.Agora Business Centre, Level 3, Valley Road, Msida MSD 9020, Malta

www.agora-estates.com | info@agora-estates.com

Co. Reg. No. C 91408

COMPANY ANNOUNCEMENT

Reference:	AGR 14/2025
Date:	14 January 2024
Capital Markets Rule:	5.16

The following is a Company Announcement issued by Agora Estates p.l.c. (the ***"Company"****) pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta), as amended from time to time.*

Information to the Market – Corrective Note

Quote

The Company refers to company announcement AGR05/2024 issued on 16 April 2024 in relation to the approval of audited financial statements for the financial year ended 31 December 2023.

The published 'Annual Report and Consolidated Financial Statements' included disclosures which were not updated in the Notes to the Consolidated Financial Statements as outlined below. The results presented in the Consolidated Financial Statements, including the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Statement of Financial Position, were correctly reported.

Consolidated Statement of Cash Flows

Long-term and short-term borrowings, subsidiaries and other related parties were disclosed as net movements. These figures are being updated to reflect the corresponding gross inflows and outflows for each of these net movements. However, the net movement in cash and cash equivalents was correctly reported. The updated Consolidated Statement of Cash Flows is being reproduced hereunder.

Note 1 Accounting policies

Specifically, in Accounting policy i. Leases, disclosures relating to the assessment of the transfer of the risks and rewards of ownership were inadvertently omitted. The updated Note 1 Accounting policy i. Leases is being reproduced hereunder.

Note 11 Goodwill

A disclosure relating to the allocation of goodwill to cash generating units and information relating to the impairment assessment were inadvertently omitted. However, the value of the goodwill was correctly reported. The updated Note 11 Goodwill is being reproduced hereunder.

Note 12 Investment properties

Information relating to the valuation techniques, corresponding judgements and sensitivities of the fair value of the investment properties were inadvertently omitted. The updated Note 12 Investment properties is being reproduced hereunder.

Note 15 Trade and other receivables

Amounts due from subsidiaries was reported as unsecured, interest free and repayable on demand erroneously excluding to specify that an amount due from a subsidiary amounting to €3,000,000 is unsecured, subject to interest of 2% per annum and repayable on demand but by not later than 27 February 2024. The updated Note 15 Trade and other receivables is being reproduced hereunder.

Note 16 Investment in financial assets

Additional disclosures relating to the loan to third party are being included in the note. The updated Note 16 Investment in financial assets is being reproduced hereunder.

Note 27 Financial risk management

The figures in the note inadvertently excluded contractual interest cash flows. The disclosure is being updated to reflect the cash flows including the contractual interest cash flows. The updated Note 27 Financial risk management is being reproduced hereunder.

The Issuer is hereby publishing an updated 'Annual Report and Consolidated Financial Statements' of the Company for the financial year ended 31 December 2023. This document shall supersede the audited financial statements already published.

A copy of the updated 'Annual Report and Consolidated Financial Statements' of the Company are available for viewing on https://agora-estates.com/investor-relations/. The Company apologises for any inconvenience caused.

Unquote

By order of the Board of Directors of the Company

Audrey Anne Hughes
Company Secretary

Consolidated Statement of Cash Flows

	Notes	**The Group 2023 €**	The Group 2022 €	**The Company 2023 €**	The Company 2022 €
Operating activities					
Cash generated from/(used in) operating activities	24	**955,344**	740,235	**(306,080)**	(1,963)
Other income	6	**152,696**	45,846	**-**	-
Tax paid	23	**(99,549)**	(207,658)	**-**	-
Net cash generated from/(used in) operating activities		**1,008,491**	578,423	**(306,080)**	(1,963)
Investing activities					
Interest received		**53**	86,252	**48,667**	-
Purchase of intangible assets	9	**(8,050)**	(3,680)	**-**	(3,680)
Additions, development and other capitalised costs of investment properties	12	**(1,334,981)**	(6,895,717)	**-**	-
Purchase of property, plant and equipment	10	**(263,050)**	-	**-**	-
Purchase of financial assets		**(182,603)**	-	**-**	-
Advances to subsidiaries		**-**	-	**(3,405,985)**	-
Advances from subsidiaries		**-**	-	**218,141**	3,613
Net cash used in investing activities		**(1,788,631)**	(6,813,145)	**(3,139,177)**	(67)

Consolidated Statement of Cash Flows – continued

	Notes	**The Group 2023 €**	The Group 2022 €	**The Company 2023 €**	The Company 2022 €
Financing activities					
Interest paid		**(422,193)**	(188,441)	**(175)**	-
Advances to other related parties		**(3,017,237)**	(344,815)	**(19,401)**	-
Advances from other related parties		**2,005,024**	3,931,336	**441,860**	2,030
Advances to ultimate parent company		**(1,200,490)**	(885,945)	**(4,612)**	-
Advances to ultimate beneficial owner		**(244,015)**	(102,849)	**-**	-
Advances from ultimate beneficial owner		**615,767**	312,436	**-**	-
Advances from issue of zero-coupon secured callable notes		**3,148,800**	-	**3,148,800**	-
Drawdowns from bank facilities		**438,000**	3,675,000	**-**	-
Repayments of bank borrowings		**(239,823)**	(801,494)	**-**	-
Net cash generated from financing activities		**1,083,833**	5,595,228	**3,566,472**	2,030
Movement in cash and cash equivalents		**303,693**	(639,494)	**121,215**	-
Cash and cash equivalents at beginning of year		**(175,885)**	463,609	**-**	-
Cash and cash equivalents at end of year	25	**127,808**	(175,885)	**121,215**	-

Notes to the Financial Statements

1. Accounting policies

i. Leases

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Under a finance lease, the lessee has substantially transferred all of the risks and rewards of ownership. The following considerations are made by the Board of Directors in determining whether a lease transfers substantially all the risk and rewards:

- The lease transfers ownership of the asset to the lessee by the end of the lease term;
- The lease term is for the major part of the economic life of the asset, even if title is not transferred;
- At inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- The leased assets are of a specialised nature such that only the lessee can use them without major modifications being made;
- If the lessee is entitled to cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee; and
- Gains and losses from fluctuations in the fair value of the residual fall to the lessee.

All the Group's leases are operating leases. Lease agreement entered into by the Group do not include an option for the lessee to purchase the asset hance the risk and rewards incidental to ownership are not substantially transferred to the lessee, classifying the lease as an operating lease.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

11. Goodwill

The Group	**€**
Movements for the year ended 31 December 2022	
Opening/closing net book amount	**3,241,988**
At 31 December 2022	
Net book amount	**3,241,988**
Movements for the year ended 31 December 2023	
Opening/closing net book amount	**3,241,988**
At 31 December 2023	
Net book amount	**3,241,988**

The Board of Directors has determined that the Group constitutes a single reporting segment based on its activities; therefore, the carrying amount of goodwill has been wholly allocated to this segment, which is the only cash generating unit.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of this cash generating unit is determined based on a value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The Board of Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the operations. The growth rates are based on industry growth forecasts whilst changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill includes:

- Forecasted projected cash flows for the next 5 years and projection of terminal value using the perpetuity method;
- Growth rate of 3% (2022: 3%); and
- Use of 5.5% (pre-tax) (2022: 5.5% (pre-tax)) to discount the projected cash flows to net present values.

Based on the above assessment, the Board of Directors expect the carrying amount of goodwill to be recoverable and there is no impairment in value of the goodwill.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for cash generated unit to which goodwill is allocated. The Board of Directors believe that any reasonable possible change in the key assumption on which the recoverable amount of goodwill is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related cash generating unit.

12. Investment properties

The Group

	2023	2022
	€	€
Movements for the year ended 31 December		
Opening net book amount	**43,585,332**	34,613,000
Additions and development costs	**817,922**	5,852,412
Other capitalised costs	**517,059**	1,043,305
Transfers to inventory	**-**	(923,007)
Fair value gains for the year	**2,135,334**	2,999,622
Closing net book amount	**47,055,647**	43,585,332
At 31 December		
Cost	**24,269,646**	22,934,665
Net fair value gains	**22,786,001**	20,650,667
Net book amount	**47,055,647**	43,585,332

The transfers to inventory during the prior year relates to the transfer of properties resulting from a change in use, following management's assessment of whether the property meets, or ceases to meet, the definition of investment property.

Fair value of investment properties

The Group's investment properties were revalued by an independent architect during the year 2023. It is the Group's policy to revalue its investment properly every two years. The architect is qualified and has experience in valuation of properties. The valuation conforms to Royal Institution of Chartered Surveyors (RICS) and the fair value was determined based on the future rental cash flows. Any revaluation gain/loss net of applicable deferred income taxes is credited/charged to profit or loss for the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. For each property under revaluation, rental values were used and capitalized to determine the open market value. Valuers also considered all factors affecting the property's value, including size, location and finishes, in order to arrive at an accurate property valuation. There has been no change to the valuation technique during the year.

For properties which did not have market valuations performed by an independent professional architect for the year, advice is regularly sought from the independent professional architect to ensure that the fair value of these investment properties reflect the current market conditions. Based on these assessments, the Board of Directors are of the opinion that the fair value determined in this assessment is appropriate estimate of the fair value as at 31 December 2023.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

12. Investment properties – continued

The Group's investment properties have been determined to fall within Level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in Note 1. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year. Details of the investment properties and information about the fair value hierarchy as at the end of year is as follows:

				Range of significant unobservable inputs	
Description	**Fair value at 31 December**		**Valuation technique**	**Rental value**	**Capitalisation rates %**
	2023 €	2022 €			
Commercial property	**47,055,647**	43,585,332	**Future rental cash flows**	**€35 to €150 per square metre**	**5 - 6**

A slight increase in the capitalisation rate used would result in a significant decrease in fair value and vice versa and a significant increase in the market rent used would result in a significant increase in fair value, and vice versa.

The following amounts have been recognised in the consolidated statement of profit or loss and other comprehensive income in respect of investment properties:

	2023 €	2022 €
Rental income	**845,058**	530,510

15. Trade and other receivables

	The Group 2023 €	The Group 2022 €	**The Company 2023 €**	The Company 2022 €
Non-current				
Amount due from subsidiaries (Note iii)	**-**	-	**3,650,200**	7,230,306
Current				
Trade receivables (Note i)	**320,717**	57,804	**-**	-
Amounts due from subsidiaries (Note ii)	**-**	-	**6,932,576**	-
Amounts due from other related parties (Note ii)	**97,571**	257,394	**-**	-
Amounts due from ultimate parent company (Note ii)	**-**	29,246	**-**	-
Amounts due from ultimate beneficial owner (Note ii)	**-**	-	**4,612**	-
Other receivables	**702,141**	1,570,605	**-**	-
Prepayments and accrued income	**823,457**	352,598	**305,681**	48,226
	1,943,886	2,267,647	**7,242,869**	48,226

Notes:

i. Trade receivables disclosed above are inclusive of amounts that are past due at the end of the reporting year for which the Group has not recognised an allowance and the amounts are still considered recoverable.

ii. Amounts due from subsidiaries, other related parties, ultimate parent company and ultimate beneficial owner are unsecured, interest free and are repayable on demand, except for amounts due from subsidiary amounting to €3,000,000 which is unsecured, subject to interest of 2% per annum and repayable on demand but by not later than 27 February 2024.

iii. Amount due from subsidiaries are unsecured and interest free. Given that it is the Board of Directors' intention to allow the subsidiaries to retain funds for operational purposes and there is no fixed repayment schedule nor a contractual obligation to repay within a specific timeframe. Therefore, there is no expectation for any repayments within the next twelve months from the separate statement of financial position date.

16. Investment in financial assets

	2023	2022
	€	€
Financial assets measured at amortised cost		
Loan to third party	**183,865**	-

The financial asset is secured, bears interest of 5% per annum and is repayable by 4 October 2033.

The maximum exposure to credit risk is the carrying amount of the loan €183,865 (2022: €Nil). Such asset is secured by a property which value significantly exceeds the present value of the loan. The expected credit losses probability of default is considered to be zero. There are no significant interest rate or fair value risks related to the loan since market rates will not fluctuate significantly over the loan's term. The third party will be able to repay the loan through the sale of such secured property.

27. Financial risk management

Overview

The Group and the Company has an exposure to the following risks arising from the use of financial instruments within its activities:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's and the Company's exposure to each of the above risks, policies and processes for measuring and managing risk, and the Group's and the Company's management of capital. Further quantitative disclosures are included in these consolidated financial statements. The responsibility for the management of risk is vested in the Board of Directors. Accordingly, it is the Board of Directors who have the overall responsibility for establishing an appropriate risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and the Company's trade and other receivables and cash and cash equivalents held at banks. The carrying amounts of financial assets represent the maximum credit exposure.

The Group and the Company assesses the credit quality of its customers by taking into account their financial standing, past experience, any payments made post reporting date and other factors, such as bank references and the customers' financial position.

Management is responsible for the quality of the Group's and the Company's credit portfolios and has established credit processes involving delegated approval authorities and credit procedures, the objective of which is to build and maintain assets of high quality.

The Group's and the Company's policy is to deal only with credit worthy counterparties. The credit terms are generally 30 days. The Group and the Company regularly review the ageing analysis together with the credit limits per customer.

Impairment of Trade and other receivables

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. Management considers the probability of default from such trade and other receivables not to be material. In view of this, the amount calculated using the 12-month expected credit loss model is considered to be insignificant. Therefore, based on the above, no loss allowance has been recognized by the Group and the Company.

27. Financial risk management – continued

***Credit risk** – continued*

Cash and cash equivalents

The cash and cash equivalents held with banks as at 31 December 2023 and 2022 are callable on demand and held with local financial institutions with high quality standing or rating. Management considers the probability of default from such banks to be insignificant. Therefore, based on the above, no loss allowance has been recognized by the Group and the Company.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Generally, the Group and the Company ensures that it has sufficient cash on demand to meet expected operational expenditure, including the servicing of financial obligations.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity grouping based on the remaining period at the end of the reporting period to the contractual maturity date.

The Group

As at 31 December 2023	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €	Carrying amount €
Interest-bearing borrowings	8,414,830	972,139	2,166,732	2,215,225	13,768,925	12,730,285
Trade and other payables	6,261,337	-	-	-	6,261,337	6,261,337
Current taxation	247,271	-	-	-	247,271	247,271
	14,923,438	**972,139**	**2,166,732**	**2,215,225**	**20,277,533**	**19,238,893**

As at 31 December 2022	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €	Carrying amount €
Interest-bearing borrowings	10,175,502	1,109,406	2,738,749	1,725,722	15,749,380	14,418,683
Trade and other payables	5,677,530	-	-	-	5,677,530	5,677,530
Current taxation	299,806	-	-	-	299,806	299,806
	16,152,838	**1,109,406**	**2,738,749**	**1,725,722**	**21,726,716**	**20,396,019**

27. Financial risk management – continued

***Liquidity risk** – continued*

The Company

As at 31 December 2023	**Less than 1 year €**	**Between 1 and 2 years €**	**Between 2 and 5 years €**	**Over 5 years €**	**Total €**	**Carrying amount €**
Interest-bearing borrowings	3,312,800	-	-	-	3,312,800	3,285,470
Trade and other payables	1,700,758	-	-	-	1,700,758	1,700,758
	5,013,558	**-**	**-**	**-**	**5,013,558**	**4,986,228**

As at 31 December 2022	**Less than 1 year €**	**Between 1 and 2 years €**	**Between 2 and 5 years €**	**Over 5 years €**	**Total €**	**Carrying amount €**
Trade and other payables	8,113	-	-	-	8,113	8,113

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, will affect the fair value or future cash flows of a financial instrument. The objective of market risk is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective Group's and the Company's functional currency. The Group and the Company is not exposed to significant foreign exchange risk arising from the Group's and Company's financing transactions as assets and liabilities are principally denominated in Euro and the Group and the Company is not exposed to foreign exchange risk arising on trading transactions as these are principally conducted in Euro.

The Group's and the Company's cash and cash equivalents, borrowings, loans and receivables, and payables are denominated in Euro.

Accordingly, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

27. **Financial risk management** – continued

***Market risk** – continued*

ii) Cash flow and fair value interest rate risk

The Group’s and the Company’s income and operating cash flows are substantially independent of changes in market interest rates. The Group’s and the Company’s interest rate risk arises from borrowings.

Borrowings issued at variable rates, comprising bank borrowings (refer to Note 20), expose the Group and the Company to cash flow interest rate risk. Certain Group’s and Company’s borrowings are subject to an interest rate that varies according to revisions made to the Bank’s base rate.

Management monitors the level of floating rate borrowings as a measure of cash flow risk taken on. Interest rates on these financial instruments are linked with the Central Intervention Rate issued by the European Central Bank. Management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial. Up to the end of the reporting period, the Group and the Company did not have any hedging arrangements with respect to the exposure of floating interest rate risk.

The Group and the Company has also bank borrowings and bank overdraft issued at fixed rates (Note 20). These bank loans do not expose the Group and the Company to cash flow interest rate risk.

Capital management

It is the policy of the Board of Directors to maintain an adequate capital base in order to sustain the future development of the business and safeguard the ability of the Group and the Company to continue as a going concern. In this respect, the Board of Directors monitor the operations and results of the Group and the Company, and also monitor the level of dividends, if any, payable to the ordinary shareholders. The Group and the Company are not subject to externally imposed capital requirements. There were no changes in the Group’s and the Company’s approach to capital management during the year.

Fair values

At 31 December 2023 and 2022 the carrying amounts of cash at bank, receivables, payables and accrued expenses and short-term borrowings reflected in the consolidated and separate financial statements are reasonable estimates of fair value. The fair values of loans are not materially different from their carrying amounts.