



Sacos Insurance Group
Incorporated in the Republic of the Seychelles
Registration Number 820521-1
ISIN Number: SC1311001004
Trop-X Share Code: SAC
("Sacos" or "the Company")

Profit warning announcement

The board believes that full disclosure and transparency of the financial performance of Sacos is crucial for the investing public and is fully cognizant of the need to ensure that it satisfies all of Trop-X's listing requirements. Consequently, it has deemed it necessary to make the following disclosures:

The preparation of the annual financial statements is ongoing, and as per the public announcement of 1st September 2017, are now expected to be completed by 30th September 2017. A number of factors have contributed to the delay, but the most significant being that the company has initiated an internal restructuring program in preparation for the amalgamation of its businesses in order to improve efficiencies and performance. This process was approved by shareholders, and publicised on 27th April 2017. The restructuring process has involved substantial additional work for the finance team of Sacos and ultimately for its new auditors.

The board's primary objective in this exercise is to ensure that the financial statements are fully compliant with international best practice reporting standard as set out by International Financial Reporting Standards (IFRS). Compliance with IFRS has necessitated a number of adjustments to not only the presentation of these statements, but also the fundamental assumptions that form the basis of the numbers.

Consequently, we have undertaken a comprehensive re-evaluation of all Sacos' assets, including the company's property portfolio, including those held by its subsidiaries, to bring it in line with IFRS principles. This process has meant that the book value of certain properties have been adjusted, and in certain cases the values have been adjusted downwards. The board believes these adjustments will better reflect the true position of the company, but it will not negatively impact on the long term financial performance of the Sacos Group.

Owing to the decrease in the book value of the property assets in Sacos Group's wholly owned subsidiary, Sacos Life Assurance Company Ltd, the Life business will be in a position where from an actuarial valuation perspective looking at its long term liabilities exceed its assets, impacting the solvency of the business. The underlying business remains sound and is expected to recover from this shortfall within 3 years.

In order to address this short term deficit, caused by this adjustment in property valuation, Sacos has discussed with, and received support from the FSA of its

remediation plan. The main element of the remediation, given the robustness of the underlying business, involves the sale, by the Sacos Life Assurance Company, of preference shares to Sacos Group. It is expected that this sale could be in excess of 10% of the value of the Group.

The board is enforcing a closed period for affected Sacos staff, which prohibits them from trading in Sacos shares until the audited financial statements are published. The Board will continue to keep its shareholders and general public updated in this matter.

Please contact the Sponsor Advisor if you need any clarity in this regard.

Eden Island
Seychelles
12th September 2017

Sponsor Advisor

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