



# SANLAM AFRICA CORE REAL ESTATE INVESTMENTS LIMITED

Incorporated in the Republic of Mauritius | Registration number 109045 C1/GBL | ISIN code MU0396S00004 | SEDOL code B979H90 | SEM code SARE-N-0101 | Short name SACREIL | ("the Company")

## ABRIDGED UNAUDITED FINANCIAL STATEMENTS for the three months and six months ended 30 June 2021

### DIRECTORS' COMMENTARY

#### COMPANY OVERVIEW

The Company is incorporated in Mauritius and holds a Global Business Licence, issued by the Financial Services Commission. SACREIL is listed on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM"), with core real estate assets in Ghana, Tanzania and Nigeria.

#### COMPANY REVIEW FOR THE PERIOD ENDED 30 JUNE 2021

The economies in the region remain under pressure. Some of the reasons are country-specific, whilst others are macroeconomic and influenced by world events, especially the global Covid-19 pandemic.

The Company's Net Asset Value per Class A share increased from US\$3,4354 in the previous quarter to US\$3,4529. The Company's Gross Asset Value of US\$104,4 million has remained unchanged since 31 March 2021. The Loan to Value Ratio (total 3rd party debt in the group divided by the group's total gross asset value) also decreased from 47.51% to 47.31%.

The Company's current asset base consists of:

**Accra Mall (Accra, Ghana):** The economy is expected to rebound in 2021, although investment in new oilfields has been pushed back, and this will delay a resurgence in economic activity. The mall occupancy rates have declined slightly since March 2021 and currently stand at 90.3%.

**Atlantic House (Lagos, Nigeria):** The economy's over-reliance on the volatile oil production and prices weighs on the outlook. The country continues to experience USD liquidity constraints. The rental market remains highly competitive due to an oversupply of lettable office space in Lagos. Occupancy rates currently stand at 81%.

**Capital Properties (Dar es Salaam, Tanzania):** In 2021, growth fell to 2% from 5.8% in 2019, as the Covid-19 pandemic battered sectors like tourism, a key source of revenues and jobs. Occupancy rates of the three towers, remained stable over the quarter at 85%, although the real estate market in Dar es Salaam is still under pressure, due to oversupply of office space, which has now been exacerbated by the impact of the pandemic placing further negative pressure on rentals.

#### COMPANY OUTLOOK

The economic factors across the sub-Saharan Africa region will continue to exert pressure on our tenants, should they worsen this could impact the tenants' ability to pay rental, thereby reducing cash flow and possibly valuations.

The Company continues to trade under cautionary as the Advisor is in discussion with various parties regarding the future of the Company, which if successfully concluded, may have a material effect on the share price.

#### IMPORTANT INFORMATION

Any forecast statement above, and the forecasts underlying such statements, are the responsibility of the Board and have not been reviewed or reported on by the Company's external auditors. The forecast is based on assumptions, including assumptions about regional, political and economic environments, as well as that a stable global macroeconomic environment will prevail.

The Gross Asset Value of the Company is sensitive to the Independent Valuer and Advisor's valuations of its properties which are, in turn, sensitive to the valuation parameters used, in particular discount and reversionary capitalisation rates.

It should be noted that the Gross Asset Value of the Company was less than US\$750 million as at 31 December 2020. Each Class A Shareholder may elect to have its shareholding repurchased by the Company. The Company has two years from 31 December 2020, to raise funds to repurchase the shares at the net asset value the day prior to the repurchase date.

The Advisor is considering strategic and finance options for the Company.

### STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2021	Audited as at 31 December 2020
<b>Assets</b>	US\$	US\$
Cash and cash equivalents	751,069	658,250
Loan receivable	-	429,412
Other receivables and prepayments	920,122	765,255
Financial assets at fair value through profit or loss	58,714,166	57,230,854
Equity investment in LPM	4,885,573	4,885,573
<b>Total assets</b>	<b>65,270,930</b>	<b>63,969,344</b>
<b>Liabilities</b>		
Advisory fees payable	(809,633)	(292,149)
Other payables and accruals	(112,413)	(99,135)
<b>Total liabilities</b>	<b>(922,046)</b>	<b>(391,284)</b>
<b>Net assets attributable to shareholders</b>	<b>64,348,884</b>	<b>63,578,060</b>
<b>Net assets attributable to:</b>		
Class A	57,443,077	56,754,976
Class B	6,905,707	6,822,984
Class C	100	100
<b>Net assets attributable to shareholders</b>	<b>64,348,884</b>	<b>63,578,060</b>

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the six months to 30 June 2021	Unaudited for the three months to 30 June 2021	Unaudited for the six months to 30 June 2020	Unaudited for the three months to 30 June 2020
<b>INCOME</b>	US\$	US\$	US\$	US\$
Net gain on financial assets at fair value through profit or loss	1,492,713	687,870	-	-
	1,492,713	687,870	-	-
<b>EXPENSES</b>				
Net loss on financial assets at fair value through profit or loss	-	-	(9,775,640)	(10,525,373)
Provision for impairment	(7,000)	(7,000)	(10,000)	(10,000)
Professional fees	(62,251)	(24,127)	(27,087)	(12,609)
Advisory fees	(517,484)	(260,172)	(632,284)	(316,142)
Audit fees	(20,125)	(10,062)	(11,558)	(5,780)
Bank charges	(2,086)	(1,146)	(1,835)	(950)
Accounting fees	(29,765)	(14,882)	(29,098)	(14,216)
Disbursements	(650)	(425)	(490)	(290)
Licence fees	(9,389)	(4,696)	(10,672)	(5,336)
Directors' fees	(37,582)	(10,582)	(34,840)	(18,979)
Expected credit losses	-	-	-	-
Other expenses	(35,245)	(30,225)	-	-
Exchange rate loss	(312)	(54)	(471)	(62)
	(721,889)	(363,371)	(10,533,975)	(10,909,737)
<b>Profit/ (Loss) before tax</b>	<b>770,824</b>	<b>324,499</b>	<b>(10,533,975)</b>	<b>(10,909,737)</b>
Income tax provision	-	-	-	-
<b>Profit/ (Loss) for the period</b>	<b>770,824</b>	<b>324,499</b>	<b>(10,533,975)</b>	<b>(10,909,737)</b>
Finance costs	-	-	-	-
<b>Increase/ (Decrease) in net assets attributable to shareholders from operations</b>	<b>770,824</b>	<b>324,499</b>	<b>(10,533,975)</b>	<b>(10,909,737)</b>

### STATEMENT OF CASH FLOWS

	Unaudited for the period ended 30 June 2021	Unaudited for the period ended 30 June 2020
<b>Net cash generated from/ (used in) operating activities</b>	<b>92,819</b>	<b>(175,170)</b>
<b>Net cash flows generated from/ (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash flows generated from/ (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>92,819</b>	<b>(175,170)</b>
Cash and cash equivalents at beginning of period	658,250	7,477,636
<b>Cash and cash equivalents at end of period</b>	<b>751,069</b>	<b>7,302,466</b>

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

2021	Net assets attributable to:			
	Class A	Class B	Class C	Total
	US\$	US\$	US\$	US\$
At 1 January 2021	56,754,976	6,822,984	100	63,578,060
Increase in net assets attributable to shareholders from operations	688,101	82,723	-	770,824
Unaudited as at 30 June 2021	57,443,077	6,905,707	100	64,348,884
Number of shares in issue	16,636,409	2,000,000	100	18,636,409
Net asset value per share	3.4529	3.4529	1	

### 2020

	Net assets attributable to:			
	Class A	Class B	Class C	Total
	US\$	US\$	US\$	US\$
At 1 January 2020				
- As previously reported	73,020,286	8,778,371	100	81,798,757
- *Effect of prior year adjustments	3,748,408	450,626	-	4,199,034
- *As restated	76,768,694	9,228,997	100	85,997,791
Decrease in net assets attributable to shareholders from operations	(9,403,502)	(1,130,473)	-	(10,533,975)
Restated Unaudited as at 30 June 2020	67,365,192	8,098,524	100	75,463,816
Number of shares in issue	16,636,409	2,000,000	100	
*Restated Net asset value per share	US\$ 4.0493	US\$ 4.0493	US\$ 1	

### NOTES

- \*Correction of errors - These are prior year adjustments. All deferred tax liabilities in all the underlying investments were added back to the NAV in the determination of the fair values of the investments. As a consequence, the net assets attributable to shareholders have been adjusted.
- The Company is required to publish interim financial results in terms of the Listing Rule 12.19 of the Stock Exchange of Mauritius Ltd ("SEM") and Section 88(1) of the Securities Act 2005. The abridged unaudited financial statements for the three months and six months ended 30 June 2021 ("abridged unaudited financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting, the SEM Listing Rules and the Securities Act 2005, using the same accounting policies as those of the audited financial statements for the year ended 31 December 2020.
- The abridged unaudited financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited financial statements were approved by the Board of Directors on 13 August 2021.
- Copies of the abridged unaudited financial statements and the Statement of direct and indirect interests of each officer of the Company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Registered Office of the Company at c/o Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius.
- This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.20. The Board accepts full responsibility for the accuracy of the information contained in this communiqué. Contact person: Mrs. Smitha Algoo-Bissonauth.

By order of the Board

Intercontinental Trust Limited  
Company Secretary  
Perigeum Capital Ltd  
SEM Authorised Representative and Sponsor

13 August 2021

