

Schedule 2
FORM ECSRC-OR

(Select One)

☐ **QUARTERLY FINANCIAL REPORT** for the period ended 30, September 2024
Pursuant to Section 98(2) of the Securities Act, 2001

OR

☐ **TRANSITION REPORT**

for the transition period from to

Pursuant to Section 98(2) of the Securities Act, 2001

(Applicable where there is a change in reporting issuer's financial year)

Issuer Registration Number: 345640

GRENREAL PROPERTY CORPORATION LIMITED

(Exact name of reporting issuer as specified in its charter)

(Territory or jurisdiction of incorporation)

P.O. BOX 1950, MELVILLE STREET, ST. GEORGE, GRENADA, W.I.

(Address of principal executive Offices)

Reporting issuer's:

Telephone number (including area code): +14734358372

Fax number: 1-473-435-8373

Email address: lindy.mcleod@grenreal.com

''

(Former name, former address and former financial year, if changed since last report)

(Provide information stipulated in paragraphs 1 to 8 hereunder)

Indicate the number of outstanding shares of each of the reporting issuers classes of common stock, as of the date of completion of this report 0.

CLASS	NUMBER
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SIGNATURES

A Director, the Chief Executive Officer and Chief Financial Officer of the company shall sign this Annual Report on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

Lindy Smith-Mc Leod



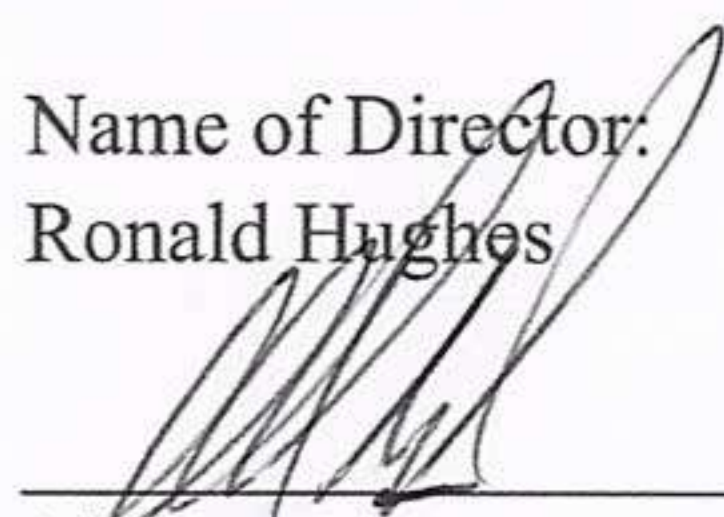
Signature:

Oct-21-2024

Date

Name of Director:

Ronald Hughes



Signature:

Oct-21-2024

Date

Name of Chief Financial Officer:

Nerisa John



Signature

Oct-21-2024

Date

1. Financial Statements.

Provide Financial Statements for the period being reported in accordance with International Accounting Standards. The format of the financial statements should be similar to those provided with the registration statement. Include the following:

1. Condensed Balance Sheet as of the end of the most recent financial year and just concluded reporting period.
2. Condensed Statement of Income for the just concluded reporting period and the corresponding period in the previous financial year along with interim three, six and nine months of the current financial year and corresponding period in the previous financial year.
3. Condensed Statement of Cash Flows for the just concluded reporting period and the corresponding period in the previous financial year along with the interim three, six and nine months of the current financial year and the corresponding period in the previous financial year.
4. By way of *Notes to Condensed Financial Statements*, provide explanation of items in the financial statements and indicate any deviations from generally accepted accounting practices.

2. Management's Discussion and Analysis of Financial Condition and Results of Operation.

Discuss the reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations during the reporting period. Discussions of liquidity and capital resources may be combined whenever the two topics are interrelated. Discussion of material changes should be from the end of the preceding financial year to the date of the most recent interim report.

The Management's Discussion and Analysis should disclose sufficient information to enable investors to judge:

1. The quality of earnings;
2. The likelihood that past performance is indicative of future performance; and
3. The issuer's general financial condition and outlook.

It should disclose information over and above that which is provided in the management accounts and should not be merely a description of the movements in the financial statements in narrative form or an otherwise uninformative series of technical responses. It should provide management's perspective of the company that enables investors to view the business from the vantage point of management.

The discussion should focus on aspects such as liquidity; capital resources; changes in financial condition; results of operations; material trends and uncertainties and measures taken or to be taken to address unfavourable trends; key performance indicators; and non-financial indicators.

General Discussion and Analysis of Financial Condition

Grenreal Property Corporation Ltd. (Grenreal) continues to perform well on most indicators.

Over the year 2024, Grenreal made fixed asset investments. In particular, the company purchased and commissioned 6 new Air-conditioning packaged units. Grenreal also made a deposit for the installation of a new comprehensive fire alarm system.

Grenreal's total income for the quarter ended September 30th, 2024 increased by \$30,207.29 as compared to the quarter ended September 30th, 2023. Despite the cruise ship season being closed, the malls continue to enjoy an increase in local throughput and patronage from stay-over visitors on the island. This was especially evident during the quarter under review as Grenada had its carnival season. There were various carnival related activities held at the Esplanade Mall Courtyard which attracted crowds to the malls.

Total operating and general expenses had a 13.05% increase at the end of the quarter ended September 2024 in comparison to the quarter ended September 2023.

Although there has been an increase in income and also an increase in expenses for the quarter ended September 30th, 2024, management is pleased that the company was able to achieve a net profit of \$182,715.00, an increase of \$21,629.17 even after interest and depreciation charges. Grenreal anticipates a further increase in profit as off-season discounts are to be removed as cruise ship season commences at the end of October 2024 and ends in April 2025.

Liquidity and Capital Resources

Provide a narrative explanation of the following (but not limited to):

- i. The reporting issuer's financial condition covering aspects such as liquidity, capital resources, changes in financial condition and results of operations.
- ii. Any known trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, the issuer's liquidity increasing or decreasing in any material way. If a deficiency is identified, indicate the course of action that the reporting issuer has taken or proposes to take to remedy the deficiency.
- iii. The issuer's internal and external sources of liquidity and any material unused sources of liquid assets
- iv. Provisions contained in financial guarantees or commitments, debt or lease agreements or other arrangements that could trigger a requirement for an early payment, additional collateral support, changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.
- v. Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could

changes in terms, acceleration of maturity, or the creation of an additional financial obligation such as adverse changes in the issuer's financial ratios, earnings, cash flows or stock price or changes in the value of underlying, linked or indexed assets.

- v. Circumstances that could impair the issuer's ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential or that could render that activity commercially impracticable such as the inability to maintain a specified level of earnings, earnings per share, financial ratios or collateral.
- vi. Factors specific to the issuer and its markets that the issuer expects will affect its ability to raise short-term and long-term financing, guarantees of debt or other commitment to third parties, and written options on non-financial assets.
- vii. The relevant maturity grouping of assets and liabilities based on the remaining period at the balance sheet date to the contractual maturity date. Commentary should provide information about effective periods and the way the risks associated with different maturity and interest profiles are managed and controlled.
- viii. The issuer's material commitments for capital expenditures as of the end of the latest fiscal period, and indicate the general purposes of such commitments and the anticipated source of funds needed to fulfil such commitments.
- ix. Any known material trends, favorable or unfavorable, in the issuer's capital resources, including any expected material changes in the mix and relative cost of capital resources, considering changes between debt, equity and any off-balance sheet financing arrangements.

Discussion of Liquidity and Capital Resources

At the end of the quarter ended September 30th, 2024, Grenreal's working capital ratio was 1.31:1 in comparison to the quarter ended September 30th, 2023, 1.16:1. There have been decreases both in current liabilities and current assets at the end of the third quarter 2024. Grenreal ceased making provisions for income and stamp tax on a monthly basis, thereby causing the decrease in current liabilities for the period. During the year 2024, there were major projects started in the malls. This is attributed to the decrease in the bank balance at the end of the quarter, namely, payments for new air conditioning units for the malls and fire alarm system (2024: \$1,377,503; 2023: \$1,487,509).

In terms of the receivables and prepayment balance, Grenreal continues to have improvements in comparison to the previous years. At the end of the third quarter the balance was \$348,459.00 in comparison to the same quarter ended 2023 which was \$464,068.00; a \$115,610.00 decrease.

The debt-to-equity ratio at the end of the quarter September 2024 was 0.56:1 which is a decrease to the quarter ended September 2023 0.62:1. The increase in equity and the decrease in liabilities are owing to the improvement in the ratio.

Off Balance Sheet Arrangements

Provide a narrative explanation of the following (but not limited to):

- i) Disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of, or requirements for capital resources.
- ii) The extent of the issuer's reliance on off-balance sheet arrangements should be described fully and clearly where those entities provide financing, liquidity, market or credit risk support, or expose the issuer to liability that is not reflected on the face of the financial statements.
- iii) Off-balance sheet arrangements such as their business purposes and activities, their economic substance, the key terms and conditions of any commitments, the initial on-going relationship with the issuer and its affiliates and the potential risk exposures resulting from its contractual or other commitments involving the offbalance sheet arrangements.
- iv) The effects on the issuer's business and financial condition of the entity's termination if it has a finite life or it is reasonably likely that the issuer's arrangements with the entity may be discontinued in the foreseeable future.

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Results of Operations

In discussing results of operations, issuers should highlight the company's products and services, facilities and future direction. There should be a discussion of operating considerations and unusual events, which have influenced results for the reporting period. Additionally, any trends or uncertainties that might materially affect operating results in the future should be discussed.

Provide a narrative explanation of the following (but not limited to):

- i) Any unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from continuing operations and, in each case, the extent to which income was so affected.
- ii) Significant components of revenues or expenses that should, in the company's judgment, be described in order to understand the issuer's results of operations.
- iii) Known trends or uncertainties that have had or that the issuer reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- iv) Known events that will cause a material change in the relationship between costs and revenues (such as price increases, costs of labour or materials), and changes in relationships should be disclosed.
- v) The extent to which material increases in net sales or revenues are attributable to increases in prices or to increases in the volume or amount of goods or services being sold or to the introduction of new products or services.
- vi) Matters that will have an impact on future operations and have not had an impact in the past.
- vii) Matters that have had an impact on reported operations and are not expected to have an impact upon future operations
- viii) Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships that have or are reasonably likely to have a current or future effect on the registrant's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.
- ix) Performance goals, systems and, controls.

Overview of Results of Operations

Grenreal's main source of income is rental income through the leasing of units. The company generally works to ensure that tenants are compliant with their rental obligations. Tenants who are cruise ship dependent generally receive discounts during the cruise off season which commences at the end of October and ends in April, annually. Therefore, there is generally a reduction in the income during these months. For the cruise off season 2024, these tenants received discounts of 30%. In comparing the quarter under review 2024 with the same quarter ended in 2023, total income increased by \$30,207.29. There is an extensive waiting list for rental space in the malls and this shows that there is great demand for space in the malls.

Total expenses at the end of the quarter September 2024 were \$703,606.00 in comparison to the same quarter ended September 2023 \$622,396.00. Management continually works to maintain cost at bare minimum. However, there are some costs that increased during the period. Payroll costs increased due to two factors; An increase in the statutory remuneration rate for Security officer and an increase in National social security rates. There was an increase in insurance expense, increased utilities costs which arose from the new additional air conditioning units installed within the malls. Directors' fee increased by \$3,500.00 during the quarter ended September 2024 in comparison to 2023. This is as a result of the change in the fee structure for director's remuneration.

During the quarter, the state of Grenada, Carriacou and Petite Martinique experienced a category four (4) hurricane-Beryl-, This therefore caused a \$2,244.30 increase in staff cost as staff had to work overtime to protect the building. Upon renewal of the fire commercial policy in March 2024 there was an increase in the premium, therefore causing an increase of \$6,428.40 in the quarter under review in comparison to the same quarter ended 2023. Security expense increased by \$23,266.37 due to contracted security services.

Grenreal started paying parking rent for the space utilized by the tenants of the malls as of October 2023, this therefore caused an increase in office and parking rent of \$12,000.00. The increase in professional fee of \$8,713.57 is owing to the electrical audit and remedial work done on all units in the malls during the quarter ended September 2024.

Finance charges for the third quarter ended September 2024 decreased by 16.27% in comparison to the previous year. This is mainly due to ceasing of the accruals of income tax. Grenreal continues to service its debt obligation, the syndicate bond and the moratorium interest loan.

3. Disclosure about Risk Factors.

Provide a discussion of the risk factors that may have an impact on the results from operations or on the financial conditions. Avoid generalised statements. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the reporting issuer), etc. Indicate if any risk factors have increased or decreased in the time interval between the previous and current filing.

Risk factors that may impact on Grenreal's operations:

1) Nature of the real estate industry:

There are existing shopping malls in Grenada that can be viewed as competitors of Grenreal. In terms of pricing they can have lower rates. However, Grenreal as the sole cruise passenger mall on the island retains a competitive edge.

2) Dependency on economic conditions:

Limited economic activities has an adverse effect on revenue collection. This was evident during the covid 19 pandemic.

3) Development of the tourism industry:

A vibrant tourism industry would positively affect on Grenreal's business. The Grenada Tourism Authority aggressively markets destination Grenada. The resultant increase cruise arrivals and stay over visitors brings increased throughput to the malls.

4) Liquidity risk:

Grenreal can face difficulty in meeting its financial obligations in particular loan payments. The company as far as possible continues to mitigate same by ensuring sufficient resources are available when due, under both stressed and normal conditions. As part of receivables management tenants are actively engaged to comply with lease terms and conditions and granted discounts where necessary.

5) Changes in legislations:

Grenreal is generally affected by changes in government legislation. Legislation- Emergency Powers Regulations implemented as a result of the Covid 19 pandemic on March 25th, 2020 adversely affected economic activity in the mall.

6) Operational risks:

The possibility of deficiencies in company information and control systems, human error and disasters are assessed regularly and measures implemented to reduce same. In particular, continuous upgrades to systems, supervisory control to minimize human error, insurance coverage for natural disasters and

other policies where applicable are essential to management's risk mitigation strategy.

4. Legal Proceedings.

A legal proceeding need only be reported in the ECSRC – OR filed for the period in which it first became a reportable event and in subsequent interim reports in which there have been material developments. Subsequent Form ECSRC – OR filings in the same financial year in which a legal proceeding or a material development is reported should reference any previous reports in that year. Where proceedings have been terminated during the period covered by the report, provide similar information, including the date of termination and a description of the disposition thereof with respect to the reporting issuer and its subsidiaries.

NA

5. Changes in Securities and Use of Proceeds

(a) Where the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved. State briefly the general effect of such modification upon the rights of holders of such securities.

None

(b) Where the use of proceeds of a security issue is different from that which is stated in the registration statement, provide the following:

Offer opening date (provide explanation if different from date disclosed in the registration statement)

Offer closing date (provide explanation if different from date disclosed in the registration statement)
03rd Jul 2024

Name and address of underwriter(s)

Amount of expenses incurred in connection with the offer

Net proceeds of the issue and a schedule of its use

Payments to associated persons and the purpose for such payments

(c) Report any working capital restrictions and other limitations upon the payment of dividends.

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6. Defaults upon Senior Securities.

(a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not satisfied within 30 days, with respect to any indebtedness of the reporting issuer or any of its significant subsidiaries exceeding 5 per cent of the total assets of the reporting issuer and its consolidated subsidiaries, identify the indebtedness. Indicate the nature of the default. In the case of default in the payment of principal, interest, or a sinking or purchase fund installment, state the amount of the default and the total arrears on the date of filing this report.

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(b) If any material arrears in the payment of dividends have occurred or if there has been any other material delinquency not satisfied within 30 days, give the title of the class and state the amount and nature of the arrears or delinquency.

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7. Submission of Matters to a Vote of Security Holders

If any matter was submitted to a vote of security holders through the solicitation of proxies or otherwise during the financial year covered by this report, furnish the following information:

(a) The date of the meeting and whether it was an annual or special meeting.

(e) Relevant details of any matter where a decision was taken otherwise than at a meeting of such security holders.

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8. Other Information.

The reporting issuer may, at its option, report under this item any information, not previously reported in a Form ECSRC – MC report (used to report material changes), with respect to which information is not otherwise called for by this form, provided that the material change occurred within seven days of the due date of the Form ECSRC-OR report. If disclosure of such information is made under this item, it need not be repeated in a Form ECSRC – MC report which would otherwise be required to be filed with respect to such information or in a subsequent Form ECSRC – OR report.

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