AGILITY REAL ESTATE 2024 HALF-YEAR REPORT

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TAMPA, FL, UNITED STATES, September 30, 2024 /EINPresswire.com/ -- Agility Real Estate Inc. ("Agility") (Euronext: AGIL) is pleased to announce that its 2024 Half-year 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 2024 Half-year Report is intended to comply with the rules and regulations set forth by the AFM and the Euronext Amsterdam.

Copies of the 2024 Half-year 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 2024 Half-year 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 June 30, 2024.

1. CHANGES IN PERFORMANCE IN 2024

The below summarizes the Group's performance through June 30, 2024 based on continuing operations.

A. EBITDA: Property EBITDA increased by $125 thousand and adjusted EBITDA by $564 thousand over the same period in 2023, driven by higher revenues and reduced corporate expenses.

B. Profit / (Loss): Profit increased by $356 thousand as compared to Half-year 2023, lifted by improved adjusted EBITDA and foreign exchange gains.

C. Net Debt: Borrowing balances as of June 30, 2024 had nil movement as compared to year-end 2023. Net debt in the period increased by approximately $1.4 million due to increases in obligations under lease contracts and because we deployed cash to sustain borrowing balances and to cover one-time expenses. Material improvements in debt were achieved post June 30, 2024 as further described below.

2. MATERIAL UPDATES ON OUR ASSETS

In relation to our real estate and operating assets, 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 carefully.

A. Costa Rica Asset Sale & Escrow Settlement: As announced in our press release dated August 21, 2024, the Group has sold its 50% ownership in a Costa Rican property commonly referred to as “Tres Rios”. The Company has also settled on an escrow for its previous sale of assets in Costa Rica. In total, the Company received a net of $6.0 million between both transactions.

B. Improvement in New Debt: Between August 2024 and September 2024, the Group reduced Borrowings by approximately $3.0 million, while adding additional cash from its Costa Rica asset sale. See the Net Debt table and its embedded note on page 8 for more detail.

C. Peru Office-to-Apartment Conversion: Given that the Group had successfully sold out its hotel conversion into 66 condominium apartments, the Group previously announced its decision to convert its 6,703 m2 of office complex (located in the same building as the hotel conversion) into 71 condominium apartments with 40 small store rooms and 78 parking spaces, that we would begin to pre-sell units in Q2 2024. The Group is pleased to announce that it has now has pre-sold 14 of its 71 condominium units at an average price of $118 thousand and 7 of its 78 parking spaces at an average price of $14.6 thousand. In Peru, smaller units tend to pre-sell more quickly, and we therefore expect the average price of new pre-sales to rise from here forward. The Group forecasts approximately $12 million in total sales and that it will require $3M in interim construction loan finance to complete the renovations. We are now working on final construction plans. The development continues to have office tenants, and we foresee terminating all leases by the end of Q1 2025 and commencing construction to convert the offices into condominiums in Q2 2025. The Group will keep shareholders apprised.

D. Nicaragua Gaming and Real Estate Assets: As of the publication date of this 2024 Half-year 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 is evaluating expansion opportunities of these businesses given that they continue to perform strongly as noted on page 11. If and as any expansion plans are consolidated, the Group will report back to investors at that time.

3. OTHER MATERIAL UPDATES

The Group announces the following:

A. Execution of 50:1 reverse split: As announced in our press release dated August 21, 2024, the Group's Board of Directors has approved a resolution to consolidate shares in a 50:1 reverse split on the basis of one (1) post consolidation shares for every fifty (50) pre-consolidation common shares. That 50:1 reverse split has now occurred as of the September 27, 2024 ex-date. The trading symbol remains "AGIL". The new ISIN post reverse split is VGG885761301. Shareholders may write to our General Counsel Yazmina Escobar at yazmina@agility.realestate if they have questions. The rational of the Group in executing on a 50:1 reverse split was to enhance tradability, lower transaction costs as a percentage of share price and because the Group believes that a higher share price may be a factor in Group reputation, in financing and in aligning with changes in corporate strategy if and as they evolve.

B. Officer Purchase of Shares: As announced in our press release dated August 21, 2024, Agility's Board of Directors has now approved the issuance of new shares for sale to company officers equal to 10% of the post 50:1 consolidation of issued shares. Shares are to be priced at $2.72 and are payable by officers to the Company based on a 36-month maximum term at an interest rate of 3%. The purchase by officers of newly issued shares should signal to the market that officers believe in Agility's future potential and are willing to invest their own financial interest in it.

GROUP OVERVIEW: The Group's consolidated profit/ (loss) summary for the six months ended June 30, 2024, as compared with the same period of 2023 is contained in the Group's 2024 Half-year Report located at www.agility.realestate.

During the half-year ended June 30, 2024, the Group engaged in the following material events:

1. Peru Real Estate: As of the date of publication of this 2024 Half-year Report, the Group has completed the sale of the 66-unit condominium apartment complex. The Group now has no debt in Peru, and made the decision to convert its 6,703 m2 of offices into 71 condominium apartments. Pre-selling started in Q2.

2. Due from Related Parties: The Group charges management, marketing, administration and royalty fees to its subsidiaries and joint ventures. The income and expenses associated with management fees between subsidiaries have been eliminated in their entirety in these consolidated financial statements. The related party receivable represents amounts due from the Group's partners in its non-wholly owned subsidiaries. All receivables are non-interest

bearing and are due on demand by the Group. The Group has not provided for an allowance against these amounts as these amounts are deemed collectible by the Group.

Included in due from related parties is $2,156,000 (2023 – $2,132,000) due from our Costa Rica joint ventures which are accounted for under the equity method, these receivables are non-interest bearing and are due on demand by the Group. Balances will be settled upon the sale of certain real estate in Costa Rica, and reflected in our next reporting cycle.

3. Due to Related Parties: Included in due to related parties are amounts due to the Group's Nicaraguan partners $207,000 (2023 – $207,000) for their portion of the accrued, but not yet paid management fees from the Nicaraguan entity.
Transaction with Officers and Directors included within borrowings: Salomon Guggenheim, who previous to mid-2013 held only the roles of Director and advisor to the Group, is a director and not a beneficial owner in a company called India Ltd. The Group has been loaned various amounts by India Ltd. Please see Officer related party in the table referenced in Note 13 for amount due and interest paid to India Ltd. during 2024 and 2023.

From the six months ended June 30, 2024 until the date of publication of this 2024 Half-year Report, the Group has engaged in the following material events:

1. Costa Rica-CIRSA Escrow Claim: In relation to this section contained in the Commitments and Contingencies Note: Buyer and Sellers arrived in Q3 to a settlement, in which the major part of the funds in escrow were released among the Parties, leaving in escrow the amount of US$125,000 to cover a tentative judicial legal fee product of a pending tax case in a San Jose, Costa Rica Tribunal.

2. Costa Rica assets sale: In Q3, Agility successfully sold its ownership in the Costa Rica entity King Lion Network for the amount of US$5,400,000. At the time of the sale of shares, King Lion Network was the owner of a partially developed land in Tres Rios.

3. Debt payment: The Group reduced borrowings from approximately $7.8 million as of December 31, 2023 to an estimated $4.7 million as of August 2024.

4. Reverse Split: During Q3 2024, the Board of Directors of the Company approved a 50:1 reverse stock split of the issued and outstanding shares of common stock of the Company with an effective date on September 27, 2024.

RISK MANAGEMENT: For more detail on Risk Factors, see Chapter 5 of the Group's 2024 Half-year 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: Corporate expense has been decreased, but still must accommodate for compliance as a public company.

• Liquidity and Working Capital: As of the date of publication of this 2024 Half-year 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 2024 Half-year Report as compared to the same period in 2023 and that an improving trend has been in place for several 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 that the Group had successfully sold out its hotel conversion into 66 condominium apartments, the Group previously announced its decision to convert its 6,703 m2 of office complex (located in the same building as the hotel conversion) into 71 condominium apartments with 40 small store rooms and 78 parking spaces, that we would begin to pre-sell units in Q2 2024. The Group has now pre-sold 14 of its 71 condominium units at an average price of $118 thousand and 7 of its 78 parking spaces at an average price of $14.6 thousands. In Peru, smaller units tend to pre-sell more quickly, and we therefore expect the average price of new pre-sales to rise from here forward. The Group forecasts approximately $12 million in total sales and that it will require $3M in interim construction loan finance to complete the renovations. We are now working on final construction plans. The development continues to have office tenants, and we foresee terminating all leases by the end of Q1 2025 and commencing construction to convert the offices into condominiums in Q2 2025.

• Other liquidity events: The Group continues to work with a reducing number of 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, and Nicaragua assets in 2024-2025, 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 and cash reserves have been increased.

Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources 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 half-year ended June 30, 2024 were approved by the Board of Directors on September 30, 2024 and are contained in the 2024 Half-year Report posted at www.agility.realestate.

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Agility Real Estate
email us here