-	-	260,235	260,235
Other liabilities	-	-	-	61,303	61,303
Taxation payable	-	-	-	185,672	185,672
Deferred income taxes	-	-	-	2,405,840	2,405,840
	6,652,509	-	-	3,490,977	10,143,486
Total interest repricing gap	1,766,602	2,967,645	293,674	17,042,888	22,070,809
Cumulative repricing gap	1,766,602	4,734,247	5,027,921	22,070,809	

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company				Total
	1 to 12 Months	2 to 5 Years	Over 5 Years	Non-Interest Bearing	
31 December 2024	\$000	\$000	\$000	\$000	\$000
Assets					
Financial investments excluding units in Sigma Global Funds	33,502	-	-	8	33,510
Cash resources	1,186	-	-	-	1,186
Non-financial assets:					
Deferred income taxes	-	-	-	744	744
Investment in subsidiaries	-	-	-	9,518,204	9,518,204
Total assets	34,688	-	-	9,518,956	9,553,644
Liabilities					
Payables	-	-	-	76,726	76,726
Total liabilities	-	-	-	76,726	76,726
Total interest repricing gap	34,688	-	-	9,442,230	9,476,918
Cumulative repricing gap	34,688	34,688	34,688	9,476,918	

Notes to the Financial Statements

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4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

31 December 2023	The Group				Total \$000
	1 to 12 Months \$000	2 to 5 Years \$000	Over 5 Years \$000	Non-Interest Bearing \$000	
Assets					
Financial investments excluding units in Sigma Global Funds	6,007,430	3,006,328	302,567	106	9,422,729
Investment in Sagicor Sigma Global Funds –Sigma Real Estate Portfolio	-	-	-	1,283,694	1,283,694
Receivables	-	-	-	164,922	164,922
Cash resources	2,148,085	-	-	-	2,148,085
Non-financial assets:					
Cash resources	-	-	-	7,507	7,507
Other assets	-	-	-	422,285	422,285
Property, plant and equipment	-	-	-	17,410,319	17,410,319
Inventories	-	-	-	51,170	51,170
Total assets	8,155,515	3,006,328	302,567	19,446,301	30,910,711
Liabilities					
Payables	-	-	-	449,398	449,398
Borrowings	167,935	6,596,448	-	26,379	6,790,762
Non-financial liabilities:					
Borrowings	-	-	-	50,645	50,645
Contract liabilities	-	-	-	232,566	232,566
Other liabilities	-	-	-	57,406	57,406
Taxation payable	-	-	-	194,504	194,504
Deferred income taxes	-	-	-	2,307,097	2,307,097
	167,935	6,596,448	-	3,317,995	10,082,378
Total interest repricing gap	7,987,580	(3,590,120)	302,567	16,128,306	20,828,333
Cumulative repricing gap	7,987,580	4,397,460	4,700,027	20,828,333	

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(expressed in Jamaican dollars unless otherwise indicated)

4. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company				Total \$000
	1 to 12 Months \$000	2 to 5 Years \$000	Over 5 Years \$000	Non-Interest Bearing \$000	
31 December 2023					
Assets					
Financial investments excluding units in Sigma Global Funds	290,653	-	-	62	290,715
Cash resources	1,185	-	-	-	1,185
Non-financial assets:					
Deferred income taxes	-	-	-	744	744
Investment in subsidiaries	-	-	-	9,518,204	9,518,204
Total assets	291,838	-	-	9,519,010	9,810,848
Liabilities					
Payables	-	-	-	58,484	58,484
Total liabilities	-	-	-	58,484	58,484
Total interest repricing gap	291,838	-	-	9,460,526	9,752,364
Cumulative repricing gap	291,838	291,838	291,838	9,752,364	

Interest rate sensitivity

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk. The Group earns interest on its investments in debt securities and pays interest on its borrowings (Notes 18,21,22 & 25). Accordingly, the Group does not have significant exposure to interest rate risk.

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5. Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital and ensure that the Group is not in breach of its loan covenants.

6. Fair Value of Financial Instruments

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors monitors the return on capital.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (i) Investments in unit trusts are based on prices quoted by the Fund managers.
- (ii) The fair values of financial investments are measured by reference to quoted market prices or dealer quotes when available.
- (iii) The fair value of current assets and liabilities approximate their carrying value due to the short term nature of these instruments.

The following table provides an analysis of financial instruments that are measured in the statement of financial position at fair value at 31 December 2024, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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6. Fair Value of Financial Instruments (Continued)

	The Group			
	2024			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Investments in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio (Note 17)	-	-	285,469	285,469
Financial Investments (Note 18)	3,671,179	3,291,927	-	6,963,106
	3,671,179	3,291,927	285,469	7,248,575
Non-Financial Assets				
Property Plant and Equipment (Note 16)	-	-	17,847,043	17,847,043
Investment property (Note 15)	-	-	1,604,917	1,604,917
	3,671,179	3,291,927	19,737,429	26,700,535

	The Group			
	2023			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Investments in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio (Note 17)	-	-	1,283,694	1,283,694
Financial Investments (Note 18)	2,848,619	3,439,700	-	6,288,319
	2,848,619	3,439,700	1,283,694	7,572,013
Non-Financial Assets				
Property Plant and Equipment (Note 16)	-	-	17,410,319	17,410,319
	2,848,619	3,439,700	18,694,013	24,982,332

There were no transfers between levels during the year.

The following table summarizes the quantitative information about the significant unobservable inputs used to measure the Group's Level 3 financial instruments:

Description	Fair value at		Unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
	2024 \$'000	2023 \$'000		2024	2023	
The Group:						
Investment in Sigma Real Estate Portfolio	285,469	1,283,694	Computed unit prices	10%	10%	If the estimated fair values were higher/lower by 10% the value would increase/decrease by \$28,547 (2023 -\$128,369).
Property, plant and equipment	17,847,043	17,410,319	Income capitalisation	5%	5%	Increase in comparable sale prices will have a direct correlation to fair value.
Investment Property	1,604,917	-	Income capitalisation	5%	5%	Increase in comparable sale prices will have a direct correlation to fair value.

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7. Segmental Financial Information

The Group is managed on a matrix basis, reflecting both line of business and geography. Accordingly, segment information is presented in two formats. The Group is organised into two primary business segments:

- (a) Hotel operations – direct ownership and operation of hotels.
- (b) Indirect hotel operations and commercial – indirect investment in real estate via the Sagicor Sigma Global Funds and the investment property in X Fund Properties Limited.
- (c) Other – comprises of other investment assets and other liabilities.

There was no transaction between the operating segments during 2024 or 2023.

	The Group				
	2024				
	Hotel Operations	Commercial Operations	Other	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	7,332,155	24,677	514,354	-	7,871,186
Net capital losses on financial assets and liabilities	-	(65,273)	(5,140)	-	(70,413)
Total revenue	7,332,155	(40,596)	509,214	-	7,800,773
Operating expenses	(5,539,716)	-	(469,460)	-	(6,009,176)
Depreciation	(726,252)	-	-	-	(726,252)
Finance costs	(348,407)	-	35,210	-	(313,197)
Profit/(loss) before taxation	717,780	(40,596)	74,964	-	752,148
Taxation	(233,317)	10,149	(72,278)	-	(295,446)
Net profit/(loss)	484,463	(30,447)	2,686	-	456,702
Segment assets	24,447,465	1,890,386	5,901,862	(25,418)	32,214,295
Segment liabilities	9,939,318	-	229,586	(25,418)	10,143,486

The Group's geographic information:

	Caribbean	United States of America	Total
	2024		
	\$'000	\$'000	\$'000
Revenue	468,618	7,332,155	7,800,773
Total assets	7,766,830	24,447,465	32,214,295

Geographically, the segments are Caribbean and United States of America.

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7. Segmental Financial Information (Continued)

	The Group				
	2023				
	Hotel Operations	Commercial Operations	Other	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000
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
Segment assets	22,875,639	1,283,694	6,753,639	(2,261)	30,910,711
Segment liabilities	9,812,501	-	272,138	(2,261)	10,082,378

The Group's geographic information:

	Caribbean	United States of America	Total
	2023		
	\$'000	\$'000	\$'000
Revenue	694,191	7,374,050	8,068,241
Total assets	8,035,072	22,875,639	30,910,711

Geographically, the segments are Caribbean and United States of America

Notes to the Financial Statements

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8. Revenue

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Net Investment Income				
Interest Income on securities at amortised cost:				
Securities purchased under Agreement to resell	110,478	130,044	2,954	11,469
Bank deposits	28	34	4	4
	<u>110,506</u>	<u>130,078</u>	<u>2,958</u>	<u>11,473</u>
Interest Income on securities at fair value through profit or loss:				
Debt securities	403,848	298,854	-	-
	<u>514,354</u>	<u>428,932</u>	<u>2,958</u>	<u>11,473</u>
Investment Property:				
Net rental income	24,677	-	-	-
	<u>539,031</u>	<u>428,932</u>	<u>2,958</u>	<u>11,473</u>
Net capital gains on financial assets and liabilities:				
Unrealized capital gains/(losses) on units in Sagicor Sigma Global Funds – Sigma Real Estate	28,760	(11,437)	-	-
Net capital (losses)/gains on other investment securities	(74,421)	120,818	-	-
Fair value losses on other investment property	(94,033)	-	-	-
Net foreign exchange gains	50,361	123,388	2,033	12,681
	<u>(89,333)</u>	<u>232,769</u>	<u>2,033</u>	<u>12,681</u>
Hotel Revenue:				
Service contract revenue				
Rooms	4,807,547	4,896,282	-	-
Food and beverage	1,920,094	1,863,119	-	-
Rental income	44,783	43,338	-	-
Other departments	527,865	500,988	-	-
Other	31,866	70,323	-	-
	<u>7,332,155</u>	<u>7,374,050</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

9. Expenses by Nature

Total direct, administration and other operating expenses recognised were:

	The Group	
	2024	2023
	\$'000	\$'000
(a) Direct Expenses -		
Rooms	307,232	354,209
Food and beverage	689,175	717,363
Other operated departments	128,111	120,724
Staff costs (Included in Note 10)	1,327,825	1,362,818
	<u>2,452,343</u>	<u>2,555,114</u>

(b) Administration and other operating expenses-

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Advertising and promotion	496,734	480,157	-	-
Audit fees	47,103	61,046	16,675	11,582
Fees - non-audit services	1,589	1,599	96	-
Bank charges	1,075	13,795	15	14
Commission expense (travel agents and others)	159,287	182,586	-	-
Credit card commissions	159,568	151,460	-	-
Depreciation	726,252	927,697	-	-
Directors' fees	20,202	16,786	20,202	16,786
Guest transportation	7,735	7,996	-	-
Insurance	366,526	284,558	-	11,540
License and permits	2,701	2,852	-	-
Management fees to operator of hotel properties	157,717	158,934	-	-
Other taxes	246,271	223,523	-	-
Professional and legal fees	395,996	321,591	241,456	302,593
Rent	5,527	5,939	-	-
Repairs and maintenance	175,852	172,788	-	-
Security	1,610	1,528	-	-
Staff costs (Included in Note 10)	699,480	633,140	-	-
Trade name fees	256,066	260,243	-	-
Utilities	261,184	265,145	-	-
Other	94,610	90,077	2,009	4,202
	<u>4,283,085</u>	<u>4,263,440</u>	<u>280,453</u>	<u>346,717</u>
Total operating expenses	<u>6,735,428</u>	<u>6,818,554</u>	<u>280,453</u>	<u>346,717</u>

There were no other fees paid to the auditor (or related network firms) for non-assurance services during the period.

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

10. Staff Costs – Direct and Indirect

	The Group	
	2024	2023
	\$'000	\$'000
Salaries	1,567,366	1,586,360
Payroll taxes – employer's portion	118,464	104,610
Pension	22,286	14,841
Allowances and benefits	258,178	230,188
Other	61,011	59,959
	<u>2,027,305</u>	<u>1,995,958</u>

The average number of persons employed by Group and the Company was as follows:

	The Group	
	2024	2023
Full time	173	173
Part time	54	54
	<u>227</u>	<u>227</u>

11. Finance Costs

	The Group	
	2024	2023
	\$'000	\$'000
Interest expense -		
Amortisation of upfront fees on loan	11,397	11,212
Mortgage and other notes	301,800	303,786
	<u>313,197</u>	<u>314,998</u>

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12. Taxation

The taxation charge is computed on the profit or loss for the period, adjusted for tax purposes, and comprises income tax at predominantly 1%, 25% and 21% for 2024 and 2023:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current year tax expense	395,280	210,773	-	-
Deferred income tax (Note 26)	(99,834)	75,898	-	-
	<u>295,446</u>	<u>286,671</u>	<u>-</u>	<u>-</u>

Reconciliation of applicable tax charge to effective tax charge:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) before taxation	<u>752,148</u>	<u>934,689</u>	<u>(275,446)</u>	<u>(322,563)</u>
Tax calculated at 1%	(2,754)	(3,226)	(2,754)	(3,226)
Tax calculated at 25%	33,761	144,921	-	-
Tax calculated at 21%	187,436	142,289	-	-
Adjusted for the effects of:				
Income not subject to tax	(15,769)	(55,666)	(50)	-
Expenses not deductible for taxation purposes	82,764	68,937	2,804	3,468
Net effect of other charges and allowances	<u>10,008</u>	<u>(10,584)</u>	<u>-</u>	<u>(242)</u>
Taxation expense	<u>295,446</u>	<u>286,671</u>	<u>-</u>	<u>-</u>

Tax losses available to the Company at 31 December 2024 for set-off against future taxable profits amount to approximately \$259,608,165 (2023 - \$350,483,000) and may be carried forward for six years.

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

13. Earnings per Share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary stockholders by the weighted average number of ordinary shares in issue during the period.

	2024	2023
	\$'000	\$'000
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Company	<u>\$0.20</u>	<u>\$0.29</u>
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	<u>456,702</u>	<u>648,018</u>
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	<u>2,243,005</u>	<u>2,243,005</u>

14. Investment in Subsidiaries

	The Company	
	2024	2023
	\$'000	\$'000
Shares in:		
X Fund Properties Limited	<u>9,518,204</u>	<u>9,518,204</u>
	<u>9,518,204</u>	<u>9,518,204</u>

The Company evaluated the recoverability of the investment as at 31 December 2024 and 2023 and concluded that no impairment is considered necessary.

15. Investment Property

	The Group	
	2024	2023
	\$'000	\$'000
Balance at beginning of year	-	-
Additions	1,698,950	-
Changes in fair value	(94,033)	-
Balance at end of the year	<u>1,604,917</u>	<u>-</u>
Rent and maintenance income earned from the property	25,423	-
Expenses incurred by the property	<u>(747)</u>	<u>-</u>
	<u>24,676</u>	<u>-</u>

Investment property at 31 December 2024, are stated at fair value derived from valuations done by independent valuator, Charterland. The change in fair value was charged to the statement of comprehensive income.

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16. Property, Plant and Equipment

	The Group				Total \$'000
	Land & Buildings \$'000	Computer Equipment \$'000	Furniture, Fixtures & equipment \$'000	Capital Work in Progress \$'000	
Cost or Valuation					
At 1 January 2023	17,721,723	62,344	3,672,660	118,284	21,575,011
Additions	20,232	-	37,044	104,642	161,918
Revaluation gain	1,044,293	-	-	-	1,044,293
Translation adjustment	222,524	-	75,118	3,030	300,672
At 31 December 2023	19,008,772	62,344	3,784,822	225,956	23,081,894
Additions	76,463	-	58,446	21,698	156,607
Revaluation gain	854,116	-	-	-	854,116
Translation adjustment	(4,332)	-	30,819	1,878	28,367
At 31 December 2024	19,935,019	62,344	3,874,087	249,532	24,120,982
Accumulated Depreciation-					
At 1 January 2023	1,924,494	62,344	2,813,684	1,099	4,801,621
Charges for the year	436,913	-	490,784	-	927,697
Translation adjustment	(116,495)	-	58,752	-	(57,743)
At 31 December 2023	2,244,912	62,344	3,363,220	1,099	5,671,575
Charges for the year	453,290	-	272,962	-	726,252
Translation adjustment	(150,427)	-	26,539	-	(123,888)
At 31 December 2024	2,547,775	62,344	3,662,721	1,099	6,273,939
Net Book Value -					
31 December 2024	17,387,244	-	211,366	248,433	17,847,043
31 December 2023	16,763,860	-	421,602	224,857	17,410,319

In accordance with the Group's policy, owner-managed hotels were independently revalued during the year by professional real estate valuers. The excess of the revaluation over the carrying value of these property, plant and equipment during the year, amounted to \$854,116,000 (2023 – \$1,044,293,000) and has been credited to fair value reserves. If the revalued assets of the Group were stated on a historical cost basis, the amounts would be as follows:

	The Group	
	2024 \$'000	2023 \$'000
Cost	15,818,171	15,199,625
Accumulated depreciation	(6,009,346)	(5,292,727)
Net book value	9,808,825	9,906,898
Carrying value of revalued assets	17,847,043	17,410,319

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

17. Investment in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio

The units in the fund and values thereof are:

	The Group	
	Sigma Real Estate Portfolio	Sigma Real Estate Portfolio
	2024 Units	2023 Units
UNITS		
Opening balance	564,710,496	564,710,496
Redemptions	(450,432,325)	-
Closing balance	<u>114,278,171</u>	<u>564,710,496</u>
	The Group	
	Sigma Real Estate Portfolio	
	2024 \$'000	2023 \$'000
Opening balance	1,283,694	1,295,131
Redemptions	(1,026,985)	-
Changes in market value of investments	28,760	(11,437)
Closing balance	<u>285,469</u>	<u>1,283,694</u>
Value Per Unit	<u>2.50</u>	<u>2.27</u>

18. Financial Investments

	The Group	
	2024 \$'000	2023 \$'000
Financial assets at FVTPL -		
Government of Jamaica Bonds	293,674	328,275
Corporate bonds	2,967,645	3,006,328
Interest receivable	30,608	105,097
	<u>3,291,927</u>	<u>3,439,700</u>
Financial assets - Amortised Cost		
Sovereign debt	2,017,136	946,429
Short term deposits	1,654,043	1,902,190
	<u>3,671,179</u>	<u>2,848,619</u>
	<u>6,963,106</u>	<u>6,288,319</u>

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

19. Inventories

	The Group	
	2024 \$'000	2023 \$'000
Beverage	27,370	11,709
Food	48,979	39,461
	<u>76,349</u>	<u>51,170</u>

20. Receivables

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables	274,825	170,401	-	-
Less: loss allowance	(8,686)	(5,479)	-	-
	<u>266,139</u>	<u>164,922</u>	-	-
Deposits	32,988	32,705	-	-
Prepayments	189,642	202,012	-	-
Withholding and other taxes	116,220	95,250	-	-
Income tax recoverable	69,538	63,975	-	-
Other receivables	5,500	28,343	-	-
	<u>680,027</u>	<u>587,207</u>	-	-

21. Securities Purchased under Agreements to Resell

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Securities purchased under agreements to resell	2,370,879	3,133,103	33,502	290,653
Interest receivable	1,880	1,307	8	62
	<u>2,372,759</u>	<u>3,134,410</u>	<u>33,510</u>	<u>290,715</u>

The effective weighted average interest rates on securities purchased under agreements to resell are as follows:

	The Group		The Company	
	2024 %	2023 %	2024 %	2023 %
Jamaican dollar	6.0%	7.0%	6.0%	7.0%
United States dollar	2.50%	3.8%	2.62%	2.5%

Notes to the Financial Statements

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22. Cash and Cash Equivalents

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash in hand	7,572	7,507	-	-
Cash at bank (Note 4a)	2,377,053	2,148,085	1,186	1,185
Cash resources	2,384,625	2,155,592	1,186	1,185
Securities purchased under agreements to resell (with contractual maturity of 90 days)	2,370,879	3,133,103	33,502	290,653
Short term deposit	1,654,043	1,902,190	-	-
Restricted cash	(1,900,034)	(1,457,181)	-	-
Cash and cash equivalents	4,509,513	5,733,704	34,688	291,838

Restricted cash represents cash held by a subsidiary for renovation of the Doubletree Universal Hotel under the Franchise Agreement with Hilton Worldwide for the said property.

Net Debt Reconciliation

The table below shows a reconciliation of liabilities to cash flows arising from financing activities. The amounts represent loans, excluding bank overdraft.

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At the beginning of the year	6,841,408	6,875,533	-	-
Interest payable	(26,380)	(25,203)	-	-
	6,815,028	6,850,330	-	-
Repayments	(170,880)	(158,977)	-	-
Interest payable	28,070	26,380	-	-
Amortisation of upfront fees	11,328	11,213	-	-
Amortisation of loan balance	(35,210)	(34,773)	-	-
Foreign currency translation	59,678	147,234	-	-
At the end of the year	6,708,014	6,841,407	-	-

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23. Payables and Contract Liabilities

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(a) Payables				
Trade	112,375	90,697	-	-
Accruals	392,646	348,048	47,186	54,493
Related parties (Note 24)	-	-	25,418	2,261
Withholding and other taxes	61,303	57,406	-	-
Other	17,401	10,653	4,122	1,730
	<u>583,725</u>	<u>506,804</u>	<u>76,726</u>	<u>58,484</u>
(b) Contract liabilities	<u>260,235</u>	<u>232,566</u>	<u>-</u>	<u>-</u>
	<u>843,960</u>	<u>739,370</u>	<u>76,726</u>	<u>58,484</u>

24. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Related companies include ultimate parent company, parent company, fellow subsidiaries and associated company. Related parties include directors, key management and companies for which the Company and its parent company are provided with management services.

(a) Related party transactions

The following transactions were carried out with related parties:

Key management compensation

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Salaries	176,135	149,276	-	-
Payroll taxes – employer's portion	41,343	33,295	-	-
Other	38,440	35,789	-	-
	<u>255,918</u>	<u>218,360</u>	<u>-</u>	<u>-</u>
Directors' emoluments – Fees	<u>20,202</u>	<u>16,786</u>	<u>20,202</u>	<u>16,786</u>

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

24. Related Party Transactions and Balances (Continued)

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Payable to related parties -				
X Fund Properties Limited	-	-	25,418	2,261
	<u>-</u>	<u>-</u>	<u>25,418</u>	<u>2,261</u>

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25. Borrowings

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Wells Fargo/Goldman Sachs Loan (i)	6,673,004	6,771,986	-	-
Hilton Franchise Holding LLC (ii)	35,010	69,421	-	-
	6,708,014	6,841,407	-	-
Less current portion of borrowings	(6,708,014)	(252,469)	-	-
Total long-term borrowings	-	6,588,938	-	-

i) Wells Fargo/Goldman Sachs

The mortgage note attracts interest at 4.9% per annum and matures October 2025. The mortgage note is secured by the investment in hotel property. The mortgage note accrues interest from the issue date of the loan with interest due monthly, in arrears, and requires principal and interest payments through maturity upon which the outstanding principal is due and payable. The Group may prepay the mortgage note prior to the maturity date only in conjunction with the sale of a property or as a result of casualty or condemnation. The Group is currently in negotiation to refinance the facility, which is expected to be completed before the maturity date.

The mortgage note contains a debt service coverage ratio test and, upon failing to meet the debt service coverage ratio, substantially all the cash flows from the hotel must be directed to accounts controlled by the lender. The Group was compliant at year end.

ii) This note is interest free with annual forgiveness of debt over ten years, if certain conditions are met. The loan commenced in November 2015.

Notes to the Financial Statements

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26. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate for years 2024 and 2023 of 1% for Sagicor Real Estate X Fund Limited, 25% for X Fund Properties Limited and 21% for X Fund Properties LLC.

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Deferred income taxes	<u>(2,405,840)</u>	<u>(2,307,097)</u>	<u>744</u>	<u>744</u>

The movement on the deferred income tax account is as follows:

	<u>The Group</u>		<u>The Company</u>	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
Balance at start of year	(2,307,097)	(1,970,735)	744	744
Credited/(charged) to the statement of comprehensive income – (Note 12)	99,834	(75,898)	-	-
Revaluation of properties	(179,362)	(219,301)	-	-
Effect of exchange rate translation	<u>(19,215)</u>	<u>(41,163)</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>(2,405,840)</u>	<u>(2,307,097)</u>	<u>744</u>	<u>744</u>

On consolidation, exchange differences arising from the translation of the net investment in foreign entities is taken to stockholders' equity.

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26. Deferred Income Taxes (Continued)

Deferred income tax assets and liabilities are attributable to the following items:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets -				
Tax losses unused	966	966	966	966
Unrealised foreign currency losses/(gains)	2,823	991	(112)	(112)
Accrued vacation	17,551	18,177	-	-
Provisions	2,206	1,389	-	-
Deferred tax liabilities -				
Property plant and equipment	(2,400,271)	(2,235,530)	-	-
Interest receivable	(8,117)	(22,151)	-	-
Unrealised revaluation gains on investments	(20,998)	(70,939)	(110)	(110)
Net deferred tax (liabilities)/assets	<u>(2,405,840)</u>	<u>(2,307,097)</u>	<u>744</u>	<u>744</u>

The amounts shown in the statement of financial position included the following:

	The Group		The Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets to be recovered after more than 12 months	966	966	744	744
Deferred tax liabilities to be recovered after more than 12 months	<u>(2,406,806)</u>	<u>(2,308,063)</u>	<u>-</u>	<u>-</u>

27. Share Capital

	2024	2023
	\$'000	\$'000
Authorised:		
5,000,000,000 ordinary shares	5,000,000	5,000,000
1 special rights redeemable preference share	1	1
	<u>5,000,001</u>	<u>5,000,001</u>
Issued and fully paid -		
2,243,005,125 (2023 - 2,243,005,125 ordinary shares of J\$1.00 par value)	12,642,412	12,642,412
1 special rights redeemable preference share	100	100
	<u>12,642,512</u>	<u>12,642,512</u>

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28. Dividend

No dividend payments during the year.

29. Fair Value and Other Reserves

(a) Fair Value

These comprise:

	The Group	
	2024 \$'000	2023 \$'000
Balance as at start of the year	5,588,545	4,763,553
Fair value gains on property plant and equipment	674,754	824,992
Balance at end of the year	<u>6,263,299</u>	<u>5,588,545</u>

Fair value gains for the Group are shown net of deferred taxes with respect to revaluation adjustments to property, plant and equipment.

(b) Currency Translation Reserve

	The Group	
	2024 \$'000	2023 \$'000
Balance as at start of the year	2,144,016	1,892,918
Re-translation of foreign operations	111,020	251,098
Balance at end of the year	<u>2,255,036</u>	<u>2,144,016</u>

On consolidation, exchange differences arising from the translation of the net investment in foreign entities is taken to stockholders' equity.

30. (Accumulated Deficit)/Retained Earnings and Net Profit/(Loss)

	2024 \$'000	2023 \$'000
(i) Net (loss)/profit dealt with in the financial statements of:		
The Company	(275,446)	(322,563)
The subsidiaries	732,148	970,581
	<u>456,702</u>	<u>648,018</u>
(ii) (Accumulated deficit)/Retained earnings reflected in the financial statements of:		
The Company	(3,165,594)	(2,890,148)
The subsidiaries	4,075,556	3,343,408
	<u>909,962</u>	<u>453,260</u>

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31. Financial Instruments

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(a) Financial assets				
Financial assets at fair value through profit and loss	3,291,927	3,439,700	-	-
Financial assets at amortised cost -				
Sovereign debt	2,017,136	946,429	-	-
Short term deposit	1,654,043	1,902,190	-	-
Receivables	266,139	164,922	-	-
Related parties	-	6,192	-	-
Securities purchased under agreements to resell	2,372,759	3,134,410	33,510	290,715
Cash resources	2,377,053	2,148,085	1,186	1,185
	<u>8,687,130</u>	<u>8,302,228</u>	<u>34,696</u>	<u>291,900</u>
	<u>11,979,057</u>	<u>11,741,928</u>	<u>34,696</u>	<u>291,900</u>
(b) Financial liabilities				
Financial liabilities at amortised cost -				
Payables	522,422	448,857	51,309	55,684
Borrowings	6,680,579	6,790,762	-	-
Related parties	-	541	25,417	2,800
	<u>7,203,001</u>	<u>7,240,160</u>	<u>76,726</u>	<u>58,484</u>

The Group's and Company's financial instruments resulted in the following income, expenses and gains and losses recognised in the statement of comprehensive income:

	The Group		The Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fair value through profit or loss:				
Interest income	403,848	298,854	-	-
Net capital gains/(losses) on units in Sagicor Sigma				
Global Funds – Sigma Real Estate Portfolio	28,760	(11,437)	-	-
Net capital (losses) /gains on other investment securities	(74,421)	120,818	-	-
Net foreign exchange gain	50,361	123,388	2,033	12,681
	<u>408,548</u>	<u>531,623</u>	<u>2,033</u>	<u>12,681</u>
Amortised cost:				
Interest income	110,506	130,078	2,958	11,473
Finance costs	(313,197)	(314,998)	-	-
	<u>(202,691)</u>	<u>(184,920)</u>	<u>2,958</u>	<u>11,473</u>

Notes to the Financial Statements

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32. Consolidated Cash Flows from Operating Activities

Cash Flows from Operating Activities	Note	2024 \$'000	2023 \$'000
Net profit		456,702	648,018
Adjustments for:			
Depreciation	16	726,252	927,697
Interest income	8	(514,354)	(428,932)
Fair value (gains)/losses on units held in Sagicor Sigma Global Funds – Sigma Real Estate Portfolio	8	(28,760)	11,437
Fair value losses/(gains) on other financial investments	8	74,421	(120,818)
Effect of exchange gains on foreign currency balances		(50,776)	(120,846)
Taxation expense	12	295,446	286,671
Amortisation of franchise fees		2,457	2,417
Finance costs	11	313,197	314,998
Fair value losses on investment property	15	94,033	-
		<u>1,368,618</u>	<u>1,520,642</u>
Changes in operating activities:			
Inventories		(24,810)	(4,556)
Receivables		(220,427)	241,922
Payables		99,272	54,582
Purchase of investment property		(1,698,950)	-
Cash (used in)/generated by operating activities		<u>(1,844,915)</u>	<u>291,948</u>
Income tax paid		<u>(277,040)</u>	<u>(29,167)</u>
Net cash (used in)/generated by operating activities		<u>(753,337)</u>	<u>1,783,423</u>

33. Commitments and Contingencies

The Group entered into a Franchise Agreement with Hilton on September 10, 2015. This agreement will expire September 30, 2025. Under this agreement the Group is obligated to pay royalty fees to Hilton of between 4% and 5% of gross room revenue, and fees for marketing, reservations, and other related activities of 4% of gross room revenue. Franchise costs incurred under this agreement were \$879,835,000 (2023 – \$927,140,000). These amounts are included in rooms and administration and other operating expenses.

The Group is also required to make capital improvements to satisfy the franchisor's brand standards. In addition, under certain loan covenants the Group is obligated to fund a restricted account for the ongoing replacement of furniture, fixtures and equipment at the hotel. During the year the amount reserved totalled \$458,205,000 (2023- \$396,554,000).

DISCLOSURE OF SHAREHOLDINGS

As at 31 December 2024

TOP TEN SHAREHOLDERS			
	SHAREHOLDERS	NO OF SHARES	PERCENTAGE
1	Sagikor Pooled Equity Fund	645,555,121	28.78%
2	Sagikor Pooled Mortgage & Real Estate Fund	636,806,368	28.39%
3	Sagikor Pooled Diversified Investment Fund	183,254,021	8.17%
4	JCSD Trustee Services Ltd - Sigma Real Estate	181,499,136	8.09%
5	JCSD Trustee Services Ltd - Sigma Equity	179,003,486	7.98%
6	JCSD Trustee Services Ltd - Sigma Diversified Investor	100,711,256	4.49%
7	Sagikor JPS Employees Pension Plan	70,000,000	3.12%
8	JCSD Trustee Services Ltd - Sigma Global Venture	46,052,287	2.05%
9	First Ja/Nat'l Hsng Trust Pension Fund	30,000,000	1.34%
10	Heart Trust / NTA Pension Scheme	28,000,000	1.25%
	TOTAL	2,100,881,675	93.66%
	Other	142,123,450	6.34%
	Total Issued Shares	2,243,005,125	100.00%

SHAREHOLDINGS OF DIRECTORS	
LIST OF DIRECTORS	SHAREHOLDINGS IN X FUND
1 Howard Mitchell (Chairman)	200,000
2 John Bailey	100,000
- connected - Cheston Jamaica Limited	2,400,000
3 Stephen McNamara	Nil
4 Bruce James	Nil
5 Colin Steele	Nil
6 Peter Pearson	15,000
- connected - Yvonne Pearson	

SHAREHOLDINGS OF EXECUTIVE MANAGEMENT	
SHAREHOLDER	SHAREHOLDINGS IN X FUND
1 Brenda-Lee Martin	29,981
- connected - Deborah Martin	



FORM OF PROXY

REAL ESTATE X FUND

I, of
being a member of Sagicor Real Estate X Fund Limited hereby appoint

..... of

or failing him of
as my proxy to vote for me on my behalf at the Annual General Meeting of the Corporation at McNamara Corporate Services Inc.,
Bella Rosa Road, Rodney Bay, Gros Islet, Saint Lucia and being convened virtually on Friday, May 16, 2025, at 10:30 a.m. and at any
adjournment thereof. The Proxy will vote on the undermentioned resolutions as indicated:

	For	Against
Resolution No. 1 THAT the Audited Accounts and the Reports of the Directors and Auditors for the year ended December 31, 2024, be and are hereby adopted.		
Resolution No. 2 THAT the election of Directors be made en bloc.		
Resolution No. 3 Article 102 of the Company's Articles of Association provides that one-third of the Directors, or if their number is not three or a multiple of three then the number nearest to one-third, shall retire from office at each Annual General Meeting. The Directors retiring under this Article are Directors Colin Steele and Bruce James who, being eligible, offer themselves for re-election. "THAT Messrs. Colin Steele and Bruce James who retire by rotation and being eligible offer themselves for re-election, be and are hereby re-elected as Directors of the Company en bloc."		
Resolution No. 4 THAT the amount of \$20,202,000.00 included in the Audited Accounts of the Company for the year ended December 31, 2024, as remuneration for their services as Directors be and is hereby approved.		
Resolution No. 5 "THAT, PricewaterhouseCoopers East Caribbean, Chartered Accountants, having agreed to continue in office as Auditors for the Company be and are hereby appointed Auditors for the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company"		

>> Continued on Overleaf



REAL ESTATE X FUND

NOTE: If this form is returned without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes or whether he abstains from voting.

As witness my hand this day of2025

Signature:

.....

- NOTE:**
- (1) If the appointer is a Corporation, this form must be under the Common Seal or under the hand of an officer or attorney duly authorised.
 - (2) To be valid, this proxy must be lodged with the Secretary of the Corporation, 20 Micoud Street, Castries, St. Lucia not less than 48 hours before the time appointed for holding the meeting

A proxy need not be a member of the Company.



REAL ESTATE X FUND

REGISTERED OFFICE:

St. Lucia

Sagicor Real Estate X Fund Limited
20 Micoud Street
Castries
St. Lucia

Territories of Operation

Jamaica

X Fund Properties Limited
(wholly owned subsidiary)
28 - 48 Barbados Avenue
Kingston 5
Jamaica

USA

X Fund Properties LLC
(wholly owned subsidiary of X Fund Properties Limited)
5780 Major Boulevard
Orlando, Florida 32819
USA

Cayman Islands

X Fund Properties Limited
(wholly owned subsidiary)
c/o HSM Corporate Services Limited
68 Fort Street
Georgetown, P.O. Box 31726
Grand Cayman, KY1-1207
Cayman Islands