

# 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 2022

### DIRECTORS' COMMENTARY

#### COMPANY OVERVIEW

The Company is incorporated in Mauritius and holds a Global Business License 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 2022

All three properties performed well despite The World Bank's bi-annual publication, Africa's Pulse's, projection of decelerated growth in Sub-Saharan Africa (SSA) from 4% to 3.6% in 2022. The deceleration is attributed to the slowdown in the global economy, lingering effects of the coronavirus pandemic, elevated inflation, rising financial risks, continued supply disruptions, and the conflict in Ukraine.

Group focus remains on optimising operating efficiencies, lease retention strategies and rental collections. Occupancy levels have stabilized and rental revenues remain under pressure.

The Gross Asset Value remained flat at US\$95.5million, with net fair value gains from investee companies of US\$92k and dividend income of US\$725k. These funds were applied to reduce payables. Therefore, Net Asset Value per Class A share declined marginally from US\$ 2.9642 as at 31 March 2022 to US\$ 2.9541 as at 30 June 2022.

The Loan to Value Ratio (total 3rd party debt in the group divided by the group's total gross asset value) reduced slightly from 51.7% at the last reporting period to 50.03% due to capital repayments.

The Company's current asset base consists of:

- **Accra Mall (Accra, Ghana):** The mall measuring 21,384 m<sup>2</sup> offers a quality mix of local and international tenants. The occupancy rate remained at 94% as it retains its key advantages of location and size. Collections have improved in the quarter as trading improves.
- **Atlantic House (Lagos, Nigeria):** The occupancy rates of the office block measuring 4,271 m<sup>2</sup> remained at 81%. The focus continues to be the tenant retention in a highly competitive market.
- **Capital Properties (Dar es Salaam, Tanzania):** The occupancy rates of the three towers measuring 20,962 m<sup>2</sup> maintain an above average occupancy of 86% compared to the dropping market where most of the buildings record occupancy rates of between 50-70%.

#### COMPANY OUTLOOK

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

It should be noted that as the Gross Asset Value of the Company was less than US\$750 million as at 31 December 2020, the Class A Shareholders could

elect to have their shareholding repurchased by the Company. The Company provided its Class A shareholders with the exit option on 26 March 2021.

The Company is using its best endeavors to purchase the Exit Shares from the sellers specified in each Exit Notice as soon as reasonably possible but not later than two years from the date of receipt by the Company of the Exit notices.

In the event that the Company fails to purchase all the Exit Shares within the two years period, this period can be extended by a further period of six months. The Company will provide each seller with a written notice of its inability to raise the required funds. The extension period may be extended by further periods of six months by providing further extension notice.

Strategic discussions regarding a potential recapitalization are at advanced stages which may provide the required liquidity to purchase the Exit Shares.

#### 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.

### STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2022	Audited as at 31 December 2021
	US\$	US\$
<b>Assets</b>		
Financial assets at fair value through profit or loss	53,515,655	53,415,322
Other receivables and prepayments	1,444,369	1,078,242
Cash and cash equivalents	468,857	1,076,061
<b>Total assets</b>	<b>55,428,881</b>	<b>55,569,625</b>
<b>Equity</b>		
Share Capital	100	100
<b>Total equity</b>	<b>100</b>	<b>100</b>
<b>Liabilities (Excluding net assets attributable to holders of redeemable shares)</b>		
Advisory fees payable	238,154	526,061
Other payables and accruals	137,411	118,368
<b>Total liabilities</b>	<b>375,565</b>	<b>644,429</b>
Net assets attributable to holders of redeemable shares	55,053,216	54,925,096
<b>Net assets attributable to:</b>		
Class A	49,145,080	49,030,710
Class B	5,908,136	5,894,386
Net assets attributable to holders of redeemable shares	55,053,216	54,925,096

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

	Unaudited for the six months to 30 June 2022	Unaudited for the three months to 30 June 2022	Unaudited for the six months to 30 June 2021	Unaudited for the three months to 30 June 2021
	US\$	US\$	US\$	US\$
<b>INCOME</b>				
Net gain on financial assets at fair value through profit or loss	92,334	-	1,492,713	687,870
Dividend income	725,000	375,000	-	-
	817,334	375,000	1,492,713	687,870
<b>EXPENSES</b>				
Net loss on financial assets at fair value through profit or loss	-	(208,137)	-	-
Provision for impairment	-	-	(7,000)	(7,000)
Professional fees	(63,939)	(31,453)	(62,251)	(24,127)
Advisory fees	(442,253)	(190,618)	(517,484)	(260,172)
Audit fees	(29,670)	(17,882)	(20,125)	(10,062)
Bank charges	(3,431)	(2,003)	(2,086)	(1,146)
Accounting fees	(29,765)	(14,882)	(29,765)	(14,882)
Disbursements	(960)	(660)	(650)	(425)
Licence fees	(8,962)	(5,517)	(9,389)	(4,696)
Directors' fees	(67,000)	(56,000)	(37,582)	(10,582)
Other expenses	(43,106)	(36,207)	(35,245)	(30,225)
Exchange rate loss	(128)	(34)	(312)	(54)
	(689,214)	(563,393)	(721,889)	(363,371)
Profit/(Loss) before tax	128,120	(188,393)	770,824	324,499
Income tax provision	-	-	-	-
Profit/(Loss) for the period	128,120	(188,393)	770,824	324,499
Finance costs	-	-	-	-
Increase/(decrease) in net assets attributable to shareholders from operations	128,120	(188,393)	770,824	324,499

### STATEMENT OF CASH FLOWS

	Unaudited for the period ended 30 June 2022	Unaudited for the period ended 30 June 2021
	US\$	US\$
<b>Net cash (used in)/generated from operating activities</b>	<b>(599,204)</b>	<b>92,819</b>
<b>Net cash flows used in investing activities</b>	<b>(8,000)</b>	<b>-</b>
<b>Net cash flows generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(607,204)</b>	<b>92,819</b>
Cash and cash equivalents at beginning of period	1,076,061	658,250
<b>Cash and cash equivalents at end of period</b>	<b>468,857</b>	<b>751,069</b>

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

2022	Net assets attributable to:			
	Class A	Class B	Class C	Total
	US\$	US\$	US\$	US\$
At 1 January 2022	49,030,710	5,894,386	-	54,925,096
Increase in net assets attributable to shareholders from operations	114,370	13,750	-	128,120
Unaudited as at 30 June 2022	49,145,080	5,908,136	-	55,053,216
Number of shares in issue	16,636,409	2,000,000	-	18,636,409
Net asset value per share	2.9541	2.9541	-	-

### 2021

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
Effect of prior year adjustments*	-	-	(100)	(100)
As restated	56,754,976	6,822,984	-	63,577,960
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	-	64,348,784
Number of shares in issue	16,636,409	2,000,000	-	18,636,409
Net asset value per share	3.4529	3.4529	-	-

### NOTES

- \*Correction of errors - These are prior year adjustments. Share capital and Net assets attributable to holders of redeemable shares have been restated during the year 2021.
- 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 2022 ("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 2021.
- 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 12 August 2022.
- 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 and section 88 of the Securities Act of Mauritius 2005. 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

12 August 2022

