Agility Real Estate 2023 Annual Report filed

Agility Real Estate Inc. ("Agility") (Euronext: AGIL) is pleased to announce that 2023 Audited Consolidated Financials have been filed with the Euronext and AFM

TAMPA, FL, ESTADOS UNIDOS, April 30, 2024 /EINPresswire.com/ -- AGILITY REAL ESTATE 2023 ANNUAL REPORT FILED

Agility Real Estate Inc. ("Agility") (Euronext: AGIL) is pleased to announce that its 2023 Annual Report and Audited Consolidated Financial Statements have been filed with the Euronext ("Euronext Amsterdam") and the Netherlands Authority for Financial Markets ("AFM"). As a Designated Foreign Issuer with respect to Canadian securities regulations, the Annual Report is intended to comply with the rules and regulations set forth by the AFM and the Euronext Amsterdam.

Copies of the Annual Report in the English language will be available at no cost at the Group's website at www.agility.realestate. Copies in the English language are available at no cost at the Group's operational office in Panama and at the offices of our local paying agent ING Commercial Banking, Paying Agency Services, Location Code TRC 01.013, Foppingadreef 7, 1102 BD Amsterdam, the Netherlands (tel: +31 20 563 6619, fax: +31 20 563 6959, email: iss.pas@ing.nl). Copies are also available on SEDAR at www.SEDAR.com.

Below are certain material excerpts from the full 2023 Annual Report the entirety of which can be found on our website at www.agility.realestate

LETTER FROM CEO

Dear Shareholders and Investors:

The below summarizes the Group's performance through December 31, 2023.

1. CHANGES IN PERFORMANCE IN 2023

In summary, Group revenue from continuing businesses increased by $958 thousand or 6.6%, while adjusted EBITDA decreased by $856 thousand or -23.6%. Consolidated Profit from continuing operations for the period is $1.3 million, a reduction of $414 thousand or 44.7% as compared with 2022 results.

A. EBITDA: Peru property EBITDA fell by $139 thousand and Nicaragua property EBITDA increased by $39 thousand, respectively, as compared to the same period in 2022. Corporate Expense increased by $756 thousand in 2023 as compared to 2022, which increase was largely due to one-time expenses and does do not reflect ongoing changes. Adjusted EBITDA decreased by $856 thousand or -23.6% through December 31, 2023 as compared to through December 31, 2022.

B. Profit / (Loss): Our Profit increased by approximately $414 thousand for the period as compared to 2022. This improvement was the result of lower interest and financing costs and higher other gains.

C. Debt: Gross debt as of December 31, 2023 decreased to $11 million from $13.2 million as compared to December 31, 2022, while Net debt increased to $7.8 million as compared to $7.2 over this period. Over the last 15 years, the Group has reduced its Gross debt by more than $160 million. Approximately $3.0 million of our Net debt is comprised of Obligations under leases and hire purchase contracts, meaning what are traditionally understood as net borrowings are now less than $5.0 million.

2. OUR PROPERTIES

In relation to our properties, the Group continues to pursue decisions that support the best interest of shareholders according to the shareholder mandate set forth in the September 21, 2016 Special Resolutions. That resolution approved that Management could exit or not its assets and could return capital to shareholders or reinvest into growth. Please read the following progress carefully.

A. Peru Real Estate Assets: As of the publication date of this 2023 Annual Report:

- The Group has successfully completed the conversion of its 66-suite hotel into condominiums. As of this Q2 2024, the Group has sold 65 of its 66 condominium units, and the final unit is now under contract. Total sales of all units and related parking have exceeded $10.7 million, which approximately $2.2 million in gains are reflected between 2022 and 2023, please refer to Note 12, Assets classified as held for sale and Discontinued Operations.

- The Group has made the decision to convert its 6,703 m2 of offices into 71 condominium apartments to commence pre-selling in this Q2 2024: Given the performance of the hotel conversion into condominium apartments, the Group has now made the decision to convert its office complex (located in the same building as the hotel conversion) into 71 condominium apartments with 40 mini store rooms and 78 parking spaces (includes parking for visitors). As of the publication of this 2023 Annual Report, we have secured master plan permits that allow the Group to begin to pre-sell units. We are now working on final construction plans. The development continues to have active office tenants, but we foresee terminating all leases within 2024 and commencing construction to convert the offices into condominiums in early 2025. The construction budget is currently forecasted to be approximately $3 million, the value of to-be-sold property to be approximately $12 million and for the project to be fully delivered and sold in 2026. All estimates are subject to further work and analysis. The Group will keep shareholders apprised.

B. Nicaragua Gaming and Real Estate Assets: As of the publication date of this 2023 Annual Report, the Group continues to own a 56% interest in a Nicaraguan holding company that owns the following assets: i) Gaming: Six gaming venues with a combined approximately 655 gaming positions; and ii) Real Estate: Approximately 4,562 m2 of land divided among 5 parcels, and some with tenant improvements are more fully detailed on page 12. At this time, the Group has no news vis-à-vis these assets, accept that they continue to perform strongly as you will note on page 13.

For now, as we continue to explore our new point of view around real estate, we have no further insights as to how freed up cash from asset sales may be managed with the exception that we intend to reduce debt to as close to zero as possible as asset sales facilitate accelerated debt principal paydown.

Peter LeSar
Chief Executive Officer
April 30, 2024

GROUP OVERVIEW
The Group's consolidated profit / (loss) summary for the twelve months ended December 31, 2023, as compared with the same period of 2022 is contained in the Group's Annual Report for year ending December 31, 2023, located at www.agility.realestate. In summary, Group revenue increased by $958 thousand or 6.6%, while adjusted EBITDA decreased by $856 thousand or -23.6%. Consolidated Profit for the period is $1.3 million, an increase of $414 thousand or 44.7% as compared with 2022 results.
RISK MANAGEMENT

For more detail on Risk Factors, see Chapter 8 of the Annual Report.

MANAGEMENT STATEMENT ON "GOING CONCERN"

Management has reviewed their plan with the Directors and has collectively formed a judgment about the going concern of the Group. In arriving at this judgment, Management has prepared the cash flow projections of the Group. Directors have reviewed this information provided by Management and have considered the information in relation to the financing uncertainties in the current economic climate, the Group's existing commitments and the financial resources available to the Group. Specifically, Directors have considered: (i) there are limited sources of new financing available to the Group; (ii) the Group has limited trading exposures to our local suppliers and retail customers; (iii) other risks to which the Group is exposed, the most significant of which is considered to be regulatory risk; (iv) sources of Group income, including management fees charged to and income distributed from its various operations; (v) cash generation and debt amortization levels; (vi) fundamental trends of the Group's businesses; (vii) ability to re-amortize and unsecured lenders; and (vii) level of interest of third parties in the acquisition of certain operating assets, and status of genuine progress and probability of closing within the Going Concern period. The Directors have also considered these critical factors that might affect continuing operations:

- Special Resolution: On September 21, 2016, the Group's shareholders approved a special resolution that, among other items, authorized the Board of Directors of the Corporate to sell "any or all remaining assets of the Corporation in such amounts and at such times as determined by the Board of Directors." This resolution facilitates the sale of any one or any combination of assets required to support maintaining of a going concern by the Group.
- Corporate Expense and Cash Flow: While it increased in 2023 over 2022, largely due to one-time expenses, Corporate expense has decreased materially in recent years but still must accommodate for compliance as a public company.
- Liquidity and Working Capital: As of the date of publication of this 2023 Annual Report, the Group forecasts to operate with higher levels of reserves and working capital than in recent years, but to create a healthy level of working capital reserves for periods beyond the Going Concern period may require the sale of additional assets.

In part, the Group believes that it is in a stronger position to sustain going concern as of the publication date of this 2023 Annual Report as compared to 2022 and that an improving trend has been in place for the last three years. Below are other events that could support increased liquidity and reduced risk of Going Concern.

- The Group has made the decision to convert its 6,703 m2 of offices into 71 condominium apartments to commence pre-selling in this Q2 2024: Given the performance of the hotel conversion into condominium apartments, the Group has now made the decision to convert its office complex (located in the same building as the hotel conversion) into 71 condominium apartments with 40 mini store rooms and 78 parking spaces (includes parking for visitors). As of the publication of this 2023 Annual Report, we have secured master plan permits that allow the Group to begin to pre-sell units. We are now working on final construction plans. The development continues to have active office tenants, but we foresee terminating all leases within 2024 and commencing construction to convert the offices into condominiums in early 2025. The construction budget is currently forecasted to be approximately $3 million, the value of to-be-sold property to be approximately $12 million and for the project to be fully delivered and sold in 2026. All estimates are subject to further work and analysis. The Group will keep shareholders apprised.
- Other liquidity events: The Group continues to work with unsecured lenders and, in some cases, to negotiate payment plans and balances that meet the Group's cash flow. If the Group is not able to create other liquidity events from its remaining Peru, Costa Rica and Nicaragua assets in 2023-2024, it is reasonable to expect that some unsecured lenders may pursue years of litigation at that time, though as to whether this would then have an impact on Going Concern is hard to assess. Regardless, the amount of remain borrowings has been greatly reduced.

Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to mitigate the uncertainty and that the Group is able to continue as a going concern for at least the 12 months following the filing date of this report. For these reasons, Management and Directors have therefore prepared the consolidated financial statements on a going concern basis.

AGILITY REAL ESTATE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Expressed in thousands of United States dollars) for the year ended December 31, 2023 were approved by the Board of Directors on April 30, 2024 and are contained in the 2023 Annual Report posted at www.agility.realestate. The consolidated financial statements and the accompanying notes are an integral part of these consolidated financial statements.

ABOUT THE COMPANY

Agility Real Estate Inc., formerly Thunderbird Resorts Inc., is an international real estate developer, owner and operator specialized in emerging markets. Additional information is available at www.agility.realestate.

Contact: Peter Lesar, Chief Executive Officer Email: peter@agility.realestate

Cautionary Notice: Cautionary Notice: The Annual Report referred to in this release contains certain forward-looking statements within the meaning of the securities laws and regulations of various international, federal, and state jurisdictions. All statements, other than statements of historical fact, included in the Annual Report, including without limitation, statements regarding potential revenue and future plans and objectives of Agility Real Estate are forward-looking statements that involve risk and uncertainties. There can be no assurances that such statements will prove to be accurate and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Agility Real Estate's forward-looking statements include competitive pressures, unfavorable changes in regulatory structures, and general risks associated with business, all of which are disclosed under the heading "Risk Factors" and elsewhere in Agility Real Estate's documents filed from time-to-time with the Euronext Amsterdam and other regulatory authorities. Included in the Annual Report are certain "non-IFRS financial measures," which are measures of Agility Real Estate’s historical or estimated future performance that are different from measures calculated and presented in accordance with IFRS, within the meaning of applicable Euronext Amsterdam rules, that are useful to investors. These measures include (i) Property EBITDA consists of income from operations before depreciation and amortization, write-downs, reserves and recoveries, project development costs, corporate expenses, corporate management fees, merger and integration costs, income/(losses) on interests in non-consolidated affiliates and amortization of intangible assets. Property EBITDA is a supplemental financial measure we use to evaluate our country-level operations. (ii) Adjusted EBITDA represents net earnings before interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests, development costs, and gain on refinancing and discontinued operations. Adjusted EBITDA is a supplemental financial measure we use to evaluate our overall operations. Property EBITDA and Adjusted EBITDA are supplemental financial measures used by management, as well as industry analysts, to evaluate our operations. However, Property and Adjusted EBITDA should not be construed as an alternative to income from operations (as an indicator of our operating performance) or to cash flows from operating activities (as a measure of liquidity) as determined in accordance with generally accepted accounting principles.

Peter LeSar
Agility Real Estate
email us here
