

PSE Number:
SEC Number: CS200613870
File Number: _____

AREIT, INC.

(Company's Full Name)

28F, Tower One, Ayala Triangle
Ayala Avenue, Makati City 1226

(Company Address)

(632) 7908-3804

(Telephone Number)

December 31, 2025

(Year Ending)

Annual Report- SEC Form 17-A

(Form Type)

-

(Amendments – if applicable)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the fiscal year ended **December 31, 2025**
2. Commission Identification Number **CS200613870**
3. BIR Tax Identification No. **006-346-689-000**
4. Exact name of issuer as specified in its charter: **AREIT, INC.**
5. Province, Country or other jurisdiction of incorporation or organization:
Makati City, Philippines
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of issuer's principal office and postal code:
28F, Tower One, Ayala Triangle, Ayala Avenue, Makati City 1226
8. Issuer's telephone number, including area code: **(632) 7908-3804**
9. Former name, former address, former fiscal year: **Not applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA:

a. As of February 28, 2026

<u>Title of each class</u>	<u>Number of shares issued and outstanding</u>
Common shares	3,715,756,162

b. Outstanding debt as of February 28, 2026: **P 2,000,000,000.00**

11. Are any or all of the securities listed on a Stock Exchange?
 Yes ☒ No ☐

1,576,240,780 common shares have been listed with the Philippine Stock Exchange¹

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
 Yes ☒ No ☐

¹ The application for listing for the 252,136,383 common shares issued to Ayala Land, Inc. (ALI) in December 2022 in exchange for assets located in Cebu is currently pending with the PSE, while the application for listing of the 607,559,380 common shares issued to ALI, and its subsidiaries, AyalaLand Malls, Inc., (ALMI) and Northbeacon Commercial Corp. (NBCC) in exchange for assets located in Makati and Pampanga approved by the Securities and Exchange Commission (SEC) last September 20, 2023 will be filed with the PSE upon issuance of the Certificates Authorizing Registration by the Bureau of Internal Revenue (BIR). Similarly, the 841,259,412 common shares issued to ALI, its subsidiaries, Greenhaven Property Ventures, Inc. (Greenhaven) and Cebu Insular Hotel Co., Inc., (Cebu Insular), and Buendia Christiana Holdings Corp., (BCHC) in exchange for assets located in Makati, Cebu, and Zambales approved by the SEC on September 25, 2024, will be applied for listing with the PSE upon issuance of the Certificates Authorizing Registration by the BIR. 505,890,177 common shares were issued to ALI and its subsidiaries, Accendo Commercial Corporation and Cagayan de Oro Gateway Corp., in exchange for properties pursuant to the approval of the SEC on September 25, 2025, will be applied for listing with the Exchange in due course.

(b) has been subject to such filing requirements for the past 90 days:

Yes ☒ No ☐

13. Aggregate market value of the voting stock held by non-affiliates: ₱58,331,051,864.00

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐ No ☐ **Not applicable**

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:

2025 Audited Financial Statements (incorporated as reference for Items 6, 7 & 12 of SEC Form 17-A)

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PART I- BUSINESS

Item 1. Business

Background

AREIT, Inc. ("**AREIT or the Company**") is a real estate investment trust company established in the Philippines. Previously known as One Dela Rosa Property Development, Inc., the Company changed its name to AyalaLand REIT, Inc. on April 12, 2019. On June 28, 2019, the Company changed its name from AyalaLand REIT, Inc. to AREIT, Inc. The Company was listed in the Philippine Stock Exchange on August 13, 2020.

As the first Real Estate Investment Trust (REIT) in the Philippines, AREIT is dedicated to owning and investing in a portfolio of income-generating commercial properties, including office, retail, and hotel properties that meet its investment criteria.

AREIT offers an investment opportunity with a stable yield, distributing at least 90% of its distributable income from high-quality properties with strong tenant demand. Supported by its Sponsor, Ayala Land, Inc. (ALI), and managed by experienced fund and property management companies, AREIT Fund Managers, Inc. (AFMI) and AREIT Property Managers, Inc. (APMI), respectively, the company is well-positioned for revenue and net operating income growth.

As of December 31, 2025, the Company is 58.45% collectively owned by ALI and its subsidiaries, 5.36% owned by Buendia Christiana Holdings, Corp., a wholly-owned subsidiary of ACEN,² and the rest by the public. AREIT has a total of 3,715,756,162 outstanding common shares. AREIT has a total market capitalization of ₱161.64 billion based on the closing price of ₱43.50 per common share on December 29, 2025, the last trading day of the year.

AREIT holds the distinction of being the first and largest Real Estate Investment Trust (REIT) in the Philippines. As the commercial REIT of ALI, AREIT is committed to expanding its portfolio in key commercial sectors while also exploring opportunities to diversify into other promising segments of the real estate market. This strategic approach aligns with AREIT's overarching goal of maximizing value for investors through agility and adaptability, ensuring sustained growth, profitability, and resilience in changing market conditions.

Business Lines

AREIT is a commercial REIT focused on building and managing a robust portfolio of income-generating assets, including office buildings, retail malls, hotels, and industrial land across the Philippines. As the commercial REIT of ALI, the Company leverages its sponsors' expertise to maintain a portfolio of high-quality properties with strong tenant demand.

Most of AREIT's office lease agreements have terms ranging from five to ten years. Tenants are typically required to provide a security deposit equivalent to three months' rent and advance rental payments equal to three months' rent upon handover of the leased premises or upon execution of the lease agreements, whichever comes first. Rental payments are generally made on a quarterly basis, along with service charges covering building maintenance and the upkeep of common areas.

AREIT also derives stable and recurring income from its retail malls and hotels, and land leases, through long-term master lease agreements with reputable operators and counterparties, where the Company receives fixed rent with periodic escalations. These arrangements are designed to enhance income stability, minimize operational exposure, and support the Company's objective of delivering consistent and sustainable returns to its shareholders.

Historically, AREIT has not experienced a significant concentration of lease expiries. Its properties consistently maintain high occupancy levels, supported by proactive lease management strategies that minimize vacancy periods arising from expiries or early terminations. The portfolio is anchored by a stable base of high-quality tenants, further reinforcing the Company's recurring income stream.

² ACEN is 58.92% owned by Ayala Corporation through AC Energy and Infrastructure Corporation. Ayala Corporation likewise owns 52.96% of Ayala Land, Inc. (ALI), the majority stockholder of AREIT, Inc.

AREIT is committed to delivering sustainable and stable returns to its shareholders. In line with its REIT structure, the Company distributes at least 90% of its distributable income, providing investors with a reliable yield backed by premium commercial assets. To fulfill this commitment, AREIT's principal investment strategy focuses on income-generating real estate properties that meet a select set of criteria:

- 1) Prime Location: The property should be located in a prime area or business district in Metro Manila or in key provinces in the Philippines.
 - 2) Commercial Focus: It should primarily be a commercial property, although other income generating property types providing attractive dividend yield may also be considered.
 - 3) Stable Tenancy: The property must have stable occupancy and tenancy, with income from long-term leases with strong, high-credit grade tenant locators.
- Dividend Growth: It should provide attractive dividend growth and be yield-accretive.

Distribution Methods of Services

AREIT caters mostly to office and retail tenants. As of December 31, 2025, commercial office space comprised approximately 51% of the Company's total building gross leasable area. The major tenants of the properties include corporate headquarters, major international corporations engaged in shared services, business process outsourcing, banking and finance, insurance, and healthcare and pharmaceuticals. Lease contracting and property operations are managed by APMI for AREIT.

Competition

The real estate industry in the Philippines, particularly in Metro Manila, is a competitive market. The principal competitive factors include rental rates, quality and location of properties, and supply of comparable retail space.

AREIT is the first REIT company registered and listed in the Philippines, and launched amidst the COVID-19 pandemic. As the pioneer REIT company in the Philippines, AREIT offers stable and sustainable earnings with a portfolio diversified across office, retail, hotel, and industrial land segments located across Metro Manila and the key provincial locations of Laguna, Cebu, Pampanga, Cagayan de Oro City, Davao City, and Bacolod.

AREIT's office assets are Grade A office buildings located in Makati City, Quezon City, Pasig City, Laguna, Cebu, Bacolod and the Company competes with other commercial property operators and REITs. The commercial property market in Metro Manila is highly competitive. While it primarily faces competition posted by major, existing property operators, it also faces threats of new entrants.

Since the Company's listing in August 2020, six (6) other REITs registered and listed. As of December 31, 2022, the direct competitors of the Company are DDMP REIT, Inc. ("DDMPR"), Filinvest REIT Corp. ("FILRT"), RL Commercial REIT, Inc. ("RCR"), MREIT, Inc. ("MREIT"), Citicore Energy REIT Corp. ("CREIT"), and lastly, VistaREIT, Inc. ("VREIT"). DDMPR registered and listed as a REIT last March 24, 2021, FILRT was listed on August 12, 2021, RCR was listed on September 14, 2021, MREIT was listed on October 1, 2021, VREIT was listed on July 15, 2022, and lastly CREIT was listed on February 22, 2022.

The Company's principal competitive advantage is flexibility in the negotiation of commercial terms with customers. It is open to tenant negotiations on the length of the rent-free period or fit out period as well as rent escalation rates. The Company has also started to evolve its facilities to accommodate potential tenants, such as start-ups and SMEs, who desire shared working spaces. The Company believes that the rental rates it offers at the Properties are at par with comparable competitors.

Despite the high level of competition, the Company believes that the significant accumulated experience of the management teams of both the Fund Manager and the Property Manager in real estate development, leasing, and management, as well as the Ayala Land Group's understanding of local market preferences and conditions will enable the Company to compete effectively.

Suppliers

The Company has a broad base of suppliers, and is not dependent on one or a limited number of suppliers. Presently, the major suppliers of the Properties are primarily third-party companies in charge of particular

building functions. These include manpower services, such as janitorial/housekeeping, technical maintenance, and security.

Customers

AREIT's tenants include individual and institutional customers, which include major, international corporations engaged in shared services, business process outsourcing, banking and finance, insurance, healthcare and pharmaceuticals, serviced apartments and real estate leasing.

Transactions with related parties

Please refer to Item 12 of this report ("Certain Relationships and Related Transactions).

Government approvals/regulations

The Company secures various government approvals such as PEZA licenses, environmental compliance certificates, etc. as part of the ordinary course of its business.

Risks

AREIT, Inc. remains highly dependent on the performance of the Philippine property market since all its properties are in the Philippines. As a result, the company is directly exposed to risks affecting the Philippine property market.

The Philippine property market is influenced by several factors, including the fluctuations in demand and supply of properties which may cause asset price bubbles, higher interest rates, inflationary pressures, changes in Government-related real estate policies such as lower loan-to-value ratios for commercial real estate loans and the BSP's tightening of policies related to real estate loans. Any sustained decline in real estate value or leasing demand in the Philippines may lead to a downward revaluation of AREIT's Properties and a decrease in our rental rates. Additionally, while AREIT's portfolio has expanded beyond Metro Manila, it remains concentrated in key urban cities in Luzon and Metro Cebu, exposing the company to the geographic market risk of a decline in land or real estate values.

There can be no assurance that the Philippine property market will continue to perform positively. Slower economic growth, global and local economic uncertainties, geopolitical and security concerns, or structural shifts in key tenant industries such as changes in office space demand driven by technology adoption and evolving work arrangements, may adversely affect the demand and prices for commercial real estate. While the effects of Covid 19 pandemic have eased, the long-term impact on business operations remains a consideration.

These market risks are mitigated by AREIT's focus on Grade A commercial properties located in prime business districts, supported by long-term lease arrangements and diversified tenant base. Our assets generally demonstrate stronger resilience to market volatility and support more stable occupancy and highest rental rates. The Company also adopts a prudent approach to financial and capital management, closely monitoring cash positions, costs, and capital commitments.

Other significant risks to which the Company may be exposed to include:

- Increased competition from existing and new REITs for quality assets, tenants and investor capital.
- Changes in laws, regulations, and regulatory interpretation that may affect compliance requirements, transaction timelines, or operating flexibility.
- Potential loss of key locators and tenants arising from business restructuring, cost-efficiency measures, space rationalization, industry shifts, or service expectations.

To mitigate these risks, AREIT continues to adopt appropriate risk management strategies and conservative financial and operational controls and policies, namely:

1. Continuous portfolio growth and diversification through acquisition of high-quality assets in strong locations
2. Active coordination with technical working groups and regulatory bodies in addressing regulatory developments and compliance requirements affecting the company
3. Proactive lease management, through early renewal initiatives, tenant retention programs, and diversification of tenant mix by asset class and geography

4. Ongoing monitoring of property service performance through tenant feedback and customer satisfaction or promoter's surveys

Working Capital

AREIT finances its working capital requirements through internally generated cash. AREIT also maintains short-term credit facilities with reputable large banks, which the company utilizes as required to supplement cash flow.

Item 2. Properties

- **Solaris One**, a 24-storey, Grade A, PEZA-accredited commercial building previously known as E-Services 3 Dela Rosa Building, which was completed in 2008, contains 46,767.95 sqm. of and is located at 130 Dela Rosa Street, Legaspi Village, Makati City, the Philippines.
- **Ayala North Exchange**, a Grade A, mixed-use development, previously known as project City Gate, which consists of two towers situated on top of a 3-storey retail podium as well as a collection of serviced apartments branded as Seda Residences Makati. The first tower is a 30-storey building consisting of 12-storey HQ Office, with the remaining 18-storeys housing Seda Residences Makati composed of 293 serviced apartments, other amenities and the back-of-house area. The second tower is a 20-storey, PEZA-accredited BPO Office designed for 24/7 operations. There are six levels of basement parking. Both office towers are PEZA-accredited. The HQ Office space was completed in late-2018, while the BPO Office and serviced apartments were completed in the first and third quarters of 2019, respectively. The GLA of Ayala North Exchange is 95,300.35 sqm. It is located at 6796 Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City, the Philippines.
- **McKinley Exchange**, a 5-storey Grade A, PEZA-accredited commercial building, which began operations in 2015, with GLA of 10,687.50 sq. m., 9,633.32 sqm. of which is designated for commercial office leasing, located along McKinley Road corner EDSA in Makati, Metro Manila's preeminent financial business district. The building also incorporates two (2) basement levels for car parking, offering a total of 120 parking slots. On January 31, 2020, AREIT entered a Contract of Lease with Ayala Land, Inc. for the lease of the commercial building.
- **Teleperformance Cebu**, a Grade A, PEZA-accredited commercial building, consists of two office towers, completed in 2011 with a combined GLA of 18,092.66 sqm located at Inez Villa Street, Cebu I.T. Park, Brgy. Apas, Cebu City.
- **The 30th Commercial Development**, a mixed-use development composed of a 19-storey PEZA-accredited office tower with GLA of 47,871 sqm supported by a four (4) storey retail podium with GLA of 26,833 sqm., located along Meralco Avenue in Pasig City.
- **Laguna Technopark Industrial Lots**, totaling 98,179 sqm, AREIT owns four parcels of industrial land located in Binan, Laguna, currently occupied by Integrated Micro-Electronics Inc. (IMI), under a long-term lease for its global manufacturing and technology solutions.
- **Vertis North Commercial Development**, a mixed-use development located in North Avenue, North Triangle, Quezon City, which consists of three (3) office towers situated on top a four (4)-storey retail podium known as Vertis North Commercial Development. The three (3) office towers consist of 19, 20, and 20-storeys, respectively. All office towers are PEZA-accredited business process outsourcing offices designed for 24/7 operations, and are Leadership in Energy and Environmental Design ("LEED")-certified. There are four (4) levels of basement parking. The retail podium was completed in 2017, while the office towers 1, 2, and 3 were completed in 2018, 2018, and 2019, respectively. The GLA of the retail podium is 39,305.76 square meters (sq. m.), while the office towers are composed of 125,507.39 sq. m. of GLA. The land on which Vertis North Corporate Center stands is being leased from Ayala Land, Inc.
- **One Evotech**, a four (4)-storey PEZA-accredited, LEED Silver Certified, campus type, BPO office designed for 24/7 operations, with a gross leasable area of 12,049 sq. m., located at the

Lakeside Evozone, Nuvali, Sta. Rosa, Laguna. The land on which One Evotech stands is owned by the Ceci Realty, Inc., an affiliate of ALI, and is leased by AREIT with a remaining term of 37 years.

- **Two Evotech**, a 5-storey PEZA-accredited, BPO office designed for 24/7 operations, with with a gross leasable area of 11,675 sq.m., located at the Lakeside Evozone, Nuvali, Sta. Rosa, Laguna. The land on which One Evotech stands is owned by the Ceci Realty, Inc., an affiliate of ALI, and is leased by AREIT for a remaining term of 37 years.
- **Bacolod Capitol Corporate Center**, a seven (7)-storey PEZA-accredited BPO building designed for 24/7 operations, with a gross leasable area of 11,313 sq. m. The land on which Bacolod Capitol Corporate Center stands is owned by the Province of Negros Occidental, and is leased by AREIT from the Province of Negros Occidental with a remaining term of 40 years.
- **Ayala Northpoint Technohub**, a two (2)-storey PEZA-accredited BPO office facility designed for 24/7 operations with a gross leasable area of 4,653 sq.m., The site is located at The District North Point, Barangay Zone 15, Talisay City, Negros Occidental. and is under a land lease agreement with ALI with a remaining term of 37 years.
- **BPI-Philam Life Makati**, composed of three (3) office condominium units with a gross leasable area of 1,072 sq.m. located at the 19th floor, Ayala Life FGU Center, 6811 Ayala Avenue, Makati City. The land on which the building stands is owned by the Ayala Life FGU Center Condominium Corporation.
- **BPI-Philam Life Alabang**, consists of six (6) office condominium units with total leasable area of 551 sq. m. located at the 7th floor of BPI-Philam Life Alabang, Alabang-Zapote Road corner Acacia Avenue, Madrigal Business Park, Muntinlupa City. The land on which the building stands is owned by the Ayala Life-FGU Center Alabang Condominium Corporation.
- **eBloc 1**, a twelve (12)-level, Philippine Economic Zone Authority ("PEZA")-accredited office development, located in Cebu IT Park with gross leasable area of 20,841.90 square meters (sq.m).
- **eBloc 2**, a seventeen (17)-level, PEZA-accredited office development, located in Cebu IT Park with gross leasable area of 27,727.33 sq.m.
- **eBloc 3**, a twelve (12)-level, PEZA-accredited office development, located in Cebu IT Park with gross leasable area of 15,233.00 sq.m.
- **eBloc 4**, a twelve (12)-level, PEZA-accredited office development, located in Cebu IT Park with gross leasable area of 16,166.63 sq.m.
- **ACC Tower**, a twenty (20)-level, PEZA-accredited office development, located in Ayala Center Cebu, Cebu Business Park with gross leasable area of 27,517.00 sq.m.
- **Tech Tower**, a twelve (12)-level, PEZA-accredited office development, located along Sumilon corner Camiguin Roads, Cebu City with gross leasable area of 16,812.74 sq.m.
- **Glorietta 1 and 2 Mall Wings**, a four (4)-storey commercial development with three (3) basement floors and equipment, redeveloped in 2013, located in Makati Commercial Center, San Lorenzo Village, Makati City with a gross floor area of [68,673.84] sq. m. The land on which the building stands is owned by Ayala Land, Inc.
- **Glorietta BPO 1 and 2**, a Philippine Economic Zone Authority (PEZA)-accredited office development composed of two (2) BPO buildings, Glorietta BPO 1 with seven (7) storeys and Glorietta BPO 2 with eight (8) storeys, and equipment located within the Makati Commercial Center, San Lorenzo Village, Makati City with a gross floor area of 60,632.84 sq. m. The land on which the building stands is owned by Ayala Land, Inc.
- **One Ayala East Tower**, a twenty-three (23)-level, PEZA-accredited office development and equipment, located along Ayala corner Epifanio delos Santos (EDSA) Avenues, Barangay San Lorenzo, Makati City, with a gross floor area of 58,351.01 sq. m. The land on which the building stands is owned by Ayala Land, Inc.

- **One Ayala West Tower**, an eighteen (18)-level, PEZA-accredited office development and equipment, located along Ayala corner Epifanio delos Santos (EDSA) Avenues, Barangay San Lorenzo, Makati City, with a gross floor area of 59,014.91 sq. m. The land on which the building stands is owned by Ayala Land, Inc.
- **Marquee Mall**, a three (3)-level, commercial development and equipment, located along Francisco G. Nepo Avenue, Angeles City, Pampanga with a gross floor area of 66,041.04 sq. m. The land on which the building stands is owned by Northbeacon Commercial Corp.
- **Seda Lio**, a one hundred fifty-three (153)-room resort-hotel with a total gross floor area of 17,680 square meters (sq.m.) and the surrounding amenities. The land on which the resort-hotel stands is owned by Econorth Hotel Ventures, Inc.
- **Ayala Triangle Gardens Tower 2** is a premium, luxury office building completed in 2022 and has 63,150 sqm in gross leasable area. The office building sits at the tip of Ayala Triangle in Makati Central Business District. Company headquarters are tenants of the 39 floors of office.
- **Greenbelt 3 & 5 mall wings** are part of the interconnected Greenbelt complex, a group of flagship malls located in Makati City, the country's premier financial capital. The mall wings have a total gross leasable area of 93,732 sqm. Retail anchors, five-star hotels, and premium residential villages and condominiums are walking distance from the mall. Greenbelt 3 & 5 are home to flagship stores of both foreign luxury brands and affordable shopping, entertainment outlets, and outdoor walkways with landscaping.
- **Holiday Inn & Suites** is a five-star hotel that sits within Makati Central Business District. The 16-storey, 348 guest room hotel spans 26,218 sqm in gross leasable area. The roof deck is linked to the top of Glorietta Mall. The hotel also features amenities that include lobby and executive lounges, all day dining, a bar, function rooms, and a health and fitness club.
- **Seda Ayala Center Cebu** is a four-star hotel located within the Cebu Business Park in Cebu City. The 12-storey, 301 guest room hotel spans 13,579 sqm in gross leasable area. The hotel is surrounded by commercial and shopping centers and residential developments. The hotel also features amenities like lobby and executive lounges, all day dining, function rooms, and a fitness gym.
- **Palauig Land** is an industrial lot in Palauig, Zambales. The land is utilized for a solar farm. Residential and school developments and other solar farms neighbor the land.
- **Seda Central Bloc** is a four-star hotel located in Central Bloc, Cebu IT Park. The 17-storey, 214 guest room hotel spans 17,949 sqm in gross leasable area. The hotel is surrounded by commercial and shopping centers and residential developments. The hotel also features amenities like lobby and executive lounges, all day dining, function rooms, and a fitness gym. The hotel has 40 years remaining in its land lease term with ALI.
- **Central Bloc Mall** is a shopping mall with a garden row, located in Central Bloc, Cebu IT Park. Spanning 112,429 sqm of gross leasable area, the mall opened in 2019 and is one of Ayala Land's flagship malls. The mall features a mix of both local, foreign, and homegrown brands, as well as an activity center that serves as a popular venue for various events. AREIT has a land lease term of 40 years with ALI for this asset.
- **Central Bloc Corporate Center 1&2** are two headquarter office towers located in Central Bloc, IT Park, Cebu City. Central Bloc Office 1 is a 20-storey headquarter office building with a gross leasable area of 28,483 sqm, while Central Bloc Office 2 is a 5-storey headquarter office building with 38,633 sqm in gross leasable area. Both buildings were completed in 2021. Located in the middle of Cebu IT Park, both towers are PEZA-accredited, allowing it to serve both headquarter and BPO locators. The building has a land lease with ALI of 40 years.
- **Abreeza Mall** is an Ayala Land lifestyle mall located in Poblacion West, Davao City. Completed in 2011, the shopping mall spans 89,893 sqm of gross leasable area, and features a mix of local, foreign, and homegrown brands, making it a key destination for shopping and recreation in Davao. AREIT has a land lease term of 40 years with Accendo Commercial Corporation, an affiliate of ALI.
- **Abreeza BPO** is a 7-storey office building located in Poblacion West, Davao City with a gross leasable area of 9,214 sqm. Its PEZA accreditation allows it to cater to BPO locators with its 24/7 operational

capabilities and building redundancies. The land on which the Abreeza BPO stands is owned by Accendo Commercial Corporation, an affiliate of ALI, and is leased for a 40-year term.

- **Centrio Mall** is an Ayala Land lifestyle mall located along C.M. Recto in Cagayan de Oro City. Completed in 2012, the shopping mall spans 92,707 sqm of gross leasable area, and features affordable dining and shopping, as well as an activity center for various events, making it a key destination for shopping and recreation in Cagayan de Oro. AREIT has a land lease term of 40 years with Cagayan de Oro Gateway Corporation, an affiliate of ALI.
- **Centrio BPO** is a 4-storey PEZA-accredited BPO building designed for 24/7 operations, with a gross leasable area of 9,053 sqm. The land on which the Centrio BPO stands is owned by Cagayan de Oro Gateway Corporation, an affiliate of ALI, and is leased for a 40-year term.

Item 3. Legal Proceedings

None of the directors or executive officers is involved in any material pending legal proceedings in any court or administrative agency.

As of December 31, 2025, the Company is not involved in any litigation regarding an event that occurred during the past five (5) years that it considers material.

Item 4. Submission of Matters to a Vote of Security Holders

Except for the matters taken up during the Annual and Special Meetings of Stockholders, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II- SECURITIES OF THE REGISTRANT

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

Market Information

AREIT common shares are listed with the Philippine Stock Exchange.

Philippine Stock Exchange Prices (in PhP/share)

	2025		
	High	Low	Close
First Quarter	41.60	38.10	39.50
Second Quarter	42.90	39.20	41.00
Third Quarter	45.50	41.10	42.95
Fourth Quarter	44.60	38.00	43.50

The market capitalization of AREIT, Inc as of end-2025, based on the closing price of ₱43.50/ share, was approximately ₱161.64 billion.

The price information as of the close of the latest practicable trading date April 08, 2026 is ₱39.20 per share.

Stockholders

The Company has 39 registered stockholders as of February 28, 2026, and below are the top 20 stockholders:

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	Ayala Land, Inc.	1,379,728,665	37.132%
2.	PCD Nominee Corporation (Filipino)	1,241,796,841	33.420%
3.	Ayalaland Malls, Inc.	287,186,771	7.729%
4.	Buendia Christiana Holdings Corp.	199,109,438	5.359%
5.	PCD Nominee Corporation (Non-Filipino)	190,001,459	5.113%
6.	Cagayan De Oro Gateway Corporation	133,334,821	3.588%
7.	Accendo Commercial Corporation	112,424,084	3.026%
8.	Greenhaven Property Ventures, Inc.	77,505,974	2.086%
9.	Northbeacon Commercial Corporation	55,382,567	1.490%
10.	Cebu Insular Hotel Co., Inc.	38,326,934	1.031%
11.	Emily Chua Catienza	175,000	0.005%
12.	Manuel Gutierrez or Martina Maria Elizabeth Y. Gutierrez	137,900	0.004%
13.	James Esteves Takano	120,000	0.003%
14.	Beniya Antoinette Chua Catienza	115,000	0.003%
15.	Group 168 Holdings Corporation	110,000	0.003%
16.	Noriko Umemoto	107,100	0.003%
17.	Cesar Santos Rodriguez, Jr.	52,000	0.001%
18.	Han-Chun Chang	35,000	0.001%
19.	NSJS Realty and Development Corp.	25,000	0.001%
20.	Maria Victoria Romero San Pascual	24,000	0.001%

A list of the company's top 100 shareholders as of December 31, 2025 can be found through this link:

https://www.aret.com.ph/wp-content/uploads/2026/02/AREIT-Top-100-Stockholder-Report-as-of-December-31-2025_Redacted.pdf.

Dividends

Cash dividends on Common Shares for past three years:

Year	Payment Date	Rate (Php)	Record Date
2023	March 24, 2023	0.52/share	March 10, 2023
	June 16, 2023	0.52/share	May 31, 2023
	September 13, 2023	0.53/share	August 30, 2023
	December 15, 2023	0.55/share	December 1, 2023
2024	March 20, 2024	0.55/share	March 04, 2024
	June 13, 2024	0.56/share	May 28, 2024
	August 11, 2024	0.56/share	July 26, 2024
	December 13, 2024	0.58/share	November 27, 2024
2025	March 21, 2025	0.58/share	March 5, 2025
	June 11, 2025	0.58/share	May 27, 2025
	September 12, 2025	0.59/share	August 29, 2025
	December 12, 2025	0.62/share	November 26, 2025
2026	March 20, 2026	0.62/share	March 5, 2026

Dividend policy

The Company has adopted a dividend policy in accordance with the provisions of the REIT Law, pursuant to which the Company's shareholders are entitled to receive at least 90% of annual Distributable Income for the current year. For 2025, the Company declared total dividends amounting to ₱8,363.08 million, representing 91.05% of the Distributable Income for the year 2025.

	2025
Net income	₱9,539,219,827
Unrealized gains:	
Net fair value loss on investment properties	(108,679,768)
Straight-line adjustments recorded in rental income	(245,890,088)
Distributable Income	₱9,184,649,971

For 2025, dividends declared were as follows:

Payment Date	Aggregate Amount Paid
June 11, 2025	1,861,722,271
September 12, 2025	1,893,820,931
December 12, 2025	2,303,768,820
March 20, 2026	2,303,768,820
Total Amount of Dividends Paid	8,363,080,842
% of Dividends to Distributable Income*	91.05%

*As per Section 10 of Revenue Regulation NO. 13-2011, as amended, dividends distributed by a REIT from its distributable income at any time after the close of but not later than the last day of the fifth (5th) month from the close of the taxable year, shall be considered as paid on the last day of such taxable year.

Dividends were declared in accordance with the provisions of Section 42 of the Revised Corporation Code, specifically that dividends for prior years were taken from the unrestricted retained earnings of the Company.

The Company intends to maintain an annual cash dividend payout ratio of at least 90% of Distributable Income for the preceding fiscal year, subject to compliance with the requirements of the REIT Law, including but not limited to the requirement that the dividends shall be payable only from the unrestricted retained earnings as provided for under Section 42 of the Revised Corporation Code, among others, the terms and conditions of our outstanding loan facilities, and the absence of circumstances which may restrict the

payment of such amount of dividends, including, but not limited to, instances when there is a need for special reserves for probable contingencies.

The failure to distribute at least 90% of the annual Distributable Income will subject the Company, if such failure remains un-remedied within 30 days, to income tax on the taxable net income as defined in Chapter IV, Title II of the National Internal Revenue Code, as amended, instead of the taxable net income as defined in the REIT Law. Accordingly, dividends distributed by our Company may be disallowed as a deduction for purposes of determining taxable net income. Additionally, other tax incentives granted under the REIT Law may be revoked, and the failure to distribute at least 90% of the Company's annual Distributable Income may be grounds for delisting the Company from the PSE.

Over the last three years, the Company has distributed at least 90% of the distributable income.

Year	Dividends	Distributable Income	% of Dividends
2023	4,454,566,783	4,931,289,156	90.33%
2024	6,376,283,904	6,887,334,328	92.58%
2025	8,363,080,842	9,184,649,971	91.05%

Recent Sale of Securities

The Company has not sold or issued any exempt securities to the public.

Corporate Governance

- i. The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its Committees, the Chairman, and the directors. The assessment criteria or metrics include board composition; board roles, functions, and processes; information management; representation of shareholders; management of the Company's performance; senior executives' talent management and succession planning; dynamics and relationships; and corporate governance practices. The aggregated results are submitted to the Compliance officer and presented to the Board during the meeting immediately following the end of the assessment process. The Board performance assessment for the calendar year 2025 will be conducted by an independent third-party facilitator, Teneo Asia Pacific Pte. Ltd., in compliance the Company's Corporate Governance Manual. Likewise, the Integrated Annual Corporate Governance (I-ACGR) of AREIT will be submitted to the SEC on or before May 30, 2026.
- ii. To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.
- iii. There were no deviations from the Company's Revised Manual of Corporate Governance. The Company has adopted in the Manual of Corporate Governance the leading practices and principles of good corporate governance, and full compliance therewith has been made since the adoption of the Revised Manual.
- iv. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

PART III- FINANCIAL INFORMATION

Item 6. Management's Discussion and Analysis and Results of Operation

Review of FY 2025 operations vs FY 2024

The Company's net income increased by 30% from P7,317.06 million in 2024 to P9,539.22 in 2025. Net income before the net fair value change in investment properties likewise rose by 28% from P7,360.44 million in 2024 to P9,430.54 million in 2025. The growth was primarily driven by income generated from additional properties acquired in July 2024 and 2025, which contributed to the Company's earnings during the year.

Revenues

Total revenues increased by 26% from P10,259.17 million in 2024 to P12,959.78 million in 2025, mainly driven by higher rental income and dues

Rental income grew by 17% from P7,562.12 million in 2024 to P8,826.84 million in 2025. The increase was largely attributable to the full year contribution of properties acquired in July 2024, as well as the incremental income from properties acquired in July 2025.

Dues increased by 30% from P1,535.01 million in 2024 to P1,994.15 million in 2025, reflecting the operations of the new assets acquired in July 2024 and 2025.

Interest income from finance leases amounted to P1,162.03 million in 2024 to P2,138.80 million in 2025. This income related to various lease agreements with ALI and related parties that are accounted for as finance leases.

Cost and Expenses

Direct operating expenses increased by 24% from P2,659.67 million in 2024 to P3,303.76 million in 2025. The increase was primarily attributable to operating expenses associated with additional properties acquired in July 2024 and 2025.

General administrative expenses increased by 39% from P91.33 million in 2024 to P127.08 million in 2025. The increase was mainly driven by higher provision for possible losses and professional fees.

Other Income (Charges)

Interest income increased by 2% from P174.49 million in 2024 to P177.37 million in 2025. The increase was primarily attributable to higher interest income earned from intercompany loans during the period.

Interest expense and other charges decreased by 14% from P319.11 million in 2024 to P274.36 million in 2025. The decrease was mainly driven by lower principal and interest rates on the Company's short-term borrowings.

Net Fair Value Change in Investment Property

The Company recognized additional income in net fair value change in investment property of P108.68 million in 2025, and a reduction of P43.37 million in 2024.

Provision for income tax

Income tax provision decreased from P3.11 million in 2024 to P1.49 million in 2025, due to the final tax on interest income from banks and short-term investments.

Capital Expenditure

The Company has no material commitments for capital expenditures.

Summary of Real Estate Transactions for 2025

On September 25, 2025, the Company, received the approval of the Securities and Exchange Commission (SEC) of the property-for-share swap, specifically the subscription of ALI, Accendo Commercial Corp. and Cagayan de Oro Gateway Corp. to 505,890,177 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, pursuant to the Deed of Exchange dated 14 May 2025.

Financial Condition

The Company's balance sheet remains healthy and supports its financial and operational requirements during this period.

As of December 31, 2025, the Company's total borrowings were ₱2.0 billion, translating to a debt-to-equity ratio of 0.01:1.

Return on equity was at 8% as of December 31, 2025.

	End- December 2025	End- December 2024
Current ratio ¹	1.07:1	0.83:1
Debt-to-equity ratio ²	0.01:1	0.02:1
Profitability Ratios:		
Return on assets ³	7%	7%
Return on equity ⁴	8%	7%
Asset to Equity ⁵	1.08:1	1.09:1

¹Current assets / current liabilities

²Total debt / Average stockholder's equity

³Total net income / total average assets

⁴Total net income / average stockholder's equity

⁵Total asset / total stockholder's equity

- The Company actively manages its liquidity position to ensure that all operating, investing, and financing needs are met. Working capital requirements are sufficiently funded through cash collections. The Company secured credit lines with various local banks, as approved by the Board of Directors. As of December 31, 2025, the Company's available credit line is ₱23.5 billion.
- There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.
- No known trend, event, or uncertainty has had or is reasonably expected to materially impact the net sales, revenues, or income from continuing operations.
- There is no significant element of income arising from continuing operations.
- There have not been any seasonal aspects that have had a material effect on the financial condition or results of the Company's operations.
- No known events and uncertainties will trigger direct or contingent financial obligation material to the Company, including any default or acceleration of an obligation.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

LIQUIDITY AND CAPITAL RESOURCES

For Year Ended December 31, 2025 versus For Year Ended December 31, 2024

The Company ended a net decrease in cash of ₱33.02 million for the year ended December 31, 2025.

Net cash flows provided by operating activities amounted to ₱9,633.28 million and ₱7,299.12 million for the year ended December 31, 2025 and 2024, respectively. The increase is mainly due to higher collections contributed by additional properties.

Cash flows used in Investing activities amounted to ₱1,504.11 million and ₱88.23 million for the year ended December 31, 2025 and 2024, respectively. This pertains mainly to due from related parties.

Cash flows used in Financing activities amounted to ₱8,162.19 million and ₱7,181.47 million for the year ended December 31, 2025 and 2024. This pertains mainly to dividends and short-term loans.

Causes for any material changes (+/- 5% or more) in the financial statements

Assets

Cash decreased by 46% primarily due to higher dividends and intercompany lending.

Receivables—current and noncurrent portion—increased by 59% and 78%, respectively, mainly due to additional properties. Higher finance lease receivables were contributed by the newly executed contracts for the building leases of Centrio Mall, Abreeza Mall, Central Bloc Mall and Seda Central Bloc.

Other current assets increased by 98% due to higher prepaid expenses pertaining to advance payment of real property taxes.

Investment properties increased by 7% mainly due to the acquisition of additional properties in July 2025.

Property and equipment decreased by 9% due to the depreciation for the period.

Other noncurrent assets decreased by 41% due to lower input VAT classified as noncurrent.

Liabilities

Accounts and other payables increased by 38%, mainly due to additional payables from additional properties.

The current and noncurrent portion of deposits and other liabilities increased by 38% and 7%, respectively, due to additional deposits from tenants.

Construction bonds, amounted to ₱160.70 million as of December 31, 2025. This pertains to cash bonds collected from tenants, to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein.

Equity

Total equity of ₱135,902.80 million as of December 31, 2025, 20% higher than December 31, 2024 at ₱113,370.52 million, due to increase in paid-up capital from ₱32,771.96 million in 2024 to ₱37,830.86 million in 2025. Retained earnings increased from ₱24,903.51 million in 2024 to ₱26,521.69 million in 2025.

Property Performance as of December 31, 2025

Property	Location	Valuation Date	Valuation cost (in Pesos, millions)	Total gross leasable area (GLA) (in sq.m)	Occupied GLA (in sq.m)	Occupancy rate	Remaining Land lease term	Rental Income (in Pesos, millions) ¹	Gross Revenues (in Pesos, millions)
Solaris	Makati	Dec 2025	7,267	46,768	43,675	93%	23	601	726
Ayala North Exchange	Makati	Dec 2025	12,193	95,314	88,276	93%	33	871	1,197
MECC	Makati	Dec 2025	1,710	10,688	10,408	97%	29	140	185
TP Cebu	Cebu	Dec 2025	1,793	18,093	18,093	100%	26	163	196
The 30th	Pasig	Dec 2025	4,775	74,704	73,463	98%	31	430	650
Laguna Technopark Land	Laguna	Dec 2025	1,339	98,179	98,179	100%	n/a	90	90
Vertis ¹	Quezon City	Dec 2025	16,698	164,450	157,215	96%	33	1,228	1,623
BPI- Philam Makati	Makati	Dec 2025	18	1,072	660	62%	n/a	5	6
BPI- Philam Alabang	Muntinlupa	Dec 2025	7	212	-	0%	n/a	1	1
Bacolod Capitol	Negros Occidental	Dec 2025	358	11,313	6,814	60%	36	63	92
Ayala Northpoint	Negros Occidental	Dec 2025	279	4,654	4,654	100%	33	24	34
Evotech	Laguna	Dec 2025	3,164	23,727	23,102	97%	33	187	372
eBloc Towers 1 to 4	Cebu	Dec 2025	7,492	79,640	77,100	97%	33	629	874
ACC Tower	Cebu	Dec 2025	1,626	27,458	23,514	86%	33	179	207
Tech Tower	Cebu	Dec 2025	1,039	16,273	15,028	92%	33	90	112
One Ayala West and East Towers	Makati	Dec 2025	12,612	70,995	70,995	100%	39	1,320	1,460
Glorietta 1&2 BPOs and Mall ¹	Makati	Dec 2025	12,713	108,790	108,365	100%	34	545	975
Marque Mall	Pampanga	Dec 2025	2,756	66,041	66,041	100%	34	-	183
SEDA Lio	Palawan	Dec 2025	1,142	17,680	17,680	100%	23	-	104
Ayala Triangle Garden Tower 2	Makati	Dec 2025	14,186	63,150	63,150	100%	39	1,274	1,616
Greenbelt 3&5 Mall	Makati	Dec 2025	6,889	94,029	94,029	100%	39	-	434
Holiday Inn	Makati	Dec 2025	3,355	27,391	27,391	100%	24	-	212
Seda Ayala Center Cebu	Cebu	Dec 2025	1,750	13,579	13,579	100%	39	-	112
Palauig Industrial land	Zambales	Dec 2025	6,857	2,759,135	2,759,135	100%	24	482	576
Central Bloc Development	Cebu	Dec 2025	11,691	197,494	197,494	100%	40	182	477

Abreeza BPO and Mall	Davao	Dec 2025	5,389	99,107	98,800	100%	41	31	206
Centrio BPO and Mall	Cagayan De Oro	Dec 2025	6,182	101,760	101,760	100%	41	30	240

⁽¹⁾ Does not include portion of mall and hotel buildings under finance lease

Review of FY 2024 operations vs FY 2023

The Company's net income increased by 45% from P5,030.54 million in 2023 to P7,317.06 million in 2024. Net income before the net fair value change in investment properties increased by 49% from P4,931.29 million in 2023 to P7,360.44 million in 2024. The increase was mainly due to income from the contribution of additional properties acquired in July 2023, January 2024 and July 2024.

Revenues

Total revenues increased by 44% from P7,140.34 million in 2023 to P10,259.17 million in 2024. This growth was mainly driven by higher rental income and dues.

Rental income increased by 39% from P5,438.89 million in 2023 to P7,562.12 million in 2024. The increase was primarily attributable to the full year contribution of properties acquired in July 2023, and contribution of properties acquired in January and July 2024.

Dues increased by 23% from P1,250.61 million in 2023 to P1,535.01 million in 2024. The increase was attributable to the operations of new assets acquired in July 2023, January and July 2024.

Interest income from finance leases amounted to P450.83 million in 2023 to P1,162.03 million in 2024. This pertains to various lease agreements with ALI or related parties that was subjected to finance lease.

Cost and Expenses

Direct operating expenses increased by 34% from P1,978.49 million in 2023 to P2,659.67 million in 2024. The increase was primarily due to expenses from operations of additional properties acquired in July 2023, January and July 2024.

General and administrative expenses decreased by 28% from P126.35 million in 2023 to P91.33 million in 2024.

Other Income (charges)

Interest income increased by 30% from P133.83 million in 2023 to P174.49 million in 2024. The increase was mainly due to increased interest income from intercompany loans.

Interest expense and other charges increased by 35% from P236.97 million in 2023 to P319.11 million in 2024. The increase was due to higher interest rates on short-term debt.

Net Fair Value Change in Investment Property

The Company recognized a reduction in fair value in investment properties of P43.37 million in 2024 and addition of P99.25 million in 2023.

Provision for income tax

Income tax provision increased from P1.07 million in 2023 to P3.11 million in 2024, due to the final tax on interest income from banks and short-term investments.

Capital Expenditure

The Company has no material commitments for capital expenditures.

Summary of Real Estate Transactions for 2024

On September 25, 2024, the Company, received the approval of the Securities and Exchange Commission (SEC) of the property-for-share swap, specifically the subscription of ALI, Cebu Insular, Green Haven and BCHC to 841,259,412 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, pursuant to the Deed of Exchange dated 19 March 2024.

In line with this, the parties have executed an Amendment to Section 4.2 of the Deed of Exchange on 30 September 2024 so that the recognition of income from the new assets will accrue to AREIT beginning 01 July 2024.

Financial Condition

The Company's balance sheet remains healthy to support the financial and operational requirements during this period.

As of December 31, 2024, the Company's total borrowings registered at ₱2.0 billion which translated to a debt-to-equity ratio of 0.02:1.

Return on equity was at 7% as of December 31, 2024.

	End- December 2024	End- December 2023
Current ratio ¹	0.83:1	0.80:1
Debt-to-equity ratio ²	0.02:1	0.04:1
Profitability Ratios:		
Return on assets ³	7%	6%
Return on equity ⁴	7%	7%
Asset to Equity ⁵	1.09:1	1.12:1

¹Current assets / current liabilities

²Total debt / Average stockholder's equity

³Total net income / total average assets

⁴Total net income / average stockholder's equity

⁵Total asset / total stockholder's equity

The Company actively manages its liquidity position to ensure that all operating, investing, and financing needs are met. Working capital requirements are sufficiently funded through cash collections. The Company secured credit line facilities with various local banks as approved by Board of Directors. As of December 31, 2024 the Company's available credit line is ₱23.5 billion.

There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.

No known trend, event, or uncertainty has had or is reasonably expected to materially impact the net sales, revenues, or income from continuing operations.

There is no significant element of income arising from continuing operations.

There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.

No known events and uncertainties will trigger direct or contingent financial obligation material to the Company, including any default or acceleration of an obligation.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

LIQUIDITY AND CAPITAL RESOURCES

For Year Ended December 31, 2024, versus For Year Ended December 31, 2023

The Company ended a net increase in cash of ₱29.41 million for the year ended December 31, 2024.

Net cash flows provided by operating activities amounted to ₱7,299.12 million and ₱6,537.79 million for the year ended December 31, 2024, and 2023, respectively. The increase is mainly due to higher collections contributed by additional properties.

Cash flows used in Investing activities amounted to ₱88.23 million and ₱1,936.75 million for the year ended December 31, 2024, and 2023, respectively. This pertains mainly to due from related parties and additions to investment properties.

Cash flows used in Financing activities amounted to ₱7,181.47 and ₱4,622.03 million for the year ended December 31, 2024, and 2023. This pertains mainly to dividends and short-term loans.

Causes for any material changes (+/- 5% or more) in the financial statements.

Assets

Cash increased by 70% primarily due to higher cash flows from operating activities.

Receivables—current and noncurrent portion—increased by 80%, mainly due to additional properties. Higher finance lease receivables were contributed by the newly executed contracts for the building leases of Seda Lio, Greenbelt 3&5 Malls, Holiday Inn and Sebu Ayala Center Cebu.

Other current assets increased by 95% due to higher prepaid expenses pertaining to advance payment of real property taxes.

Investment properties increased by 25% mainly due to the acquisition of additional properties in January and July 2024.

Property and equipment decreased by 7% due to the depreciation for the period.

Other noncurrent assets decreased by 9% due to lower input VAT classified as noncurrent.

Liabilities

Short-term loans decreased by 33%, due to repayment of ₱1.0 billion in 2024.

Accounts and other payables increased by 40%, mainly due to additional payables from additional properties.

The current portion of deposits and other liabilities decreased by 40%, mainly due to lower advance payment.

Construction bonds amounted to ₱138.14 million as of December 31, 2024. This pertains to cash bonds collected from tenants, to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein.

The noncurrent portion of deposits and other liabilities increased by 12%, mainly due to increased security deposits and advance rent.

Equity

Total equity of ₱113,370.52 million as of December 31, 2024, 36% higher than December 31, 2023, at ₱83,409.84 million, due to increase in paid-up capital from ₱24,359.37 million in 2024 to ₱32,771.96 million in 2024. Retained earnings increased from ₱23,403.74 million in 2023 to ₱24,903.51 million in 2024.

Review of FY 2023 operations vs FY 2022

The Company's net income increased by 74% from ₱2,887.56 million in 2022 to ₱5,030.54 million in 2023. Net income before net fair value change in investment increased by 43% from ₱3,436.52 million

in 2022 to ₱4,931.29 million in 2023. The increase was mainly due to income from additional properties acquired in 2022 and 2023.

Revenues

Total revenues increased by 41% from ₱5,072.85 million in 2022 to ₱7,140.34 million in 2023. This was contributed by higher rental income and net dues from the additional properties acquired in fourth quarter of 2022 and third quarter of 2023.

Rental income increased by 43% from ₱3,807.53 million in 2022 to ₱5,438.89 million in 2023. The increase was primarily attributable to the additional properties, namely, Ebloc Towers 1 to 4, ACC Tower, and Tech Tower, which the company acquired in the fourth quarter of 2022 and One Ayala West and East Towers, Glorietta 1 and 2 BPO, Glorietta 1&2 Mall, and Marquee Mall, acquired in the third quarter of 2023.

Dues increased by 20% from ₱1,042.99 million in 2022 to ₱1,250.61 million in 2023. The increase was driven by the operations of new assets acquired in 2022 and 2023.

Interest income from finance lease increased by 103% from ₱222.32 million in 2022 to ₱450.83 million in 2023. The increase was mainly due to the newly executed lease contracts between the Company and AyalaLand Malls, Inc. ("ALMI") for the building lease of Glorietta 1&2 mall and between the Company and Northbeacon Commercial Corp. ("NBCC") for the building lease of Marquee Mall, both of which commenced on July 1, 2023.

Cost and Expenses

Direct operating expenses increased by 45% from ₱1,359.80 million in 2022 to ₱1,978.49 million in 2023. The increase is in line with the increase in rental income due to additional properties acquired by the Company.

General and administrative expenses increased by 59% from ₱79.49 million in 2022 to ₱126.35 million in 2023, mainly due to additional provisions for doubtful accounts.

Other income (charges)

Interest Income increased by 290% from ₱34.33 million in 2022 to ₱133.83 million in 2023. The increase was mainly due to higher interest income from intercompany loans, which increased from ₱33.71 million in 2022 to ₱128.50 million in 2023.

Interest expense and other charges increased by 2% from ₱231.24 million in 2022 to ₱236.97 million in 2023. Interest expense on loans recognized amounted to ₱93.94 million and ₱100.25 in 2023 and 2022, respectively, interest expense from finance lease amounting to ₱84.13 million and ₱81.83 million in 2023 and 2022, respectively and accretion of security deposit amounting to ₱34.78 million in 2023 and ₱26.29 million in 2022.

Other charges amounted to ₱24.12 million in 2023 and ₱22.88 million in 2022. This mainly pertain to amortization of bond issue costs.

Net Fair Value Change in Investment Property

In 2023, the Company recognized an increase in fair value in investment properties of ₱99.25 million and a reduction of (₱548.95 million) in 2022.

Provision for Income Tax

Provision for income tax, the Company started to avail of its tax incentive as REIT after its listing in August 2020. As of December 31, 2022 and 2021, deferred tax assets and liabilities are recognized based on effective income tax rate of 0% under REIT law. The Company recognized final tax from interest income earned from banks amounting to ₱1.07 million and ₱0.12 million in 2023 and 2022, respectively.

Capital Expenditure

The Company has no material commitments for capital expenditures.

Summary of Real Estate Transactions for 2023

On September 20, 2023, the Company, received the approval of the Securities and Exchange Commission (SEC) of the property-for-share swap, specifically the subscription of ALI, ALMI and NBCC to 607,559,380 shares of AREIT in exchange for identified properties owned by ALI and the Subsidiaries, pursuant to the Deed of Exchange dated 02 June 2023.

In line with this, the parties have executed an Amendment to Section 4.2 of the Deed of Exchange on 20 September 2023 so that the recognition of income from the new assets will accrue to AREIT beginning 01 July 2023.

Financial Condition

The Company's balance sheet remains healthy to support the financial and operational requirements during this period.

As of December 31, 2023, the Company's total borrowings registered at ₱3.0 billion which translated to a debt-to-equity ratio of 0.04:1.

Return on equity was at 7% as of December 31, 2023.

	End- December 2023	End- December 2022
Current ratio ¹	0.80:1	0.43:1
Debt-to-equity ratio ²	0.04:1	0.05:1
Profitability Ratios:		
Return on assets ³	6%	5%
Return on equity ⁴	7%	5%
Asset to Equity ⁵	1.12:1	1.13:1

¹Current assets / current liabilities

²Total debt / Average stockholder's equity

³Total net income / total average assets

⁴Total net income / average stockholder's equity

⁵Total asset / total stockholder's equity

- The Company's fixed-rate bond expired on December 28, 2023. This was refinanced through availment of a short- term bank loan. To manage liquidity risk, the Company has available credit lines with various banks amounting to P23.0 billion. The Company may also refinance its loan and manage the payment terms for its payables.
- There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.
- No known trend, event, or uncertainty has had or is reasonably expected to materially impact the net sales, revenues, or income from continuing operations.
- There is no significant element of income arising from continuing operations.
- There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.
- No known events and uncertainties will trigger direct or contingent financial obligation material to the Company, including any default or acceleration of an obligation.

- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

LIQUIDITY AND CAPITAL RESOURCES

For Year Ended December 31, 2023 versus For Year Ended December 31, 2022

The Company ended a net decrease in cash of ₱20.99 million for the year ended December 31, 2023.

Net cash flows provided by operating activities amounted to ₱6,537.79 million and ₱3,933.43 million for the year ended December 31, 2023 and 2022, respectively. The increase is mainly due to higher collections contributed by additional properties.

Cash flows used in Investing activities amounted to ₱1,936.75 million and ₱263.05 million for the year ended December 31, 2023 and 2022, respectively. The increase mainly due to higher due from related parties and additions to investment properties.

Cash flows used in Financing activities amounted to ₱4,622.03 and ₱3,699.64 million for the year ended December 31, 2023 and 2022. This pertains mainly to dividends and short-term loans.

Causes for any material changes (+/- 5% or more) in the financial statements

Assets

Cash decreased by 33%, primarily due to cash flows used in investing and financing activities, such as repaying short-term loans and paying dividends.

Receivables—current and noncurrent portion—increased by 169%, mainly due to additional properties. Higher finance lease receivables were contributed by the newly executed contracts for the building leases of Glorietta 1&2 Mall and Marquee Mall.

Other current assets increased by 14% due to higher input VAT classified as current.

Investment properties increased by 29% mainly due to the acquisition of additional properties namely, One Ayala East and West Towers, Glorietta 1&2 BPO and Mall, and Marquee mall.

Property and equipment increased by 76% due to the acquisition of new office equipment.

Other noncurrent assets decreased by 5% due to lower input VAT classified as noncurrent.

Liabilities

The outstanding short-term loans amounted to ₱3.0 billion as of December 31, 2023.

Accounts and other payables increased by 100%, mainly due to additional payables from additional properties.

The current portion of deposits and other liabilities increased by 23%, mainly due to additional deposits from newly acquired assets.

The current portion of lease liability increased by 8%. The total cash outflow related to leases amounted to ₱53.90 million and ₱49.23 million in 2023 and 2022, respectively, composed of principal payment and interest on lease liabilities.

Construction bonds amounted to ₱95.69 million as of December 31, 2023. This pertains to cash bonds collected from tenants, to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein.

The noncurrent portion of deposits and other liabilities increased by 90%, mainly due to increased security deposit and advance rent from the tenants of newly acquired properties.

Equity

Total equity of ₱83,409.84 million as of December 31, 2023, 39% higher than December 31, 2022 at ₱60,072.89 million, due to increase in paid-up capital from ₱17,610.47 million in 2022 to ₱24,359.37 million in 2023, increase in additional paid-in capital from ₱20,021.65 million in 2022 to ₱36,320.03 million in 2023. Retained earnings increased from ₱22,440.77 million in 2022 to ₱23,403.74 million in 2023.

Item 7. Financial Statements

The 2025 Audited Financial Statements of the Company are incorporated in the accompanying Index to Exhibits.

Item 8. Information on Independent Accountant and Other Related Matters

Independent Public Accountants

- (a) The principal accountant and external auditor of the Company is the accounting firm of Isla Lipana & Co. (PWC) (Isla Lipana). The Board, upon the recommendation of the Company's Audit Committee (with Mr. Enrico S. Cruz as Chairman and Messrs. Omar T. Cruz and Jose Eduardo A. Quimpo II as members), approved the election of Isla Lipana as the Company's external auditor for 2026 based on its performance and qualifications, and fixed its remuneration amounting to One Million One Hundred Thousand Pesos (₱1,100,000.00), net of value-added tax and out-of-pocket expenses.

The election of Isla Lipana, and the fixing of its remuneration will be presented to the stockholders for their approval at the Annual Stockholders' Meeting.

- (b) Representatives of Isla Lipana are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to questions related to the completed fiscal year review.

Pursuant to the General Requirements of Revised SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged Isla Lipana as external auditor, with Mr. Zaldy D. Aguirre as the Partner-in-Charge since audit year 2024.

- (c) Changes in and disagreements with accountants on accounting and financial disclosure

The Company has engaged Isla Lipana's services during the two most recent fiscal years. There were no disagreements with Isla Lipana on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

- (d) **Audit and Audit-Related Fees**

The Company paid or accrued the following fees, including VAT, to its external auditor in the past two years:

YEAR	AUDIT FEES	AUDIT-RELATED FEES	TAX FEES	NON-AUDIT FEES
2025	₱882,000	₱0	₱0	₱0
2024	₱840,000	₱35,000	₱0	₱0

Isla Lipana was engaged by the Company for the annual and midyear review of financial statements in connection with the statutory and regulatory filings or engagements for the years

ended 2025 and 2024. The audit-related fees include assurance and services that are related to the performance of the audit or review of the Company's financial statements pursuant to the regulatory requirements.

(e) **Tax fees**

In 2025, no tax services were rendered by Isla Lipana.

(f) **All other fees (Non-Audit Fees)**

For 2023, the Company engaged Isla Lipana for tax consulting services and professional assistance in connection with the application for Certificates Authorizing Registration (eCAR) for the infusion of assets implemented in 2023.

The Audit Committee reviewed the nature of non-audit services rendered by Isla Lipana and the corresponding fees and concluded that these are not in conflict with the audit functions of the external auditors.

The Audit Committee has an existing policy to review and to approve the audit and non-audit services rendered by the Company's external auditor, as provided under paragraph 3.4 (b) of the AREIT Audit Committee Charter. It does not allow the Company to engage the external auditor for certain non-audit services expressly prohibited by regulations of the SEC to be performed by an external auditor for its audit clients. This is to ensure that the external auditor maintains the highest level of independence from the Company, both in fact and appearance. The approval of audit-related and non-audit services of the external auditor is delegated to management, subject to the Company's Policy on Non-Audit Services.

PART IV- MANAGEMENT AND CERTAIN SECURITY HOLDERS

Item 9. Directors and Executive Officers

The write-ups below include positions held as of December 31, 2025 and in the past five years and personal data as of December 31, 2025, of directors and executive officers, unless otherwise stated.

Board of Directors

Anna Ma. Margarita B. Dy	Chairman, Non-Executive Director
Alberto M. de Larrazabal	President, Chief Executive Officer & Executive Director
Jose Eduardo A. Quimpo II	Non-Executive Director
Mariana Beatriz Zobel de Ayala	Non-Executive Director
Maria Theresa D. Marcial	Non-Executive Director
Omar T. Cruz	Lead Independent Director
Enrico S. Cruz	Independent Director
Sherisa P. Nuesa	Independent Director

ANNA MARIA MARGARITA B. DY, Filipino, 56
Chairman, Non-Executive Director since October 1, 2023

Committee memberships:
None

Skills and experience:

Ms. Dy Filipino, 56, is the President and Chief Executive Officer and Director of Ayala Land, Inc. (ALI) since October 1, 2023. She is a member of the Management Committee of ALI since August 2008. She is also the Chairperson of AREIT, Inc. and AyalaLand Logistics Holdings Corp., another Ayala publicly-listed companies. She was an Executive Vice President of ALI from January 1, 2023, to September 30, 2023, and was a Senior Vice President from January 1, 2015, until December 31, 2022. Prior to becoming President, she was the Head of the Residential Business Group of ALI in 2022 and Head of the Malls Group in 2023. Before that, she also headed the Ayala Land Estates Group. Her other significant positions include President of Makati Development Corporation (Construction arm of Ayala Land, Inc.); Chairman of Amaia Southern Properties, Inc., Ayalaland Premier, Inc., Ayala Land International Sales, Inc., Avida Land Corp., Alveo Land Corp., Avencosouth Corp., Altaraza Development Corporation, Amaia Land, Inc., Amicassa Process Solutions, Inc., Ayala Property Management Corporation, Ayalaland-Tagle Properties, Inc., BGWest Properties, Inc., BGNorth Properties, Inc., Bellavita Land Corp., Cagayan de Oro Gateway Corp., Vesta Properties Holdings, Inc. Portico Land Corp. and Solinea, Inc.; Vice Chairman of Aurora Properties, Inc., CECI Realty, Inc., and Ayala Greenfield Development Corporation; President of AKL Properties, Inc.; President and Chief Executive Officer of Fort Bonifacio Development Corporation; and Director of Accendo Commercial Corp., ALI Eton Property Development Corporation, Berkshires Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc., Nuevocentro, Inc., Serendra, Inc. and Alveo-Federal Land Communities Inc. She started her career in IBM, Bain and Benpres Holdings and obtained an AB in Economics degree from Ateneo de Manila, a Master of Science in Economics from London School of Economics and a Master in Business Administration from Harvard Business School.

Directorship in other publicly listed companies:
Ayala Land, Inc. and AyalaLand Logistics Holdings Corp.

ALBERTO M. DE LARRAZABAL, Filipino, 70
President, Chief Executive Officer, and Executive Director since August 13, 2025

Committee memberships:

- Member of Executive Committee

Skills and experience:

Mr. de Larrazabal currently serves as Chairman of Integrated Micro-Electronics, Inc.; Director, President, and CEO of AREIT, Inc.; President and CEO of AC Infrastructure and Globe Capital Venture Holdings, Inc.; and Director of AC Industrial Technology Holdings, Inc., Anko JV Company, Inc., and Light Rail Manila Holdings Inc. Prior to these roles, he was Chief Financial Officer of Ayala Corporation for over four years, stepping down effective January 1, 2026. His tenure at Ayala Corporation was distinguished by his recognition as CFO of the Year by ING and FINEX, a fitting culmination of his leadership in finance. Mr. de Larrazabal with over three decades of senior executive experience has built an extensive expertise across finance, business development, treasury operations, joint ventures, mergers and acquisitions, investment banking, and investor relations. Prior to joining Ayala Corporation, he served as Chief Commercial Officer and Chief Financial Officer of Globe Telecom. Earlier in his career, he held key leadership roles, including Vice President and CFO of Marsman Drysdale Corporation; Vice President and Head of the Consumer Sector at JP Morgan Hong Kong; and Senior Vice President and CFO of San Miguel Corporation.

Directorship in other publicly listed companies:

Integrated Micro-Electronics, Inc., ENEX Energy Corp., and Yoma Strategic Holdings Ltd.

JOSE EDUARDO A. QUIMPO II, Filipino, 46
Non-Executive Director since August 14, 2024

Committee memberships:

- Chairman of Executive Committee
- Member of Audit Committee
- Member of Sustainability Committee

Skills and experience:

Mr. Quimpo joined Ayala Land, Inc. (ALI) in May 2024 and currently serves as its Senior Vice President, Chief Finance Officer, Treasurer and Chief Risk Officer. He is a Director of AREIT, Inc. and a Director and Treasurer of AyalaLand Logistics Holding Corp., the publicly listed subsidiaries of ALI. His other significant positions include: Chairman and Director of AyalaLand Business Solutions, Inc.; Director and Vice Chairman of Portico Land Corp.; Director and Treasurer of ALI Eton Property Development Corporation, Alveo Land Corporation, Amaia Land Corp. (formerly First Communities Realty, Inc.), Amaia Southern Properties, Inc., Aurora Properties Incorporated, Avida Land Corp., AyalaLand Premier, Inc., AyalaLand-Tagle Properties, Inc., Bellavita Land Corp. (formerly South Maya Ventures Corp.), Ceci Realty Inc., Serendra, Inc., and Vesta Property Holdings, Inc.; Director of A-FLOW Land I Corp., A-FLOW Properties I Corp., Altaraza Development Corporation, Amicassa Process Solutions, Inc., Anvaya Cove Beach and Nature Club, Inc., Makati Development Corporation and Station Square East Commercial Corp.; and Treasurer of Ayala Land International Sales, Inc., Ayala Property Management Corp. and BGWest Properties, Inc.. Prior to joining Ayala Land, Mr. Quimpo held senior roles in investment banking, securities brokerage and wealth management. Mr. Quimpo obtained his Bachelor of Science degree in Management Engineering at Ateneo de Manila University.

Directorship in other publicly listed companies:

Mr. Quimpo is not a Director in any other publicly listed company.

MARIA THERESA D. MARCIAL, Filipino, 55
Non-Executive Director since April 23, 2024

Committee memberships:

- Member of Sustainability Committee

Skills and experience:

Ms. Maria Theresa D. Marcial is President and Chief Executive Officer of BPI Wealth – A Trust Corporation, the asset and wealth management arm of Bank of the Philippine Islands. She has 31 years of banking experience spanning asset management and trust, corporate banking, debt and equity capital markets, and strategic planning and finance. She currently serves as director of BPI Europe Plc,

BPI AIA Life Assurance Corporation, BPI Wealth Hongkong Ltd, BPI Wealth Singapore Pte. Ltd, BPI Wealth Builder Multi-Asset Mutual Fund, Inc, and AREIT, Inc. She is also an independent director of Alternergy Holdings Corporation. Prior to joining the banking industry, Ms. Marcial held analyst roles at the National Economic and Development Authority and the Agricultural Policy Credit Council. She has also held key leadership positions in the industry, including President of the Fund Managers Association of the Philippines, President of the Trust Officers Association of the Philippines, Vice-Chair of the Capital Markets Development Committee of FINEX, and Alternate Governor of the Market Governance Board of the Philippine Dealing and Exchange Corporation. Beyond her professional commitments, Ms. Marcial is actively engaged in environmental and social advocacy. She serves as Trustee and Treasurer of World Wide Fund for Nature (WWF) Philippines, and the Ocean Racing Club of the Philippines. She has been recognized as one of the Top 25 Most Influential Women in Asset Management in Asia by AsianInvestor, Women of Power by the Philippine Daily Inquirer and Most Outstanding Alumnus of the University of the Philippines Los Baños. Ms. Marcial holds a Master's Degree in Economics from the University of the Philippines Diliman and a BS in Economics, cum laude, from the University of the Philippines Los Baños. She completed the Advanced Management Program and the CFA Institute Investment Management Workshop at Harvard Business School, and the Executive Program in Strategy and Organization at Stanford Graduate School of Business.

Directorship in other publicly listed companies:

Ms. Marcial is a Director of Alternergy Holdings Corporation.

MARIANA BEATRIZ ZOBEL DE AYALA, Filipino, 37

Non-Executive Director since October 7, 2021

Committee memberships:

None

Skills and experience:

Ms. Zobel de Ayala is an Executive Director of Ayala Corporation and concurrently a Senior Vice President of Ayala Land, Inc. (ALI). She currently heads its Leasing and Hospitality Group, overseeing Ayala Malls, Ayala Land Offices, Ayala Land Hospitality, and Ayala Land Leisure Estates. She is also a Board Director of ALI and a member of its Executive, Risk Oversight, and Sustainability Committees. Currently, she serves as the Chairman and President of Ayalaland Malls, Inc. (formerly: ALI Commercial Center, Inc.); Vice Chairman of ALI Eton Property Development Corporation; Chairman of Ayalaland Offices, Inc., Chairman of Ayalaland Hotels and Resorts Corp., and Director of Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Columbus Holdings, Inc., Berkshires Holdings, Inc., Emerging City Holdings, Inc., Altaraza Development Corporation, AKL Properties, Inc., Ortigas Land Corporation, and Makati Central Estate Association, Inc. She also serves as Chairman of Chirica Resorts Corporation, Ten Knots Development Corporation, Lio Resort Ventures Inc., Pangulasian Island Resort Corp., Ten Knots Phils., Inc., Swift Aerodrome Services, Inc., and ALI Capital Corp.; President & Director of Station Square East Commercial Corporation; and, Director of Cagayan de Oro Gateway Corp., Accendo Commercial Corp., and Cebu District Property Enterprise Inc. Aside from her directorships at the Ayala Land Group, she also serves as a Board Director for several Ayala Group companies, such as A&CO Holdings Corporation, ACX Holdings Corporation, ANKO JV Company, Inc., Ayala Group's ACTIVE Fund, and BPI's Asset Management and Trust Company. She was named a board advisor for Asia Partners, a Singapore-based growth equity firm with over USD1 bn in assets under management, focused on enabling the next generation of high-growth technology companies in Southeast Asia. She is also a board director of U-Go, a non-profit organization looking to drive education equality in emerging markets by providing scholarship grants to women in pursuit of a university education. She previously worked for the Bank of the Philippine Islands (BPI) as a Senior Vice President, leading the development of its marketing and digital platforms for its Consumer Bank. Before this position, she served as the Deputy Head of Ayala Malls and previously worked in project development across Ayala Land. She started working at the Ayala Group as a corporate strategy and business development associate at Ayala Corporation, supporting its portfolio reviews across the conglomerate and business development interests in the healthcare industry. She began her career at J.P. Morgan in New York. She obtained her BA in Social Studies (Philosophy, Politics, and Economics) from Harvard College and an MBA from INSEAD.

Directorship in other publicly listed companies:

Ayala Land, Inc.

OMAR T. CRUZ, Filipino, 71

Lead Independent and Non-Executive Director since June 28, 2019

Committee memberships:

- Member of Executive Committee
- Member of Risk Management and Related Party Transactions Review Committee
- Member of Audit Committee
- Member of Corporate Governance and Nomination Committee

Skills and experience:

Mr. Cruz is also an independent director for Toyota Financial Services, Inc., RCBC Capital Corporation, Philippine Regional Investments Development Corporation and ABACORE Group, Inc. He also serves: as Chairman of the Investment Committee of De La Salle Philippines; as Trustee of the Financial Executives Institute Foundation of the Philippines; as Vice Chairman of the board and Board Executive Committee for the University of Asia and the Pacific; as Vice Chairman of the board and Board Executive Committee for the Center for Research and Communication Foundation, Inc.; as a trustee for the Philippine National Police Foundation. Previously Mr. Cruz has served as: Treasurer of the Republic of the Philippines, Chairman of the International Treasury Committee of the International Association of Financial Executives Institution; as a senior advisor to Prudential Corporation Asia (HK); and as President and CEO of BPI Philam Life Assurance Corp. and Vice President and bank executive of Citibank, N.A.; Senior Executive Vice President of Insular Life. He has also previously served as a director for numerous entities, including Philamlife Company, BPI Philam Life Assurance Corporation, Ayala-FGU Condominium Corporation, Rufino Towers Condominium Corporation, Philamlife Asset Management, Inc., Tower Club and PHINMA Property Holdings Corporation. Mr. Cruz holds a Bachelor of Science in Industrial Management Engineering (minor in Mechanical Engineering) from De La Salle University. He also achieved his Master of Science in Industrial Economics from the Center for Research and Communication at the University of Asia and the Pacific.

Directorship in other publicly listed companies:

Abacore Capital Holdings, Inc. (ABA)

ENRICO S. CRUZ, Filipino, 68

Independent and Non-Executive Director since February 5, 2020

Committee memberships:

- Member of Risk Management and Related Party Transactions Review Committee
- Chairman of Audit Committee
- Member of Corporate Governance and Nomination Committee

Skills and experience:

Mr. Cruz is also an Independent Director of Security Bank Corporation, Robinsons Retail Holdings, Inc., The Keepers Holdings, Inc., DITO CME Holdings Inc., Maxicare Healthcare Corporation, CIBI Information Inc, MAXILIFE Insurance Corporation, Vice Chairman of SB Capital Investment Corporation, Philippine Dealing and Exchange Corporation, and Maharlika Investment Corporation. He was the Chief Country Officer of Deutsche Bank Manila Branch from June 2003 to July 2019, responsible for the operation of Deutsche Bank entities in the Philippines. He was concurrently the bank's Head of Corporate Finance overseeing debt origination, equity capital markets, advisory and corporate/institutional sales activities. He joined Deutsche Bank in July 1995 where he established the Global Markets (GM) franchise in the Philippines. Prior to Deutsche Bank, Eric was Senior Vice President at Citytrust Banking Corporation (CTBC), an affiliate of Citibank N.A. He joined CTBC in 1979 as an Executive Development Program Trainee and worked in various operations departments until he was named Head of Centralized Operations Department. He was then tasked in 1989 to head the Treasury Sales and Trading Group until his move to Deutsche Bank. He previously served as a Director of the Bankers Association of the Philippines (BAP) in 2003-2007, 2011-2015 and 2017-2019 and was a past president of the Money Market Association of the Philippines. He obtained his B.S. in Business Economics and MBA from the University of the Philippines.

Directorship in other publicly listed companies:

Security Bank Corporation, Robinsons Retail Holdings, Inc., The Keepers Holdings, Inc. and DITO CME Holdings Inc.

SHERISA P. NUESA, Filipino, 71

Independent and Non-Executive Director since April 26, 2023

Committee memberships:

- Member of Risk Management and Related Party Transactions Review Committee
- Chairman of Sustainability Committee
- Chairman of Corporate Governance and Nomination Committee

Skills and experience:

Ms. Nuesa, is a Director of other publicly listed companies as follows: Independent Director of Integrated Micro-electronics, Inc. and Manila Water Company, Inc. and a non-executive Director of Far Eastern University and of Metro Retail Stores Group Inc., where she serves as Chairman of the Board. She also sits as a Board member of FEU subsidiary FERN Realty Corporation and as Senior Adviser to the Board of Vicsal Development Corporation. She is also a member of the board of trustees of the Financial Executives Institute (FINEX) Foundation, and a Board Adviser to Justice Reform Initiative Inc. (JRI) where she held the position of former Chairperson for ten years until 2022. In the recent past, she is a former director of ALI and ACEN CORPORATION from 2020 until April 2023. She also held the positions of President and Director of the ALFM Mutual Funds Group, and Trustee and Fellow of the Institute of Corporate Directors (ICD) from 2012 to 2021. In addition to her background as a Chief Finance Officer and currently as a Board Director, she also held previous positions in management operations. She was the Chief Finance Officer and Chief Administration Officer of IMI from January 2009 to July 2010 and the Vice-President and Group Head for Commercial Centers of Ayala Land Inc. (ALI) from 1996 to 1999. She was then a Managing Director of Ayala Corporation and as such, served in various capacities in Ayala Corporation, ALI, and Manila Water Company, Inc. She co-led the Initial Public Offering (IPO) teams of Ayala Land, Inc., Cebu Holdings, Inc., Manila Water, and IMI. Ms. Nuesa received a Master of Business Administration degree from the Ateneo-Regis Graduate School of Business in Manila. She also attended post-graduate courses in Harvard Business School and in Stanford University. She graduated summa cum laude in 1974, with a degree of Bachelor of Science in Commerce from the Far Eastern University, which named her as one of its Outstanding University Alumni. A Certified Public Accountant, she was awarded as the ING-FINEX CFO of the Year for 2008 and is an accredited lecturer of both ICD and the FINEX Academy.

Directorship in other publicly listed companies:

Integrated Micro-electronics, Inc., Manila Water Company, Inc. Far Eastern University and Metro Retail Stores Group Inc.

Nominees to the Board of Directors for election at the stockholders' meeting

All the incumbent directors are nominees to the Board.

Senior Leadership Team/Key Officers

Alberto M. de Larrazabal*	President & Chief Executive Officer
Ma. Teresa R. Famy	Treasurer, Chief Finance Officer & Chief Risk Officer
Rowena P. Libunao	Chief Audit Executive
Maria Franchette M. Acosta	Corporate Secretary
Ma. Florence Therese dG. Martinez-Cruz	Chief Compliance Officer & Assistant Corporate Secretary
Roscoe M. Pineda	Data Protection Officer

* *Member of the Board of Directors.*

MA. TERESA R. FAMY, Filipino, 60, is the Treasurer, Chief Finance Officer and Chief Risk Officer of the Company. She was appointed as the Chief Finance Officer effective July 1, 2021, as Treasurer of the Company effective August 12, 2021 and as Chief Risk Officer effective April 24, 2025. She has

been with the ALI Group for 18 years. Prior to her appointment in the Company, Ms. Famy was the Chief Finance Officer of the AyalaMalls Group, Alveo Land Corp., Ayala Land Premier, and Avida Land Corp. Prior to joining the ALI Group, Ms. Famy worked as an Auditor for SyCip Gorres Velayo and Co. She is a Certified Public Accountant and holds a Bachelor's Degree in Accounting from Divine Word College, Legazpi City.

ROWENA P. LIBUNAO, Filipino, 48, is currently the audit lead for Leasing and Hospitality. She has been with ALI Internal Audit for almost 15 years. Prior to joining Ayala Land, she worked as Internal Auditor for various companies engaged in banking, petroleum and stock exchange. She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and a member of the Institute of Internal Auditors Philippines (IIAP). She holds a Bachelor of Science degree in Accountancy from the Pamantasan ng Lungsod ng Maynila.

MARIA FRANCHETTE M. ACOSTA, Filipino, 53, has been the Corporate Secretary, Corporate Governance Group Head, Data Protection Officer and Chief Legal Officer of Ayala Corporation since March 12, 2024. She has served as the Company's Compliance Officer since April 26, 2024. She is also the Corporate Secretary of Ayala Land, Inc., AREIT, Inc., ACEN CORPORATION, Globe Telecom, Inc., Integrated Micro-electronics, Inc. and Mynt, Inc. She has been a practicing lawyer with 18 years in Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department. Ms. Acosta was also an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she worked from 2001 to 2003 and. She has been recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. For several consecutive years she was named among Asia Business Law Journal's top 100 lawyers of the Philippines. Atty. Acosta graduated from New York University with a Master of Laws in 2003, and ranked 3rd in the Philippine Bar Examination. She earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

MA. FLORENCE THERESE DG. MARTIREZ-CRUZ, Filipino, 39, has served as the Assistant Corporate Secretary of AREIT, Inc. since November 14, 2022, and Chief Compliance Officer of the AREIT, Inc. since April 26, 2023. She is the Corporate Secretary of Ayalaland Logistics Holdings Corp. and AREIT Fund Managers, Inc., and concurrently the Head of Legal of AREIT, Inc. and Ayalaland Offices, Inc. She is the Compliance Officer for Anti-Money Laundering of ALI, and the Legal Group Head for ALI's Leasing and Hospitality Group. She was the Assistant Corporate Secretary of Ayala Land, Inc. from April 26, 2023 to May 28, 2024. Prior to joining Ayalaland Offices, Inc. in 2021, she was a Senior Counsel and Counsel for AG Counselors Corporation, from 2019 to 2021, and 2016 to 2019, respectively. Prior to joining the Ayala Land Group, she worked as an Associate at the Leynes Lozada-Marquez Law Offices and a legal consultant in the Office of Senator Maria Lourdes Binay. She graduated from the University of the Philippines in 2007 with a Bachelor of Arts degree in Public Administration and obtained her Juris Doctor in 2011 from the same University. She finished the Program on Negotiation and Leadership at Harvard Law School in 2019 and the Certification Course for Compliance Officers by the Center for Global Best Practices in 2022 and was included in the Legal 500's GC Powerlist Philippines 2023.

ROSCOE M. PINEDA, Filipino, 53, joined ALI on March 1, 2023, as Vice President and Information Technology Director of the Residential Business Group of Ayala Land, Inc. He assumed the Chief Information Officer (CIO) position for the ALI Group effective on October 1, 2023, and appointed as Group Data Privacy Officer on January 1, 2024 until August 19, 2025. Mr. Pineda was the Service Center Lead for Technology and was also the Chief Operating Officer of ANZ Global Services and Operations in Manila. He was the Chief Shared Services Officer of the Asia Service Centre of Sun Life of Canada and was a VP of CHARTIS Technology and Operations Management Corp. (AIG Shared Services). He is a bona fide member of the PMI.org and currently a Certified Project Management Professional. Mr. Pineda has a Bachelor's Degree in Mathematics, Major in Computer Science from the University of Santo Tomas.

Item 10. Compensation of Directors and Executive Officers

(a) Executive Compensation

NAME AND PRINCIPAL POSITION	YEAR	SALARY	OTHER ANNUAL COMPENSATION
		(IN MILLIONS)	
Albert M. de Larrazabal (President/CEO)			
Ma. Teresa R. Famy (Treasurer/Chief Finance Officer/ Chief Risk Officer)			
Rowena P. Libunao (Chief Audit Executive)			
Roscoe M. Pineda (Data Privacy Officer)			
CEO and most highly compensated Executive Officers	2024 Actual 2025 Actual 2026 (projected)	₱14.19M ₱11.99M ₱10.78M	₱3.53M ₱2.53M ₱4.48M

* Exclusive of Stock Option exercise

The executive officers are all seconded from ALI, and they receive no compensation, salary, or per diem from the Company. The amounts stated above cover the compensation of the executive officers of AREIT as secondees from ALI. Other variable pay paid to the officers by ALI covers bonuses. The total annual compensation of the President and the highly compensated executives amounted to ₱17.72 million in 2024, and ₱14.52 million in 2025. The projected total annual compensation of the President and top five highly compensated executives for 2026 is projected at ₱15.26 million.

The total annual compensation of all directors and senior personnel was paid in cash.

(b) Compensation of Directors

Article III, Section 12 of the By-laws provides:

“Section 12 – By resolution of the Board of Directors, each director, may receive a reasonable per diem allowance for his attendance to each meeting of the Board of Directors. Any additional compensation, other than per diems, to be given to the members of the Board of Directors shall be subject to approval by stockholders representing majority of the outstanding capital stock.

A director, except an independent director, shall not be precluded from serving the Corporation in any other capacity such as an officer, agent or otherwise, and from receiving compensation thereof.

The amount of the annual compensation of all directors and principal officers of the Corporation shall be fixed subject to the provision of the REIT Act and other applicable laws, rules, and regulations. No director shall be involved in the determination of his own per diem or compensation during his incumbent term.”

i. Standard arrangement

The independent directors to receive the following per diems per meeting attended, as approved by the stockholders on April 24, 2025:

Board meeting fee	Php60,000.00

Committee meeting fee	Php30,000.00

There are no standard arrangements pursuant to which directors of the Company are compensated, directly or indirectly, for any services provided as director.

In accordance with the requirement of Sections 29 and 49 of the Revised Corporation Code relating to an annual report of the total compensation of each director, below is a table showing the gross compensation received by the non-executive and independent directors in 2025. Executive Directors do not receive compensation as directors.

NON-EXECUTIVE / INDEPENDENT DIRECTOR	BOARD MEETINGS	COMMITTEE MEETINGS	TOTAL
Omar T. Cruz	₱380,000.00	₱290,000.00	₱670,000.00
Enrico S. Cruz	380,000.00	290,000.00	670,000.00
Sherisa P. Nuesa	380,000.00	150,000.00	530,000.00
Maria Theresa D. Marcial	380,000.00	30,000.00	410,000.00
Total	₱1,080,000.00	₱540,000.00	₱1,620,000.00

ii. **Other arrangements**

Aside from the compensation received as herein stated, the Company has no other arrangement with regard to the remuneration of its existing non-executive and independent directors for services provided as a director.

The Company's Corporate Governance and Nominations Committee is chaired by Ms. Sherisa P. Nuesa, with Enrico S. Cruz and Omar T. Cruz as members. The Chairman and members are all independent directors.

(c) Employment contracts and termination of employment and change-in-control arrangements

The above-named executive officers are engaged by ALI and are covered by engagement/employment contracts with ALI that specify their respective job functions, among other things. They are seconded to the Company and such secondment is covered by letters of appointment stating their respective job functionalities within the Company.

(d) Warrants and options outstanding

There are no outstanding warrants or options in connection with the shares of the Company held by any of the directors or executive officers.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(i) Security ownership of record and beneficial owners of more than 5% as of February 28, 2026:

TITLE OF CLASS OF SHARES	NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	PERCENT OF OUTSTANDING SHARES
Common	Ayala Land, Inc. (ALI) ³ 31F, Tower One and	Ayala Land, Inc. ⁴	Filipino	1,379,728,665	37.132%

³ ALI is the principal stockholder of the Company.

⁴ Under the By-Laws of ALI and the Revised Corporation Code, the ALI Board has the power to decide how ALI's shares are to be voted.

	Exchange Plaza Ayala Triangle Ayala Ave., Makati City				
Common	PCD Nominee Corporation (Filipino) ⁵ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁶	Filipino	1,241,796,841	33.420%
Common	AyalaLand Malls, Inc. ⁷	AyalaLand Malls, Inc. ⁸	Filipino	287,186,771	7.729%
Common	Buendia Christiana Holdings Corp. ⁹	Buendia Christiana Holdings Corp. ¹⁰	Filipino	199,109,438	5.359%

(ii) Security ownership of directors and management (Executive Officers) as of February 28, 2026:

TITLE OF CLASS OF OUTSTANDING SHARES	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF TOTAL OUTSTANDING SHARES
Directors				
Common	Anna Ma. Margarita B. Dy	1 (direct)	Filipino	0.000%
Common	Alberto M. de Larrazabal	1 (direct)	Filipino	0.000%
Common	Jose Eduardo A. Quimpo II	1 (direct)	Filipino	0.000%
Common	Mariana Beatriz E. Zobel de Ayala	1 (direct)	Filipino	0.000%
Common	Sherisa P. Nuesa	242,900 (indirect)	Filipino	0.007%
Common	Omar T. Cruz	962,901 (direct & indirect)		0.026%
Common	Enrico S. Cruz	2,400,001 (direct & indirect)	Filipino	0.065%
Common	Maria Theresa D. Marcial	1 (direct)	Filipino	0.000%
CEO and most highly compensated officers				
Common	Alberto M. de Larrazabal (same as the above)	-	Filipino	0.000%
Common	Ma. Teresa R. Famy	22,000 (indirect)	Filipino	0.001%
Common	Rowena O. Libunao	0	Filipino	0.000%
Common	Roscoe M. Pineda	-	Filipino	0.000%
Other Officers				
Common	Maria Franchette M. Acosta	0	Filipino	0.000%
Common	Ma. Florence Therese dG. Martinez-Cruz	1,700 (indirect)	Filipino	0.000%
Common	Roscoe M. Pineda	0	Filipino	0.000%
All Directors and Officers as a group		3,629,507		0.098%

No director or member of the Company's management owns 2% or more of the outstanding capital stock of the Company.

(iii) Voting trust holders of 5% or more

⁵ PCD is not related to the Company.

⁶ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote in absentia or through the Chairman of the meeting as proxy. Out of the 1,241,796,841 common shares registered in the name of PCD Nominee Corporation (Filipino), 222,634,800 or 5.992% of the outstanding capital stock is for the account of the Government Service Insurance System (GSIS). GSIS has not coordinated with the Company for the submission of SEC Form 18-A for beneficially owning more than 5% of the Company's common shares.

⁷ AyalaLand Malls, Inc. is an affiliate of the Company for having ALI as their common stockholder owning at least 10% of their outstanding capital stock.

⁸ The Board of AyalaLand Malls, Inc. has the power to decide how the shares are to be voted.

⁹ Buendia Christiana Holdings Corporation is a related party of the Company.

¹⁰ The Board of Buendia Christiana Holdings Corporation has the power to decide how the shares are to be voted.

The Company knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

(iv) Changes in control

No change of control in the Company has occurred since the beginning of its last fiscal year.

(a) Foreign owned shares as of February 28, 2026:

TYPE OF SHARES	TOTAL OUTSTANDING SHARES	SHARES OWNED BY FOREIGNERS	PERCENT OF OWNERSHIP
Common	3,715,756,162	190,147,559	5.12%

Item 12. Certain Relationships and Related Transactions

The Company, in its regular conduct of business, entered into transactions with related parties consisting of lease of office spaces, advances, supply agreements, management, marketing and leasing, and administrative service agreements. These are based on terms agreed by the parties and made on an arm's length basis.

All related party transactions of the Company have to be approved by a majority of the entire membership of the Board of Directors, including the unanimous vote of all independent directors of the Company. All related party transactions of the Company to date have been approved by the Risk Management and Related Party Transactions Review Committee of the Company.

The table below sets out the principal ongoing transactions of the Company with related parties as of December 31, 2025. Additional information on the Company's Related Party Transactions can be found on Note 18 of the Audited Financial Statements.

RELATED PARTY (Receivables from)	NATURE OF TRANSACTION	AMOUNT (in PhP Thousands)	RELATIONSHIP
ALI and Affiliates	Building leases subject to Finance lease	35,086,452,638	Parent Company and Entities under common control
ALI	Regular leases of spaces and Loans	1,305,163,717	Parent Company
Affiliates	Regular leases of spaces and Loans	3,323,235,587	Entities under common control
Other related parties	Regular leases of spaces	49,371,000	Associate of Ayala Corporation
RELATED PARTY (Payable to)	NATURE OF TRANSACTION	AMOUNT (in PhP Thousands)	RELATIONSHIP
ALI	Leases of land and spaces, and Advances	871,163,555	Parent Company
Affiliates	Leases of land and spaces, Management Agreements, Advances, Utility Services	2,003,591,851	Entities under common control The fees received by the AREIT Fund Managers, Inc. and AREIT Property Managers, Inc. do not exceed one percent (1%) of the Net Asset Value of

			the assets under their respective management. Please refer to the Company's Audited Financial Statements.
Other related parties	Utility Services	484,786	Associate of Ayala Corporation

At the special meeting held on December 11, 2025, for such purpose, upon the recommendation of AREIT Fund Managers, Inc., the Risk Management and Related Party Transactions Review Committee, and approval of the Board of Directors of the Company, the stockholders approved the issuance of 441,131,656 primary common shares (the "Shares") to ALLI, and its subsidiary, Summerhill Commercial Ventures Corp. ("Summerhill"),¹⁹ in exchange for two (2) commercial buildings located in Cebu and Pasig City, with an aggregate value of Nineteen Billion Four Hundred Seventy-Five Million Nine Hundred Sixty-Two Thousand Six Hundred Twelve and 40/100 Pesos (₱19,475,962,612.40) under a property-for-share swap transaction at an issue price of ₱44.15 per share ("Transaction Price"), set at a premium over the thirty (30)-day volume weighted average price ("30-day VWAP") or the Market Price²⁰ of ₱43.93, as validated by a third-party fairness opinion issued by FTI Consulting Philippines, Inc. ("FTI Consulting").

No other transaction, without proper disclosure, was undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Company's outstanding shares (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest.

AREIT employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

Material related party transaction are reviewed and approved by the Risk Management and Related Party Transactions Review Committee in accordance with the Company's Related Party Transactions Policy.

¹⁹ 100% owned by ALLI.

²⁰ "Market Price" means the volume weighted average of the closing prices for a period of thirty (30) trading days prior to the approval of the transaction. Transaction date refers to the date of approval of the Board of Directors when issue price was set.

PART V- CORPORATE GOVERNANCE

Item 13. Compliance with leading practice on Corporate Governance

- i. The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its Committees, the Chairman, and the directors. The assessment criteria or metrics include board composition; board roles, functions, and processes; information management; representation of shareholders; management of the Company's performance; senior executives' talent management and succession planning; dynamics and relationships; and corporate governance practices. The aggregated results are submitted to the Compliance officer and presented to the Board during the meeting immediately following the end of the assessment process. The Board performance assessment for the calendar year 2025 will be conducted by an independent third-party facilitator, Teneo Asia Pacific Pte. Ltd., in compliance the Company's Corporate Governance Manual. Likewise, the Integrated Annual Corporate Governance (I-ACGR) of AREIT will be submitted to the SEC on or before May 30, 2026.
- ii. To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.
- iii. There were no deviations from the Company's Revised Manual of Corporate Governance. The Company has adopted in the Manual of Corporate Governance the leading practices and principles of good corporate governance, and full compliance therewith has been made since the adoption of the Revised Manual.
- iv. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

Item 14. Exhibits and Reports on SEC Form 17-C

(a) Exhibits- See accompanying Index to Exhibits

The following exhibit is incorporated by reference in this report.

2025 Audited Financial Statements

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

(b) Reports on SEC Form 17-C

The following current reports have been reported by AREIT during the year 2025.

Unstructured Disclosures
• 4Q 2024 Reinvestment Plan Progress Report (181 million share sale)* • 4Q 2024 Reinvestment Plan Progress Report (98 million share sale)* • 4Q 2024 Reinvestment Plan Progress Report (75 million share sale)* • 2024 Annual Reinvestment Plan Progress Report (181 million share sale)* • Final Reinvestment Plan Progress Report (98 million share sale)* • 2024 Annual Reinvestment Plan Progress Report (75 million share sale)* • Final Reinvestment Plan Progress Report (181 million share sale)*

- Notice of FY 2024 Analyst Briefing
- Notice on the Conduct of Annual Stockholders' Meeting
- 4Q 2024 Declaration of Cash Dividends
- FY 2024 Results Press Release
- Reinvestment Plan (Seda Lio)*
- Property-for-Share Swap between AREIT, Inc. and Ayala Land, Inc. and its subsidiaries, Accendo Commercial Corp., Cagayan de Oro Gateway Corp., and Central Bloc Hotel Ventures, Inc.
- FY 2024 Audited Financial Statements
- Final Reinvestment Plan Progress Report (Seda Lio)
- Detailed Notice and Agenda of the 2025 Annual Stockholders' Meeting
- 1Q 2025 Reinvestment Plan Progress Report (75 million share sale)*
- 1Q 2025 Reinvestment Plan Progress Report (75 million share sale)*
- Results of the 2025 Annual Stockholders' Meeting
- Results of the Organizational Meeting of the Board of Directors
- Q1 2025 Results Press Release
- Q1 2025 Declaration of Cash Dividends
- Reinvestment Plan (12 million share sale)*
- 2Q 2025 Reinvestment Plan Progress Report (75 million share sale)*
- 2Q 2025 Reinvestment Plan Progress Report (75 million share sale)*
- Notice of 1H 2025 Analyst Briefing
- 1H 2025 Results Press Release
- 2Q 2025 Declaration of Cash Dividends
- Change in Directors and/or Officers (Resignation and Election of Officers)
- Final Reinvestment Plan Progress Report (75 million share sale)*
- 3Q 2025 Reinvestment Plan Progress Report (75 million share sale)*
- 3Q 2025 Reinvestment Plan Progress Report (12 million share sale)*
- Press Release on ALI's P19.5 Billion Asset Infusion into AREIT
- Setting of 2025 Special Stockholders' Meeting
- Property-for-Share Swap among AREIT, Inc., Ayala Land, Inc. and its subsidiary, Summerhill Commercial Ventures Corp.
- 3Q 2025 Declaration of Cash Dividends
- Setting of the 2026 Annual Stockholders' Meeting
- 9M 2025 Results Press Release
- Three-Year Investment Strategy
- Reinvestment Plan (100 million share sale)*
- Results of the Special Meeting of Stockholders

**filed in parallel with Ayala Land, Inc. as the Sponsor of AREIT, Inc.*

(c) Reports under SEC form 17-C files

None.

(d) Material events subsequent to the end of the reporting period that have not been reflected in the financial statements of the reporting period

On February 19, 2026, AREIT's Chairperson, pursuant to the authority delegated by its Board of Directors during its meeting on November 12, 2025, has approved the holding of AREIT's annual stockholders' meeting for April 23, 2026 in a fully virtual format, including all the necessary and related arrangements thereto, subject to applicable rules and regulations of the Securities and Exchange Commission.

The Corporation shall hold a physical meeting if so requested by the stockholders holding at least 10% of its outstanding capital stock. Stockholders had until March 5, 2026 to submit their request to corporate.secretary@areit.com.ph.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati City on APR 13 2026.

By:



Alberto M. de Larrazabal
President and Chief Executive Officer



Ma. Teresa R. Famy
Treasurer and Chief Finance Officer and Chief Risk Officer



Ma. Florence Therese dG. Martinez-Cruz
Assistant Corporate Secretary

APR 13 2026

SUBSCRIBED AND SWORN to before me this _____ day of _____ affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	ID Number	DATE OF ISSUE	PLACE OF ISSUE
Alberto M. De Larrazabal	Phil. Passport No. P6263220B	February 11, 2021	DFA Manila
Ma. Teresa R. Famy	Phil. Passport No. P8757104B	January 25, 2022	DFA Manila
Ma. Florence Therese dG. Martinez-Cruz	UMID CRN-0111-3606313-0		

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Page No. 57
Book No. XIX
Series of 2026.

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Court's copy.



TRIXIE CARMELA J. GONZALES
Notary Public - Makati City
Appt. No. M-115 until December 31, 2027
Roll of Attorneys No. 74043
IBP No. 596283; 01/20/2026; Manila IV
PTR No. MKT10766790; 01/05/2026; Makati City
MCLE Compliance No. VII-0031268; issued on 05/01/2025
3rd Floor, Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue
Makati City, Philippines

AREIT, INC.

**INDEX TO EXHIBITS
Form 17-A**

No.

(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession	n.a.
(5)	Instruments Defining the Rights of Security Holders, including Indentures	n.a.
(8)	Voting Trust Agreement	n.a.
(9)	Material Contracts	n.a.
(10)	2025 Audited Financial Statement (with notarized Statement of Management Responsibility)	
	Attached 2025 Financial Statement of "significant" subsidiaries/affiliates which are not consolidated	n.a.
(13)	Letter re: Change in Certifying Accountant	n.a.
(15)	Letter re: Change in Accounting Principles	n.a.
(16)	Report Furnished to Security Holders	n.a.
(18)	Subsidiaries of the Registrants	n.a.
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	n.a.
(20)	Consent of Experts and Independent Counsel	n.a.
(21)	Power of Attorney	n.a.
(29)	Additional Exhibits 2025 Appraisal reports of the properties	

n.a Not applicable or require no answer.

AREIT, INC.

INDEX TO SUPPLEMENTARY SCHEDULES
Form 17-A

Supplementary Schedules *(For schedules A- G please refer to pages 99 to 120)*

Report of Independent Public Accountants on Supplementary Schedules

- A. Financial Assets
- B. Amounts Receivable from Directors, Officers, Employees and Principal Stockholders (Other than Related Parties)
- C. Amounts Receivable from Related Parties with are Eliminated during the Consolidation of Financial Statements
- D. Supplementary Schedule of Long-term Debt
- E. Indebtedness to Related Parties (Long-term Loans from Related Companies)
- F. Guarantees of Securities of Other Issuers
- G. Capital Stock

Other Supporting Schedules

Reconciliation of Retained Earnings Available for Dividend Declaration

Financial Soundness Indicators

Map of the Group of Companies within the Reporting Entity belongs

Sustainability Report

A copy of AREIT's 2025 Integrated Report, will be available on the link below on or before the date of its Annual Stockholders' Meeting on April 23, 2026.

<https://www.aret.com.ph/resources/annual-reports/>



February 19, 2026

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **AREIT**, Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended December 31, 2025, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards of Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


ANNA MA. MARGARITA B. DY
Chairman, Board of Directors


ALBERTO M. DE LARRAZABAL
President & Chief Executive Officer


MA. TERESA R. FAMY
Chief Finance Officer

FEB 26 2026

SUBSCRIBED AND SWORN to before me this _____, at Makati City, affiants exhibited to me their passports as competent evidence of their identities, as follows:

Name	Passport No.	Date/Place of Issue
Anna Ma. Margarita B. Dy	P6087936B	January 6, 2021 – DFA Manila
Alberto M. de Larrazabal	P6263220B	February 11, 2021 – DFA Manila
Ma. Teresa R. Famy	P8757104B	January 25, 2022 – DFA Manila

WITNESS MY HAND AND SEAL on the date and at the place first above written.

Doc. No. 279
Page No. 49
Book No. V
Series of 2026.




JOHN PAULO S. VICENCIO
Notary Public – Makati City
Appt. No. M-195 until December 31, 2026
Roll of Attorneys No. 78727
IBP No. 588048 – 01/05/2026 - Makati City
PTR No. MKT10766783 – 01/05/2026 - Makati City
MCLE Compliance No. VII-0031197 – 05/01/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	6	1	3	8	7	0

Company Name

[illegible][illegible][illegible][illegible]

Principal Office (No./Street/Barangay/City/Town/Province)

2	8	t	h		F	l	o	o	r	,		T	o	w	e	r		O	n	e		a	n	d					

E	x	c	h	a	n	g	e		P	l	a	z	a	,		A	y	a	l	a		T	r	i	a	n	g	l	e

A	y	a	l	a		A	v	e	n	u	e	,		M	a	k	a	t	y		C	i	t	y					

[illegible]

Form Type

A	F	S	

Department requiring the report

S	E	C	

Secondary License Type, if applicable

N	/	A	

COMPANY INFORMATION

Company's Email Address

corporate.secretary@areit.com.ph

Company's Telephone Number(s)

(02) 7908-3804

Mobile Number

N/A

No. of Stockholders

14

Annual Meeting (Month/Day)

4/24

Fiscal Year (Month/Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Ma. Teresa R. Famy

Email Address

famy.myrra@ayalaland.com.ph

Telephone Number(s)

Mobile Number

N/A

Contact Person's Address

28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City

NOTE1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated. **2 :** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

Independent Auditor's Report

To the Board of Directors and Shareholder of
AREIT, Inc.
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of AREIT, Inc. (the "Company") as at December 31, 2025 and 2024, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2025 and 2024;
- the statements of comprehensive income for each of the three years in the period ended December 31, 2025;
- the statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the financial statements, comprising material accounting policy and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit pertains to the valuation of investment properties.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Valuation of investment properties	
Refer to Notes 5 and 19.2 to the financial statements for the details of the investment properties and discussion on critical accounting estimates and assumptions.	We obtained the latest appraisal reports for investment properties as at December 31, 2025 and assessed the appropriateness of the valuation methodology and significant fair value inputs and assumptions used.
As at December 31, 2025, investment properties, carried at fair value, amount to P104.18 billion, which is approximately 71% of the total assets of the Company. The determination of fair values by the management and an external appraiser involves significant estimation using assumptions such as discount rates and growth rates, which are influenced by the prevailing market rates and comparable information. A fair value assessment is performed regularly based on the requirements of PFRS 13, <i>Fair Value Measurement</i> , and Philippine Accounting Standard (PAS) 40, <i>Investment Property</i> .	We tested the significant inputs and assumptions by establishing our independent estimates based on the current market and economic conditions as of reporting date. Further, we assessed the reasonableness of the valuation of investment properties through benchmarking with comparable properties in the market. In performing these procedures, we involved our internal valuation expert. We evaluated the competence, capabilities and objectivity of the external appraiser engaged by the Company by reviewing their profile, licenses, and client portfolio. We also checked the appropriateness and sufficiency of the note disclosures on the valuation of investment properties in accordance with the requirements of PFRS 13 and PAS 40.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

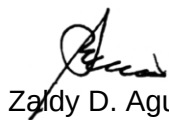
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 26 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Zaldy D. Aguirre.

Isla Lipana & Co.



Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 105660-SEC, Category A; valid to audit 2020
to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A; valid to audit 2020
to 2025 financial statements

T.I.N. 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 19, 2026



Isla Lipana & Co.

Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholder of
AREIT, Inc.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City.

We have audited in accordance with Philippine Standards on Auditing, the financial statements of AREIT, Inc. (the "Company") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 19, 2026. Our audits were made for the purposes of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definition formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 105660-SEC, Category A; valid to audit 2020
to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A; valid to audit 2020
to 2025 financial statements

T.I.N. 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 19, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728



Isla Lipana & Co.

**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Shareholder of
AREIT, Inc.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City.

We have audited the financial statements of AREIT, Inc. as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered the attached report dated February 19, 2026. The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration and Map of the Group of Companies within which the Reporting Entity belongs, as additional component required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G, as required by Part II of the Revised SRC Rule 68, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 105660-SEC, Category A; valid to audit 2020
to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A; valid to audit 2020
to 2025 financial statements

T.I.N. 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 19, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

AREIT, Inc.

Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	38,149,890	71,173,448
Receivables, net	3	6,561,917,476	4,137,961,846
Other current assets	4	688,625,609	348,036,017
Total current assets		7,288,692,975	4,557,171,311
Non-current assets			
Receivables, net of current portion	3,16	35,000,113,450	19,628,763,009
Investment properties	5	104,179,274,197	97,579,387,207
Property and equipment, net	6	896,558	983,346
Other non-current assets	4	853,416,164	1,456,378,068
Total non-current assets		140,033,700,369	118,665,511,630
Total assets		147,322,393,344	123,222,682,941
Liabilities and Equity			
Current liabilities			
Accounts and other payables	7	4,123,092,012	2,979,327,838
Short-term debt	8	2,000,000,000	2,000,000,000
Current portion of deposits and other liabilities	9	536,951,627	388,962,761
Construction bonds	10	160,702,937	138,143,467
Total current liabilities		6,820,746,576	5,506,434,066
Non-current liabilities			
Deposits and other liabilities, net of current portion	9	3,315,474,091	3,097,435,509
Lease liabilities	16	1,283,372,843	1,248,290,844
Total non-current liabilities		4,598,846,934	4,345,726,353
Total liabilities		11,419,593,510	9,852,160,419
Equity			
	11		
Paid-up capital		37,830,861,320	32,771,959,550
Treasury shares		(673,299,700)	(673,299,700)
Additional paid-in capital		72,223,544,610	56,368,354,602
Retained earnings		26,521,693,604	24,903,508,070
Total equity		135,902,799,834	113,370,522,522
Total liabilities and equity		147,322,393,344	123,222,682,941

The notes on pages 1 to 40 are an integral part of these financial statements.

AREIT, Inc.

Statements of Comprehensive Income
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Revenue				
Rental income	5,12	8,826,839,176	7,562,124,980	5,438,890,870
Dues	5,13	1,994,146,270	1,535,013,696	1,250,613,030
Interest income from finance lease receivables	18	2,138,795,147	1,162,028,271	450,832,306
		12,959,780,593	10,259,166,947	7,140,336,206
Costs and expenses				
Direct operating expenses	5,15	3,303,755,159	2,659,670,235	1,978,492,974
General and administrative expenses	15	127,076,258	91,330,975	126,349,291
		3,430,831,417	2,751,001,210	2,104,842,265
Other (charges) income, net				
Interest income	14	177,373,607	174,493,153	133,829,672
Interest expense and other charges	15	(274,359,782)	(319,328,672)	(236,970,210)
Other income	14	70,444	222,921	2,678
		(96,915,731)	(144,612,598)	(103,137,860)
Net fair value change in investment properties	5	108,679,768	(43,374,600)	99,254,883
Income before income tax		9,540,713,213	7,320,178,539	5,031,610,964
Less: Income tax expense	17	1,493,386	3,113,918	1,066,925
Net income for the year		9,539,219,827	7,317,064,621	5,030,544,039
Other comprehensive income		-	-	-
Total comprehensive income for the year		9,539,219,827	7,317,064,621	5,030,544,039
Basic and diluted earnings per share	21	2.75	2.62	2.60

The notes on pages 1 to 40 are an integral part of these financial statements.

AREIT, Inc.

Statements of Changes in Equity
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Paid-up capital (Note 11)	Treasury shares (Note 11)	Additional paid-in capital (Note 11)	Retained earnings (Note 11)	Total equity
At January 1, 2023	18,283,771,630	(673,299,700)	20,021,645,532	22,440,772,367	60,072,889,829
Comprehensive income					
Net income for the year	-	-	-	5,030,544,039	5,030,544,039
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,030,544,039	5,030,544,039
Transactions with stockholders					
Issuance of new shares, net	6,075,593,800	-	16,298,386,849	-	22,373,980,649
Cash dividends	-	-	-	(4,067,577,708)	(4,067,577,708)
Total transactions with stockholders	6,075,593,800	-	16,298,386,849	(4,067,577,708)	18,306,402,941
At December 31, 2023	24,359,365,430	(673,299,700)	36,320,032,381	23,403,738,698	83,409,836,809
Comprehensive income					
Net income for the year	-	-	-	7,317,064,621	7,317,064,621
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	7,317,064,621	7,317,064,621
Transactions with stockholders					
Issuance of new shares, net	8,412,594,120	-	20,048,322,221	-	28,460,916,341
Cash dividends	-	-	-	(5,817,295,249)	(5,817,295,249)
Total transactions with stockholders	8,412,594,120	-	20,048,322,221	(5,817,295,249)	22,643,621,092
At December 31, 2024	32,771,959,550	(673,299,700)	56,368,354,602	24,903,508,070	113,370,522,522
Comprehensive income					
Net income for the year	-	-	-	9,539,219,827	9,539,219,827
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	9,539,219,827	9,539,219,827
Transactions with stockholders					
Issuance of new shares, net	5,058,901,770	-	15,855,190,009	-	20,914,091,779
Cash dividends	-	-	-	(7,921,034,294)	(7,921,034,294)
Total transactions with stockholders	5,058,901,770	-	15,855,190,009	(7,921,034,294)	12,993,057,485
At December 31, 2025	37,830,861,320	(673,299,700)	72,223,544,611	26,521,693,603	135,902,799,834

The notes on pages 1 to 40 are an integral part of these financial statements.

AREIT, Inc.

Statements of Cash Flows
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Cash flows from operating activities				
Income before income tax		9,540,713,213	7,320,178,539	5,031,610,964
Adjustments for:				
Net fair value change in investment properties	5	(108,679,768)	43,374,600	(99,254,883)
Depreciation	6,15	332,234	290,415	222,922
Loss on disposal of investment properties		6,195,989	-	-
Interest expense and other charges		274,359,782	253,945,021	235,222,482
Interest income from finance lease receivables	18	(2,138,795,147)	(1,162,028,271)	(450,832,306)
Interest income from cash in banks and intercompany loans	14	(177,373,607)	(174,493,153)	(133,829,672)
Operating income before working capital changes		7,396,752,696	6,281,267,151	4,583,139,507
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Receivables		344,393,587	(88,171,163)	(834,379,771)
Other assets		262,372,313	(23,386,108)	64,510,953
Increase (decrease) in:				
Deposits and other liabilities		290,631,205	63,786,423	1,402,477,986
Accounts and other payables		1,140,686,396	851,791,075	961,192,923
Construction bonds		22,559,470	42,451,214	(2,892,023)
Cash generated from operations		9,457,395,667	7,127,738,592	6,174,049,575
Interest received		177,373,607	174,493,153	364,810,118
Income tax paid		(1,493,386)	(3,113,919)	(1,066,925)
Net cash flows from operating activities		9,633,275,888	7,299,117,826	6,537,792,768
Cash flows from investing activities				
(Increase) decrease in due from related parties		(1,269,196,461)	1,220,523,319	(1,734,904,000)
Additions to:				
Investment properties	5	(235,326,916)	(1,347,523,071)	(201,172,225)
Property and equipment	6	(245,446)	(220,301)	(677,751)
Proceeds from disposal of investment property		658,000	38,985,000	-
Net cash flows used in investing activities		(1,504,110,823)	(88,235,053)	(1,936,753,976)
Cash flows from financing activities				
Payments of:				
Short-term debts	8	-	(1,000,000,000)	(3,300,000,000)
Cash dividends	11	(7,921,034,294)	(5,817,295,248)	(4,067,577,708)
Share issuance cost	11	(80,350,567)	(141,903,668)	(105,716,411)
Interest portion of lease liabilities	16	(53,748,207)	(55,230,076)	(53,896,170)
Interest on short-term and long-term debts	15	(107,055,555)	(167,038,879)	(94,843,339)
Proceeds from:				
Short-term debts	8	-	-	3,000,000,000
Net cash flows used in financing activities		(8,162,188,623)	(7,181,467,871)	(4,622,033,628)
Net (decrease) increase in cash		(33,023,558)	29,414,902	(20,994,836)
Cash				
At January 1		71,173,448	41,758,546	62,753,382
At December 31	2	38,149,890	71,173,448	41,758,546

The notes on pages 1 to 40 are an integral part of these financial statements.

AREIT, Inc.

Notes to the Financial Statements

As at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025
(In the notes, all amounts are shown in Philippine Pesos unless otherwise stated)

1 General information

Corporate information

AREIT, Inc., (formerly One Dela Rosa Property Development, Inc.) (the “Company”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 4, 2006. On September 26, 2018, the Company amended its Articles of Incorporation to engage in the business of a real estate investment trust (REIT), as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), and its implementing rules and regulations (the REIT Act).

The Company was organized primarily to engage in the business, which includes the following: (1) to own, invest in, purchase, acquire, hold, possess, lease, construct, develop, alter, improve, operate, manage, administer, sell, assign, convey, encumber, in whole or in part, or otherwise deal in and dispose of, income-generating real estate, whether freehold or leasehold, within or outside the Philippines with or to such persons and entities and under such terms and conditions as may be permitted by law; (2) to invest in, purchase, acquire, own, hold, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real estate and managed funds; (3) to receive, collect and dispose of the rent, interest, dividends and income arising from its property and investments; and (4) to exercise, carry on or undertake such other powers, acts, activities and transactions as may be deemed necessary, convenient or incidental to or implied from the purposes herein mentioned. On April 12, 2019, the Company changed its name to AyalaLand REIT, Inc., and further amended its name to AREIT, Inc. on June 28, 2019.

On July 10, 2020, the SEC rendered effective the Company’s REIT Plan and the registration of its 1,092,986,405 common shares. On July 15, 2020, the Philippine Stock Exchange, Inc. (PSE) approved the application of the Company for the initial listing of its 1,092,986,405 common shares under the Main Board of the PSE to cover the Company’s IPO. The Company was listed on the Main Board of the PSE on August 13, 2020. The Company’s common stock was listed in the PSE on August 13, 2020 as a REIT entity.

As a REIT entity, the Company, provided it has complied with the requirements under the REIT Act, is entitled to the following:

- (a) not subject to 2% minimum corporate income tax (MCIT);
- (b) exemption from value-added tax (VAT) and documentary stamp tax (DST) on the transfer of property in exchange of its shares;
- (c) deductibility of dividend distribution from its taxable income; and
- (d) fifty percent (50%) of the standard DST rate on the transfer of real property into the Company, including the sale or transfer of any security interest thereto.

As at December 31, 2025, the Company is 58.45% collectively owned by Ayala Land, Inc. (ALI) or (the “Parent Company”) and its subsidiaries (2024 - 55.39%), 5.36%-owned by Buendia Christiana Holdings, Corp. a wholly-owned subsidiary of AC Energy (2024 - 6.20%), and the rest by the public.

ALI’s parent is Ayala Corporation (AC). AC is 47.84%-owned by Mermac, Inc., and the rest by the public. Both ALI and AC are publicly-listed companies domiciled and incorporated in the Philippines.

The operational and administrative functions of the Company are handled by ALI before its listing. Beginning August 13, 2020, AREIT Fund Managers, Inc. and AREIT Property Managers, Inc. handle the fund manager functions and property management functions of the Company, respectively (Note 18).

The Company's registered office address and principal place of business is at 28th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

Approval and authorization for issuance of the financial statements

These financial statements have been approved and authorized for issue by the Company's Board of Directors (BOD) on February 19, 2026.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2025	2024
Cash on hand	312,500	232,500
Cash in banks	12,837,390	70,940,948
Cash equivalents	25,000,000	-
	38,149,890	71,173,448

Cash equivalents pertain to short-term investments with originally maturity of three months or less.

Cash in banks and cash equivalents earn interest at the prevailing market rates. Interest income earned from cash and cash equivalents for the years ended December 31, 2025, 2024 and 2023 are disclosed in Note 14.

There are no restrictions on the Company's cash balances as at December 31, 2025 and 2024.

3 Receivables, net

The account as at December 31 consists of:

	Notes	2025	2024
Finance lease receivables	16, 18	35,086,452,638	19,673,140,935
Due from related parties	18	4,677,770,304	2,763,502,905
Trade receivables - billed		1,968,028,194	1,475,918,230
Other receivables		3,182,994	2,866,119
		41,735,434,130	23,915,428,189
Allowance for credit losses		(173,403,204)	(148,703,334)
		41,562,030,926	23,766,724,855
Less: Non-current portion of finance lease receivables		(35,000,113,450)	(19,628,763,009)
Current portion of receivables		6,561,917,476	4,137,961,846

Finance lease receivables pertain to outstanding balance of net investment in lease relating to various lease agreements entered by the Company with its Parent Company or related parties (entities under common control) (Note 16).

Trade receivables arise mainly from tenants for rentals of office and retail spaces and recovery charges for common area and utilities. These are non-interest bearing and are generally collectible on 30-day terms.

Other receivables pertain to non-interest bearing advances to employees which are subject to liquidation upon completion of the business transaction.

Movements in the allowance for credit losses of trade receivables for the years ended December 31 are as follows:

	Note	2025	2024
At January 1		148,703,334	117,249,385
Provision for doubtful accounts	15	24,699,870	31,453,949
At December 31		173,403,204	148,703,334

There were no receivables pledged as collaterals as at December 31, 2025 and 2024.

4 Other assets

(a) Other current assets

The account as at December 31 consists of:

	2025	2024
Input VAT	474,355,079	79,914,038
Prepaid expenses	120,900,434	110,243,518
Deferred input VAT	61,513,813	133,685,864
Recoverable deposits	31,856,283	24,192,597
	688,625,609	348,036,017

Input VAT represents taxes due or paid on purchases of goods and services subjected to VAT that the Company can claim against future liability to the Bureau of Internal Revenue (BIR) for output VAT pertaining to sale of goods and services that have been incurred and billings which have been received as at date. The input VAT can also be refunded subject to the approval of the BIR. Input VAT is expected to be applied against output VAT within 12 months from reporting date.

Prepaid expenses pertain to advance payment of real property taxes for certain investment properties.

Deferred input VAT represents the unamortized input tax on the Company's purchases of goods and services in the prior years. The remaining balance will continue to be amortized and applied against the Company's future output VAT.

As at December 31, 2025 and 2024, the amount of input VAT includes claim for refund amounting to P24.73 million, which is still awaiting approval from the BIR.

Recoverable deposits pertain to various utility deposits recoverable within 12 months from reporting date.

(b) Other non-current assets

The account as at December 31 consists of:

	2025	2024
Input VAT	439,799,347	1,178,310,216
Creditable withholding taxes (CWT), net	387,498,950	270,444,100
Advances to contractors	26,117,867	7,623,752
	853,416,164	1,456,378,068

Input VAT, as presented within other non-current assets, are assessed to be recoverable beyond 12 months from reporting date.

CWT represent the income tax amount withheld by the Company's customers or tenants. These are recognized upon collection of the related income and utilized as tax credits against income tax due. The CWT can also be refunded subject to the approval of the BIR, hence recognized by the Company as net of related allowance for probable losses as follows:

	2025	2024
CWT	559,878,510	401,933,984
Allowance for probable losses on CWT	(172,379,560)	(131,489,884)
	387,498,950	270,444,100

The movements in allowance for probable losses on CWT for the years ended December 31 are as follows:

	Note	2025	2024
At January 1		131,489,884	118,587,338
Provision for probable losses	15	40,889,676	12,902,546
At December 31		172,379,560	131,489,884

Advances to contractors are recouped upon every progress billing payment depending on the percentage of accomplishment or delivery.

5 Investment properties

The account consists of properties that are either held for capital appreciation, for rental purposes or both. The Company's investment properties are carried at fair value.

As at December 31, 2025, the investment properties are composed of 18 stand-alone buildings, six mixed-used properties, six condominium office units, and 285.73 hectares of land as follows:

Name of properties	Details and location
<i>Stand-alone buildings</i>	
Solaris One	One (1) building in Makati City
McKinley Exchange	One (1) building in Makati City
Teleperformance Cebu	One (1) building in Cebu I.T. Park, Cebu City
eBloc Towers 1-4	Four (4) towers in Cebu I.T. Park, Cebu City
ACC Tower	One (1) tower in Ayala Center Cebu, Cebu Business Park, Cebu City
Tech Tower	One (1) tower in Sumilon cor. Camiguin Roads, Cebu City
Evotech One and Two	Two (2) office buildings in Laguna
Bacolod Capitol Corporate Center	One (1) building in Bacolod City, Negros Occidental
Ayala Northpoint Technohub	One (1) building in Bacolod City, Negros Occidental
Marquee Mall	One (1) mall building in Angeles City, Pampanga
Seda Lio	One (1) hotel building in El Nido, Palawan
Greenbelt 3&5 Mall	Two (2) mall building in Makati City
Holiday Inn Makati	One (1) hotel building in Makati City
Seda Ayala Center Cebu	One (1) hotel building in Ayala Center Cebu, Cebu Business Park
<i>Mixed-use properties</i>	
Ayala North Exchange	Two (2) office towers and one (1) serviced apartment in Makati City
The 30th Commercial Development	One (1) office building and one (1) mall building in Pasig City
Vertis North Commercial Development	Three (3) office towers and one (1) mall building in Quezon City
One Ayala Development	Two (2) office towers in Makati, City
Glorietta 1&2	Two (2) office buildings and two (2) mall buildings in Makati, City
Ayala Triangle Garden Tower 2	One (1) office tower in Makati City
Central Bloc Development	Two (2) office buildings, (1) mall building and one (1) hotel building in Cebu I.T. Park, Cebu City
Abreeza BPO and Mall	One (1) office building and one (1) mall building in Davao
Centrio BPO and Mall	One (1) office building and one (1) mall building in Cagayan de Oro
<i>Condominium office units</i>	
BPI-Philam Life Makati	Three (3) condominium office units located at the intersection of Ayala Avenue and Gil Puyat Avenue, Makati City
BPI-Philam Life Alabang	Three (3) condominium office units located at Madrigal Business Park, Alabang, Muntinlupa City
<i>Land parcels</i>	
Laguna Technopark	Four (4) land parcels in Laguna Technopark, Laguna
Palauig Industrial Lot	276 hectares in Palauig, Zambales

The movements in investment properties for the years ended December 31 are as follows:

	Note	2025	2024
At January 1		97,579,387,207	78,255,747,008
Additions		21,229,769,261	29,950,343,079
Properties under finance lease	16	(14,731,708,050)	(10,544,343,280)
Disposal		(6,853,989)	(38,985,000)
Fair value adjustment		108,679,768	(43,374,600)
At December 31		104,179,274,197	97,579,387,207

Additions

For the year ended December 31, 2025, the Company entered into property-for-share swap transaction via a tax-free exchange for certain investment properties in exchange of issuance of shares amounting to P20.99 billion (2024 - P28.60 billion) (Note 11).

In addition to the property for share-swap transactions, on January 17, 2024, the Company entered into a Deed of Absolute Sale with Econorth Resort Ventures, Inc. (ERVI), a subsidiary of Ayala Land, Inc. (ALI), to acquire SEDA Lio, a hotel building for P1,192.00 million, exclusive of VAT. Simultaneous to the acquisition, the Company and ERVI, entered into a lease agreement for the room-resort hotel that is payable on quarterly guaranteed lease for a period of 25 years. The room-resort hotel building is operated by ERVI (Note 16).

Disposals

In 2025, the Company sold a building improvement for total proceeds of P0.66 million and recognized a loss on disposal of P6.20 million.

In 2024, the Company sold its three (3) condominium office units in BPI-Philam Life Alabang located at Madrigal Business Park, Alabang, Muntinlupa City. The proceeds from the disposal is equal to the fair value.

Fair value measurement

The Company presents its investment properties at fair value and changes on such are recognized in profit or loss. As at December 31, 2025 and 2024, the fair value of the investment properties was determined by an independent and professionally qualified appraiser engaged by management.

As at December 31, 2025 and 2024, the fair value of the Company's investment properties was determined using the income approach, which is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value.

For the income approach, the fair value is calculated taking into consideration significant inputs and assumptions which are mainly the discount rate and growth rate.

Significant increases (decreases) in discount rate would result in a significantly lower (higher) fair value measurement while a change in the assumption used for the lease income growth rate and market prices is accompanied by a directionally similar change in the Company's fair value of investment properties.

The fair value of the Company's investment properties is categorized under Level 3 in the fair value hierarchy as at December 31, 2025 and 2024.

The components of the net fair value change in investment properties for the years ended December 31 are as follows:

	Note	2025	2024	2023
Fair value adjustment		432,829,780	461,055,134	201,349,728
Straight-line adjustment	12	(245,890,088)	(473,104,893)	(86,563,721)
Lease commissions		(78,259,924)	(31,324,841)	(15,531,124)
		108,679,768	(43,374,600)	99,254,883

Rental income and dues earned from investment properties and direct operating expenses incurred for the years ended December 31 are as follows:

	Notes	2025	2024	2023
Rental income	12	8,826,839,176	7,562,124,980	5,438,890,870
Dues	13	1,994,146,270	1,535,013,696	1,250,613,030
Direct operating expenses	15	3,303,755,159	2,659,670,235	1,978,492,974

There are no items of investment properties that are pledged as security to liabilities as at December 31, 2025 and 2024. There are no restrictions on selling or transferring investment properties as at December 31, 2025 and 2024.

There are no contractual purchase commitments for investment properties as at December 31, 2025 and 2024.

Other disclosures

On October 28, 2025 and December 11, 2025, the Company's BOD and its Stockholders, respectively, approved the property-for-share swap whereby AREIT will issue 441,131,656 primary common to ALI and its subsidiary, Summerhill Commercial Ventures Corp, in exchange for Ayala Center Cebu and Ayala Malls Feliz, with an aggregate transaction value of P19.48 billion. As at December 31, 2025, the transaction is pending approval of the SEC and other applicable regulatory bodies.

6 Property and equipment, net

The account as at December 31 pertains to electronic data processing equipment. The roll forward analysis follow:

	Note	2025	2024
<i>Cost</i>			
At January 1		3,506,179	3,285,878
Additions		245,446	220,301
At December 31		3,751,625	3,506,179
<i>Accumulated depreciation</i>			
At January 1		2,522,833	2,232,418
Depreciation	15	332,234	290,415
At December 31		2,855,067	2,522,833
Net book value at December 31		896,558	983,346

There are no items of property and equipment that are pledged as security to liabilities as at December 31, 2025 and 2024.

There are no contractual purchase commitments for property and equipment as at December 31, 2025 and 2024.

7 Accounts and other payables

The account as at December 31 consists of:

	Notes	2025	2024
Due to related parties	18	2,875,240,192	1,979,810,093
Accounts payable		923,656,396	817,595,440
Taxes payable		69,704,419	98,033,159
Accrued expenses			
Repairs and maintenance		108,225,908	46,898,065
Light and water		63,188,650	15,769,349
Outside services		54,222,726	7,470,752
Professional fees		3,608,020	29,529
Rent		2,369,322	2,176,896
Others		7,163,340	2,170,136
Retention payable		9,213,039	5,952,197
Interest payable	8	6,500,000	3,422,222
		4,123,092,012	2,979,327,838

Accounts payable arises from regular transactions with suppliers and service providers. These are non-interest bearing and are normally settled on 15-day to 60-day terms.

Taxes payable consists of amounts payable to the BIR pertaining to withholding taxes and unamortized deferred output VAT.

Other accrued expenses consist mainly of accruals for professional fees, postal and communication, supplies, transportation and travel, security, insurance, and representation.

Retention payable pertains to the portion of contractor's progress billings withheld by the Company which will be released after the satisfactory completion of the contractor's work. The retention payable serves as a security from the contractor should there be defects in the project. These are non-interest bearing and are normally settled upon completion of the relevant contract.

8 Short-term debts

As at December 31, 2025 and 2024, the Company's short-term debts pertain to short-term loans payable with a local bank, which are unsecured, with average term of 31 days and with average interest rate of 5.51% (2024 - 5.60%).

Interest expense on short-term debts is disclosed in Note 15. As at December 31, 2025, interest payable amounts to P6.5 million (2024 - P3.42 million) (Note 7).

9 Deposits and other liabilities

The account as at December 31 consists of:

	2025	2024
Security deposits	1,995,099,082	1,776,006,705
Advance rentals	1,499,649,298	1,329,637,726
Deferred credits	357,677,338	380,753,839
	3,852,425,718	3,486,398,270
Less: Current portion of deposits and other liabilities	(536,951,627)	(388,962,761)
Deposits and other liabilities, net of current portion	3,315,474,091	3,097,435,509

The current portion of deposits and other liabilities as at December 31 consists of:

	2025	2024
Security deposits	282,469,368	100,613,259
Deferred credits	178,378,083	140,944,912
Advance rentals	76,104,176	147,404,590
	536,951,627	388,962,761

(a) Security deposits

Security deposits represent deposits from lessees to secure the faithful compliance by lessees of their obligation under the lease contract. These are equivalent to three months' rent and will be refunded to the lessee at the end of the lease term.

The roll forward of security deposits for the years ended December 31 follows:

	Note	2025	2024
<i>Gross amount</i>			
At January 1		1,967,242,101	1,907,821,656
Additions		294,105,660	79,814,956
Refunds		(90,732,820)	(20,394,511)
At December 31		2,170,614,941	1,967,242,101
<i>Unamortized discount</i>			
At January 1		191,235,396	240,306,595
Additions		59,676,706	16,227,789
Accretion	15	(75,396,243)	(65,298,988)
At December 31		175,515,859	191,235,396
Net book value at December 31		1,995,099,082	1,776,006,705

(b) Advance rentals

Advance rentals from lessees represent cash received in advance representing rent for a certain number of months which will usually be applied to the last three (3) months' rentals on the related lease contracts.

(c) Deferred credits

Deferred credits are initially measured as the difference between the cash received and the fair value of security deposits. These are subsequently amortized using the straight-line method and recognized as amortization of deferred credits under "rental income" in the statement of comprehensive income. Accretion of discount is recorded under "Interest expense and other charges" in profit or loss.

Deferred credits pertain to the difference between the nominal value of the deposits and its fair value.

The roll forward of deferred credits for the years ended December 31 follows:

	Note	2025	2024
At January 1		380,753,839	325,927,028
Additions		58,709,512	127,278,419
Amortization	12	(81,786,014)	(72,451,608)
At December 31		357,677,337	380,753,839
Less: Current portion		(178,378,083)	(140,944,912)
Non-current portion		179,299,254	239,808,927

10 Construction bonds

Construction bonds represent cash bonds to be used as a guarantee against damages to properties resulting from the construction, renovation or improvements being undertaken therein by the lessee. The bond will be refunded after full completion of the construction, renovation or improvements and inspection by the Company.

As at December 31, 2025, the carrying value of the Company's construction bonds amounts to P160.70 million (2024 - P138.14 million).

11 Equity

(a) Paid-up capital and additional paid-in capital (APIC)

The details of the Company's paid-up capital as at December 31 follow:

	2025		2024	
	Number of shares	Amount	Number of shares	Amount
	Common	Common	Common	Common
Authorized	4,050,000,000	40,500,000,000	4,050,000,000	40,500,000,000
Issued	3,783,086,132	37,830,861,320	3,277,195,955	32,771,959,550
Treasury shares	(67,329,970)	(673,299,700)	(67,329,970)	(673,299,700)
Issued and outstanding	3,715,756,162	37,157,561,620	3,209,865,985	32,098,659,850

The changes in the number of common shares for the years ended December 31 follow:

	2025	2024	2023
<i>Authorized number of shares (P10.00 par value)</i>			
At January 1	4,050,000,000	4,050,000,000	2,950,000,000
Increase in authorized capital stock	-	-	1,100,000,000
At December 31	4,050,000,000	4,050,000,000	4,050,000,000
<i>Issued shares (P10.00 par value)</i>			
At January 1	3,277,195,955	2,435,936,543	1,828,377,163
Issuance of new shares	505,890,177	841,259,412	607,559,380
At December 31	3,783,086,132	3,277,195,955	2,435,936,543
<i>Treasury shares</i>			
At January 1 and December 31	(67,329,970)	(67,329,970)	(67,329,970)
Outstanding shares at December 31	3,715,756,162	3,209,865,985	2,368,606,573

Authorized capital

On October 28, 2025 and December 11, 2025, the Company's BOD and its Stockholders, respectively, approved the:

- o decrease in the authorized capital stock from P40,500,000,000 to P39,826,700,300 through the retirement of 67,329,970 treasury common shares; and
- o increase in the authorized capital stock of the Company from P39,826,700,300 with par value of P10.00 per share to P57,000,000,000 divided into 5,700,000,000.

As at December 31, 2025, the Company is in the process of completing the required corporate and regulatory processes.

Issuance of new shares

During the years ended December 31, 2025, 2024 and 2023, the Company entered into property-for-share swap transactions for certain investment properties in exchange of issuance of shares. The share issue price is set at a certain premium over the thirty (30)-day volume weighted average price ("30-day VWAP") prior to the transaction date. The transaction values are determined to be within the fair range of values as set by a third-party fairness opinion provider.

The details of transaction value of investment properties acquired and the amount resulting from the issuance of new shares for the years ended December 31 follow:

December 31, 2025	Counterparty*	Transaction value	Number of shares	Issue price	Paid-up capital	Additional paid-in capital
Property						
Central Bloc Office 1	ALI	2,262,316,163	54,513,642	41.50	545,136,420	1,717,179,743
Central Bloc Office 2	ALI	2,662,465,043	64,155,784	41.50	641,557,840	2,020,907,203
AyalaMalls Central Bloc	ALI	4,403,787,429	106,115,360	41.50	1,061,153,600	3,342,633,829
Seda Central Bloc	ALI	1,466,879,162	35,346,486	41.50	353,464,860	1,113,414,302
AyalaMalls Abreeza	Accendo	3,933,967,273	94,794,392	41.50	947,943,920	2,986,023,353
Abreeza Corporate Center	Accendo	731,632,200	17,629,692	41.50	176,296,920	555,335,280
AyalaMalls Centrio	CDOGC	4,927,074,187	118,724,679	41.50	1,187,246,790	3,739,827,397
Centrio Corporate Center	CDOGC	606,320,889	14,610,142	41.50	146,101,420	460,219,469
		20,994,442,346	505,890,177		5,058,901,770	15,935,540,576

December 31, 2024	Counterparty*	Transaction value	Number of shares	Issue price	Paid-up capital	Additional paid-in capital
Property						
Ayala Triangle Garden Tower 2	ALI	12,480,755,836	367,081,054	34	3,670,810,540	8,809,945,296
Greenbelt 3 & 5 Malls	ALI	5,414,024,408	159,236,012	34	1,592,360,120	3,821,664,288
Seda Ayala Center Cebu	Cebu Insular	2,635,203,116	77,505,974	34	775,059,740	1,860,143,376
Holiday Inn Makati	Green Haven	1,303,115,756	38,326,934	34	383,269,340	919,846,416
Palauig Industrial Lot	BCHC	6,769,720,892	199,109,438	34	1,991,094,380	4,778,626,512
		28,602,820,008	841,259,412		8,412,594,120	20,190,225,888

December 31, 2023	Counterparty*	Transaction value	Number of shares	Issue price	Paid-up capital	Additional paid-in capital
Property						
Glorietta BPO 1	ALI	3,090,625,614	83,530,422	37	835,304,220	2,255,321,394
Glorietta BPO 2	ALI	3,265,229,909	88,249,457	37	882,494,570	2,382,735,339
One Ayala West Tower	ALMI	4,955,177,233	133,923,709	37	1,339,237,090	3,615,940,143
One Ayala East Tower	ALMI	5,670,733,294	153,263,062	37	1,532,630,620	4,138,102,674
Glorietta Mall Wings 1 and 2	ALI	3,448,776,031	93,210,163	37	932,101,630	2,516,674,401
Marquee Mall	NBCC	2,049,154,979	55,382,567	37	553,825,670	1,495,329,309
		22,479,697,060	607,559,380		6,075,593,800	16,404,103,260

*All of the counterparties are related party of the Company (Parent Company or entity under common control)

The pertinent details of approvals and share issuance costs for each of the property-for-share swap during the years ended December 31 follow:

	2025	2024	2023
Date of BOD approval	February 19, 2025	November 16, 2023	March 7, 2023
Date of stockholders approval	April 24, 2025	April 23, 2024	April 26, 2023
Date of SEC approval	September 25, 2025	September 25, 2024	September 20, 2023
Share issuance costs	80,350,567	141,903,668	105,716,411

The Company's track record of capital stock is as follows:

Type of shares	Number of shares registered	Issue/ Offer price	Date of approval	Number of holders of securities as of 2025	Number of holders of securities as of 2024
Common shares	1,092,986,405	Par value- P10.00/ Issue price P27.00	July 27, 2020	57,456	48,239
Common shares	483,254,375	Par value- P10.00/ Issue price P32.00	October 7, 2021		
Common shares	252,136,383	Par value- P10.00/ Issue price P44.65	December 22, 2022		
Common shares	607,559,380	Par value- P10.00/ Issue price P37.00	September 20, 2023		
Common shares	841,259,412	Par value- P10.00/ Issue price P34.00	September 25, 2024		
Common shares	505,890,177	Par value- P10.00/ Issue price P41.50	September 25, 2025		

(b) *Cash dividends*

The BOD approved the declaration of cash dividends amounting to P5.82 billion for the year ended December 31, 2025 as follows:

Applicable quarter	BOD approval date	Record date	Dividend per share	Cash dividends approved (in millions)	Payment date to stockholders
Q3 of 2025	November 12, 2025	November 26, 2025	0.62	2,303.77	December 12, 2025
Q2 of 2025	August 13, 2025	August 29, 2025	0.59	1,893.82	September 12, 2025
Q1 of 2025	May 13, 2025	May 27, 2025	0.58	1,861.72	June 11, 2025
Q4 of 2024	February 19, 2025	March 5, 2025	0.58	1,861.72	March 21, 2025
				7,921.03	

On February 19, 2026, the Company declared cash dividends applicable to fourth quarter (Q4) of 2025 (Note 24).

The BOD approved the declaration of cash dividends amounting to P4.07 billion for the year ended December 31, 2024 as follows:

Applicable quarter	BOD approval date	Record date	Dividend per share	Cash dividends approved (in millions)	Payment date to stockholders
Q3 of 2024	November 13, 2024	November 27, 2024	P0.58	1,861.72	December 13, 2024
Q2 of 2024	July 12, 2024	July 26, 2024	P0.56	1,326.42	August 11, 2024
Q1 of 2024	May 14, 2024	May 28, 2024	P0.56	1,326.42	September 13, 2024
Q4 of 2023	February 19, 2024	March 04, 2024	P0.55	1,302.73	March 20, 2024
				5,817.29	

The BOD approved the declaration of cash dividends amounting to P2.91 billion for the year ended December 31, 2023 as follows:

Applicable quarter	BOD approval date	Record date	Dividend per share	Cash dividends approved (in million)	Payment date to stockholders
Q3 of 2023	November 16, 2023	December 1, 2023	P0.55	1,302.73	December 15, 2023
Q2 of 2023	August 14, 2023	August 30, 2023	P0.53	933.36	September 13, 2023
Q1 of 2023	May 17, 2023	May 31, 2023	P0.52	915.74	June 16, 2023
Q4 of 2022	February 24, 2023	March 10, 2023	P0.52	915.74	March 24, 2023
				4,067.57	

12 Rental income

The account for the years ended December 31 consists of:

	Note	2025	2024	2023
Office, retail and land		8,389,291,094	7,202,294,529	5,205,649,501
Parking fees		355,762,068	287,378,843	197,400,049
Amortization of deferred credits	9	81,786,014	72,451,608	35,841,320
		8,826,839,176	7,562,124,980	5,438,890,870

In 2025, rental income from office, retail, and land includes income from straight-line method of recognizing rental income as follows:

	Note	2025	2024	2023
Gross rentals		8,143,401,006	6,729,189,636	5,119,085,780
Straight-line adjustment	5	245,890,088	473,104,893	86,563,721
		8,389,291,094	7,202,294,529	5,205,649,501

Variable rent, included within rental income, based on gross sales for the year ended December 31, 2025 amounts to P15.15 million (2024 - P9.91 million; 2023 - P1.30 million).

Further information regarding lease agreements and commitments is disclosed in Note 16.

13 Dues

Dues pertain to net recoveries from tenants for utilities, except for usage of common areas and air-conditioning charges, which are presented at gross of the related expenses. Set out below is the disaggregation of the Company's revenue from non-lease component for the years ended December 31:

	2025	2024	2023
Dues:			
Common area charges	1,763,263,066	1,453,999,300	1,205,457,742
Utilities dues	230,883,204	81,014,396	45,155,288
	1,994,146,270	1,535,013,696	1,250,613,030

14 Interest and other income

(a) Interest income

The account for the years ended December 31 consists of:

	Note	2025	2024	2023
Interest income from:				
Intercompany loans	18	169,906,679	158,923,565	128,495,045
Cash in banks		6,207,074	14,941,360	4,915,714
Cash equivalent		1,259,854	628,228	418,913
		177,373,607	174,493,153	133,829,672

(b) Other income

The account pertains to income earned from penalties arising from late payments.

15 Cost expenses and other charges

(a) Direct operating expenses

The account for the years ended December 31 consists of:

	Notes	2025	2024	2023
Management fees		883,951,325	714,370,443	540,444,364
Land lease	16	739,821,643	587,420,250	421,589,053
Taxes and licenses		694,095,548	638,000,196	469,904,775
Repairs and maintenance		451,406,978	355,209,318	272,531,593
Outside services		308,027,147	247,054,363	187,647,959
Insurance		132,847,406	34,640,721	26,645,482
Miscellaneous		38,294,244	31,216,298	17,536,284
Others		55,310,868	51,758,646	42,193,464
		3,303,755,159	2,659,670,235	1,978,492,974

Management fees expense arises from management contracts with its related parties to handle fund and property manager functions of the Company starting August 13, 2020 (Note 18).

Land lease expense arises from variable land lease agreements with its Parent Company or related parties (entities under common control) (Notes 16 and 18).

(b) General and administrative expenses

The account for the years ended December 31 consists of:

	Notes	2025	2024	2023
Provision for probable losses on CWT	4	40,889,676	12,902,546	46,587,338
Provision for credit losses on receivable	3	24,699,870	31,453,949	56,844,484
Taxes and licenses		18,257,019	20,305,841	5,723,217
Professional fees		15,685,134	6,590,562	4,250,112
Systems cost		14,367,004	10,713,068	6,896,260
Depreciation	6	332,234	290,415	222,922
Others		12,845,321	9,074,594	5,824,958
		127,076,258	91,330,975	126,349,291

(c) Interest expense and other charges

The account for the years ended December 31 consists of:

	Notes	2025	2024	2023
Interest expense on:				
Short-term debts		110,133,333	167,123,540	93,944,714
Lease liabilities	16	88,830,206	86,710,186	84,126,547
Accretion of security deposits	9	75,396,243	65,298,988	34,778,102
Amortization of bond issue costs		-	195,958	24,120,847
		274,359,782	319,328,672	236,970,210

16 Agreements and lease commitments

(a) The Company as lessor - operating lease

The Company entered into lease agreements with third parties covering its investment properties for a period of two (2) to more than five (5) years. These non-cancellable leases are subject to 1.5% to 10% annual escalation rate.

The future minimum rentals receivable under non-cancellable operating leases are as follows:

	2025	2024	2023
Within one year	7,613,716,360	6,237,306,375	5,238,667,800
After one year but not more than five (5) years	20,513,211,562	15,441,992,135	15,866,743,989
More than five years	16,244,853,781	15,422,209,851	3,617,758,018
	44,371,781,703	37,101,508,361	24,723,169,807

The Company as lessor - finance lease

The Company entered into various lease agreements with its Parent Company or related parties (entities under common control) with details as follows (Notes 3 and 18):

Property	Lease Start Date	Counterparty	Initial net investment in lease	Lease term (in years)	Payment terms
ANE Seda Makati Residences	September 1, 2019	Makati North Hotel Ventures, Inc. (MNHVI)	2,215,718,216	39	Fixed rate plus a certain percentage of total revenue of the lessee for the remaining period of the lease term
Retail podium of The 30th	January 1, 2021	North Eastern Commercial Corporation (NECC)	418,280,884	36	Higher between the (a) fixed rent plus 6% of gross rental income or (b) minimum guaranteed rent and shall be subject to 3% escalation every three (3) years
Vertis North Commercial Development Mall	October 1, 2021	North Eastern Commercial Corporation (NECC)	517,723,249	36	Fixed rent plus 6% of gross rental income or (b) minimum guaranteed rent and shall be subject to 3% escalation every three (3) years
Glorietta Mall Wings 1&2	July 1, 2023	AyalaLand Malls, Inc. (ALMI)	3,448,776,031	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum
Marquee Mall	July 1, 2023	North Beacon Commercial Corp (NBCC)	2,049,154,979	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum
Seda Lio	January 17, 2024	Econorth Resort Ventures, Inc	1,192,000,000	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum
Greenbelt 3&5 Malls	July, 1, 2024	AyalaLand Malls, Inc. (ALMI)	5,414,024,408	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum
Holiday Inn Makati	July 1, 2024	Green Haven Property Ventures, Inc. (GPVI)	2,635,203,116	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum
Seda Ayala Center Cebu	July 1, 2024	Cebu Insular Hotel Co., Inc.	1,303,115,756	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum
Central Bloc Mall	July 1, 2025	Ayala Land, Inc.	4,403,787,429	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum
Seda Central Bloc	July 1, 2025	Central Bloc Hotel Ventures, Inc.	1,466,879,162	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum
Abreeza Mall	July 1, 2025	Accendo Commercial Corporation	3,933,967,272	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum
Centrio Mall	July 1, 2025	Cagayan De Oro Gateway Corporation	4,927,074,187	25	Fixed rent and shall be subject to an escalation rate of 2.5% per annum

The maturity analysis of finance lease receivables, including the undiscounted lease payments to be received are as follows:

	Note	2025	2024	2023
Within one year		3,669,035,276	1,491,049,823	915,109,665
After one year and not more than five (5) years		11,206,445,483	6,294,303,937	2,783,123,097
More than 5 years		70,985,207,303	41,067,339,616	19,286,270,607
Total undiscounted lease payments and unguaranteed residual value		85,860,688,062	48,852,693,376	22,984,503,369
Less: Unearned finance income		(50,774,235,424)	(29,179,552,441)	(14,013,802,901)
Net investment in the lease	18	35,086,452,638	19,673,140,935	8,970,700,468

The Company remains to be the legal owner of these properties under finance lease.

(b) The Company as lessee - land lease agreements (variable rent expense)

The Company entered into various land lease agreements with its Parent Company or related parties (entities under common control) with details as follows:

Property	Effective date	Counterparty*	Lease term (in years)
Land lease of Solaris building	January 1, 2016	ALI	33
Land lease of ANE	April 26, 2019		
	October 5, 2018	HLC Development Corporation (through assignment)	40
Land lease of Teleperformance Cebu	October 1, 2020	ALI (through assignment)	31
Land lease of The 30 th Office and Mall	January 15, 2021	MBS Development Corporation (MBS)	40
Land of Vertis Towers 1-3 and Vertis Mall	October 1, 2021	ALI (through assignment)	36
Land lease of Bacolod BPO	October 1, 2021	ALI (through assignment)	36
Land lease of Cebu properties (ebloc 1, ebloc2, ebloc 3, ebloc 4, ACC Tower and Tech Tower)	October 1, 2022	ALI	36
Land lease of Glorietta 1&2 offices; and Mall	July 1, 2023	ALI	36
Land lease of One Ayala East and West towers	July 1, 2023	ALI	41.5
Land lease of Marquee Mall	July 1, 2023	NBCC	36
Land lease of Ayala Triangle Garden Tower 2	July 1, 2024	ALI	40
Land lease of Central Bloc Offices and Mall	July 1, 2025	ALI	41.5
Land lease of Abreeza BPO and Mall	July 1, 2025	Accendo	41.5
Land lease of Centrio BPO and Mall	July 1, 2025	CDOGC	41.5

All of the land lease payments are on a variable basis paid monthly based on a certain percentage of gross rental income of the Company for the leased property.

The Company's contracts of lease for the land spaces that it occupies do not include any dismantling provision clause; hence, there is no need to recognize an asset retirement obligation.

(c) The Company as lessee - land and building leases (lease liabilities)

Property	Effective date	Counterparty*	Lease term (in years)	Payment terms
Lease of land and building of MECC	January 31, 2020	ALI	34	Fixed monthly rate, subject to an escalation rate of five percent (5%) per annum.
Land lease of One and Two Evotech	October 1, 2021	CECI Realty, Inc. (through assignment)	36	Fixed monthly rate, subject to an escalation rate of five percent (5%) per annum.
Land lease of Bacolod Capitol Property	October 1, 2021	Province of Negros Occidental	50	Fixed monthly rate, subject to an escalation rate of ten percent (10%) every five (5) years.

Movement in lease liabilities for the years ended December 31 follows:

	Note	2025	2024
Balance at beginning the year		1,248,290,844	1,216,810,735
Interest expense	15	88,830,206	86,710,186
Payments		(53,748,207)	(55,230,077)
Balance at the end of the year		1,283,372,843	1,248,290,844

The right-of-use assets are included as part of investment properties and amounts to P937.82 million as at December 31, 2025 (2024 - P968.68 million).

The total cash outflow related to leases for the years ended December 31 amounted to:

	Note	2025	2024	2023
Variable lease payments not included in the measurement of lease liabilities	15	739,821,643	587,420,250	421,589,053
Payments of lease liabilities				
Principal portion		-	-	-
Interest portion		53,748,207	55,230,076	53,896,170
Total cash outflows		793,569,850	642,650,326	475,485,223

The following are the amounts recognized in the statement of total comprehensive income from the Company's lease agreements as lessee:

	Notes	2025	2024	2023
Rent expense - variable lease payments	15	739,821,643	587,420,250	421,589,053
Interest expense from lease liabilities	15	88,830,206	86,710,186	84,126,547
Total amounts recognized in the statement of total comprehensive income		828,651,849	674,130,436	505,715,600

17 Income tax

The account for the years ended December 31 consists of:

	2025	2024	2023
Current (final tax)	1,493,386	3,113,918	1,066,925
Deferred	-	-	-
	1,493,386	3,113,918	1,066,925

The Company has incurred NOLCO in the taxable years 2025, 2024 and 2023 which can be claimed as deduction from the regular income tax over a period of three (3) years, and NOLCO in the taxable years 2021 and 2020 which can be claimed as deduction from the regular income tax for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year incurred	At December 31, 2024	Incurred during the year	Used/expired during the year	At December 31, 2025	Expiry Year
2025	-	926,694,082	-	926,694,082	2028
2024	519,442,116	-	-	519,442,116	2027
2023	890,518,286	-	-	890,518,286	2026
2022	336,859,619	-	(336,859,619)	-	2025
2021	688,819,663	-	-	688,819,663	2026
2020	481,283,017	-	(481,283,017)	-	2025
	2,916,922,701	926,694,082	(818,142,636)	3,025,474,147	

The Company does not recognize deferred tax assets and the probability of generating future taxable income is assessed to be remote in view of its effectively tax-free status as a REIT entity.

The reconciliation (in %) between the statutory income tax rate to the effective income tax rate shown in the statement of total comprehensive income follows:

	2025	2024	2023
Statutory income tax rate	25.00	25.00	25.00
Add (deduct) tax effect of:			
Non-deductible expenses	8.83	5.99	5.77
Non-taxable income	(14.35)	(10.99)	(13.07)
Deductible dividends	(19.48)	(20.00)	(17.70)
Effective income tax rate	0.00	0.00	0.00

For each of the three years ended December 31 above, the Company availed of the itemized deduction.

18 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Terms and conditions of transactions with related parties

The Company, in its regular conduct of business, has entered into transactions with related parties consisting of advances, and management, marketing, leasing and administrative service agreements. These are based on terms agreed by the parties. There have been no guarantees provided or received for any related party receivables or payables.

Material related party transactions (RPT)

This refers to any related party transaction, either individually, or in aggregate over a 12-month period with the same related party, amounting to 10% or higher of the Company's total assets. All material related party transactions are subject to the review by the RPT Committee.

In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the related party transactions policy.

The following tables provide the total balances and amounts of transactions that have been entered into with related parties as at and for the years ended December 31:

a. Outstanding balances with ALI, affiliates and other related parties (entities under common control).

Receivables from and payables to related parties pertain mainly to rental income, management fees, advances, reimbursements of operating expenses, and intercompany lending, which are due and demandable. These are settled generally in cash, unless if otherwise indicated, at a gross basis.

Receivables from and payable to related parties as at December 31 are as follow:

	2025		2024		Terms and conditions
	Transactions	Outstanding balances	Transactions	Outstanding balances	
Finance lease receivables					
Entities under common control	2,138,795,147	35,086,452,638	1,162,028,271	19,673,140,935	Balances are due quarterly or annually. These are non-interest bearing and secured with the related investment properties (Notes 5 and 16).
Due from related parties					
Parent Company	154,121,230	1,305,163,717	48,715,642	529,184,080	Balances relating to trade receivables are due and demandable. These are interest and non-interest bearing, and unsecured. No impairment is recognized.
Entities under common control	253,321,254	3,323,235,587	175,634,469	1,932,449,494	
Other related parties	573,678,832	49,371,000	271,249,902	301,869,331	
					The Company also provides interest-bearing loans to related parties which are subject to monthly repricing and maturing in one month with interest ranging from 4.5% to 5.71%% (2024 - 5.59% to 6.89%; 2023 - 5.59% to 6.95%) per annum
		4,677,770,304		2,763,502,905	
Due to related parties					
Parent	918,763,294	871,163,555	682,556,290	588,810,099	Balances are due and demandable. These are non-interest bearing and unsecured.
Entities under common control	1,846,624,284	2,003,591,851	1,398,718,139	1,318,019,607	
Other related parties	-	484,786	61,674,153	72,980,387	
		2,875,240,192		1,979,810,093	

b. Revenue from related parties

The revenue from the Parent Company, affiliates and other related parties (entities under common control) pertains to rental income, interest income from finance lease and interest income from intercompany loans. There is no impairment on these related receivables.

Revenue for the years ended December 31 are as follows:

		Interest income from Finance lease (Note 16)	Interest income from intercompany loans (Note 14)	Total
2025	Rental income			
Parent	146,040,969	178,402,835	8,080,261	332,524,065
Affiliates	91,494,836	1,960,392,312	161,826,418	2,213,713,566
Other related parties	573,678,832	-	-	573,678,832
Total	811,214,637	2,138,795,147	169,906,679	3,119,916,463

		Interest income from Finance lease (Note 16)	Interest income from intercompany loans (Note 14)	Total
2024	Rental income			
Parent	20,052,905	-	28,662,736	48,715,641
Affiliates	45,373,640	1,162,028,271	130,260,829	1,337,662,740
Other related parties	271,249,902	-	-	271,249,902
Total	336,676,447	1,162,028,271	158,923,565	1,657,628,283

Cost and expenses for the years ended December 31 are as follows:

	Management fees	Rental expenses	Utility expenses	Contracted services	Interest expense	Total
2025						
Parent	2,800,984	662,816,775	189,345,244	527,730	63,272,561	918,763,294
Affiliates	869,056,099	47,220,906	917,613,150	12,734,129	-	1,846,624,284
Other related parties	-	-	-	-	-	-
Total	871,857,083	710,037,681	1,106,958,394	13,261,859	63,272,561	2,765,387,578

	Management fees	Rental expenses	Utility expenses	Contracted services	Interest expense	Total
2024						
Parent	-	488,689,339	-	-	62,011,753	550,701,092
Affiliates	665,869,545	87,119,455	529,611,871	35,092,814	-	1,317,693,685
Other related parties	-	-	54,042,369	-	-	54,042,369
Total	665,869,545	575,808,794	583,654,240	35,092,814	62,011,753	1,922,437,146

The following describes the nature of the material transactions of the Company with related parties as at December 31, 2025 and 2024:

- The Company provides interest-bearing loans to related parties which are subject to monthly repricing and maturing in one month with interest ranging from 4.5% to 5.71% (2024 - 5.30% to 6.89%; 2023 - 5.59% to 6.95%;) per annum.
- The Company enters into various lease agreements with its Parent Company and entities under common control (Note 16).
- Affiliates and other related parties of the Company provide energy and water distribution services to the Company.
- The Company entered into management contracts with affiliates to handle fund and property manager functions of the Company starting August 13, 2020.

The fund management fee is computed based on 0.10% of deposited property value plus 3.5% of the earnings before interest, taxes, depreciation, and amortization (EBITDA) before deduction of fees payable to fund manager and property manager and after deducting interest expense on lease liabilities for the period, exclusive of VAT.

While for property management fee, this is equivalent to 3% of gross rental income and interest income from finance lease per year plus 2% of EBITDA before deduction of fees payable to fund manager and property manager and after deducting interest expense from lease liabilities for the period, provided, that such fee shall not exceed 1% of the net asset value of the properties being managed (Note 15).

Cash in bank

The Company has cash in bank balance with the Bank of the Philippine Islands (BPI), an associate of AC, amounting to P7.24 million as at December 31, 2025 (2024 - P36.68 million). Interest income earned from these deposits for the year ended December 31, 2025 amounted to P0.21 million (2024 - P0.29 million; 2023 - P0.37 million).

Short-term debt

The Company has no outstanding short-term debt payable to BPI as at December 31, 2025 and 2024.

The Company paid interest expense from short-term debt to BPI that is outstanding for the year ended December 31, 2024 amounting to P45.91 million (2023 - P1.38 million). There were no outstanding short-term debt during the year ended December 31, 2025.

Compensation of key management personnel

The key management functions of the Company are handled by AREIT Fund Managers, Inc., and AREIT Property Managers, Inc., which charge management fees for such services. Thus, there is no additional key management personnel disclosure required on the Company's financial statements.

19 Critical accounting estimates and judgments

The preparation of the consolidated financial statements in compliance with Philippine Financial Reporting Standards Accounting Standards requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates, judgments and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. Actual results could differ from such estimates.

19.1 Critical judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Assessment of the Company being effectively a 'tax-free' entity (Note 17)

There are entities which are specifically exempt from income tax under the tax rules, and accordingly are not within the scope of PAS 12, *Income Taxes*. For REIT entities, while not formally designated as 'tax-free' under the tax rules, they are nevertheless "income tax-free" provided that they meet certain conditions (e.g., listing status, dividend payments, etc.). A REIT entity is required to distribute at least 90% of its annual income as a dividend to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an "income tax-free" entity.

The Company abides with the provisions of the REIT law and complies with the 90% dividend distribution. The Company has determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it is effectively an "income tax-free" entity. Accordingly, the Company did not recognize deferred taxes after its listing as a REIT entity.

Determination of whether the Company is acting as a principal or an agent (Notes 12 and 13)

The contract for the commercial spaces leased out by the Company to its tenants includes the right to charge for the electricity usage, water usage, air-conditioning charges and common usage service area (CUSA) charges like maintenance, janitorial and security services.

For the electricity and water usage, the Company determined that it is acting as an agent because the promise of the Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility and service companies, and not the Company, are primarily responsible for the provisioning of the utilities while the Company administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities.

For the provision of CUSA and air conditioning, the Company acts as a principal because it retains the right to direct the service provider of air conditioning, maintenance, janitorial and security to the leased premises. The right to the services mentioned never transfers to the tenant and the Company has the discretion on how to price the CUSA and air conditioning charges.

Operating lease commitments - the Company as lessor (Note 12)

The Company has entered into commercial property leases on its investment property portfolios. The Company has determined that it retains all significant risks and rewards of ownership of the property as the Company considered, among others, the length of the lease term as compared with the estimated useful life of the assets.

Finance lease commitments - the Company as lessor (Note 16)

The Company has entered into various lease agreements (Note 16). The Company has determined, based on evaluation of the terms and arrangement, particularly on the economic life, that the Company has transferred substantially all the significant risks and rewards of ownership of these properties to the lessee and accounts for the agreements as finance lease.

Evaluation whether the acquired set of assets constitute a business (Note 5)

The Company acquired additional portfolio of investment properties and elected to apply the optional concentration test to determine whether the acquired assets or group of assets constitute a business. The Company has determined that the acquisition is a purchase of asset as the acquisition passed the concentration test as (a) the building is considered a single identifiable asset and (b) substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset.

19.2 Critical estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provision for expected credit losses (ECL) of trade receivables (Note 3)

The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss pattern.

The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience and other forward-looking information, as applicable. For instance, if forecast economic conditions (i.e., gross domestic product and inflation rate) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The amount of ECL is sensitive to changes in circumstances and forecast of economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Evaluating impairment of non-financial assets carried at cost (Note 4)

The Company assesses at the end of each reporting period whether there is an objective evidence that the input VAT and CWT are no longer recoverable. In determining the recoverable amount of input VAT and CWT, management considers the probability of future transactions or events against which these accounts can be utilized, including adequacy of documentation for anticipated tax audits. Where the final outcome of these matters is different from the amounts that were initially recorded, the carrying amounts of input VAT and CWT are reduced and the amount of probable losses is recognized in profit or loss.

As at December 31, 2025 and 2024, management believes that it will be able to generate future transactions against which the input VAT can be utilized or in worst case scenario, file a claim for refund from tax authorities subject to potential tax audits where management can sustain the positions taken in their tax returns.

The allowance for probable losses on CWT is based on reasonably possible recoverable amount based on historical experience of the Company and its related parties.

Valuation of investment properties held at fair value (Note 5)

The Company makes estimates in respect of the fair value of investment properties. The fair values of these properties are reviewed regularly by management with reference to external independent property valuations and market conditions existing at reporting date, using generally accepted market practices. The assumptions underlying estimated fair values are those relating to the receipt of contractual rent, expected future market rentals, capital expenditure requirements, growth rates, and discount rates that reflect current market conditions and current or recent property investment prices. The property valuations have been prepared based on the best available information.

The fair values of investment properties have been determined using Discounted Cash Flows (DCF) Method (level 3). The significant unobservable input used in the fair value measurement as at December 31, 2025 and 2024 are shown below:

Significant unobservable input	Rate	Sensitivity of the input to fair value
Discount rate	2025: 8.28% - 9.42% 2024: 7.88% - 9.78%	Increase (decrease) in the discount rate would decrease (increase) the fair value
Growth rate	2025: 1.50% - 3.50% 2024: 1.50% - 4.00%	Increase (decrease) in the growth rate would increase (decrease) the fair value

The above inputs and approach were also used to determine the fair value of the finance lease receivables (Note 20.2).

20 Financial risk, capital management, and fair value measurement

20.1 Financial risk management

The Company's principal financial instruments comprise of cash, receivables, accounts and other payables and security deposits which arise directly from the conduct of its operations. The main risks arising from the use of financial instruments are liquidity risk and credit risk.

The Company reviews policies for managing each of these risks. The Company monitors market price risk from all financial instruments and regularly reports financial management activities and the results of these activities to the BOD.

Exposure to market, credit, and liquidity risks arise in the normal course of the Company's business activities. The main objectives of the Company's financial risk management follow:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

Prior to the Company's listing, ALI's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Company. Effective August 13, 2020, AREIT Fund Manager's, Inc. handles fund manager functions of the Company (Note 18).

20.1.1 Market risk

Market risk is the risk that fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk includes foreign currency risk, interest rate risk, and other price risks.

Foreign currency risk

The Company has no financial assets and liabilities denominated in foreign currencies and, therefore, it has no exposure to foreign currency risk.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Cash in banks do not have significant exposure to cash flow interest rate risk as they are subject to minimal interest. Finance lease receivables, due from related parties, and lease liabilities do not have significant exposure to cash flow interest rate risk as such are subject to fixed interest rates. The Company has no financial assets carried at fair value and, therefore, it has no exposure to fair value interest rate risk.

Price risk

The Company has no exposure to price risk as its financial assets are measured at amortized cost.

20.1.2 Credit risk

Credit risk refers to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's credit risks are primarily attributable to cash, receivables and other financial assets. To manage credit risks, the Company maintains defined credit policies and monitors on a continuous basis its exposure to credit risks.

Credit risk arising from rental receivables from leased properties is primarily managed through a tenant selection process. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security deposits and advance rentals which helps reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of financial capacity. Except for finance lease and trade receivables, the maximum exposure to credit risk of all financial assets is equal to their carrying amounts.

The Company's maximum exposure to credit risk as at December 31 is equal to the carrying values of its financial assets, except for finance lease and trade receivables under "Receivables" in the statement of financial position:

2025			
	Gross maximum exposure	Fair value of collateral or credit enhancement	Net exposure
Cash and cash equivalent (excluding cash on hand)	37,837,390	-	37,837,390
Receivables			
Finance lease receivables	35,086,452,638	41,001,398,588	-
Due from related parties	4,677,770,304	-	4,677,770,304
Trade receivables	1,968,028,194	1,734,337,992	-
Other receivables	3,182,994	-	3,182,994
Recoverable deposits	31,856,283	-	31,856,283
	41,805,127,803	42,735,736,580	4,750,646,971
2024			
	Gross maximum exposure	Fair value of collateral or credit enhancement	Net exposure
Cash in banks	70,940,948	-	70,940,948
Receivables			
Finance lease receivables	19,673,140,935	24,100,080,159	-
Due from related parties	2,763,502,905	-	2,763,502,905
Trade receivables	1,475,918,230	1,598,397,298	-
Other receivables	2,866,119	-	2,866,119
Recoverable deposits	24,192,597	-	24,192,597
	24,010,561,734	25,698,477,457	2,861,502,569

The aging analysis of the Company's receivable presented per class as at December 31 follows:

	Neither past due nor impaired	Past due but not impaired				Impaired	Total
		<30 days	31-60 days	61-90 days	>90 Days		
2025							
Finance lease receivables (Notes 16 and 18)	35,086,452,638	-	-	-	-	-	35,086,452,638
Due from related parties	2,644,277,142	9,705,985	19,135,311	52,678,462	1,951,973,404	-	4,677,770,304
Trade receivables - billed	635,476,550	241,546,259	161,445,589	43,209,828	712,946,764	173,403,204	1,968,028,194
Total	38,366,206,330	251,252,244	180,580,900	95,888,290	2,664,920,168	173,403,204	41,732,251,136
2024							
Finance lease receivables (Notes 16 and 18)	19,673,140,935					-	19,673,140,935
Due from related parties	1,375,080,681	63,696,023	21,677,746	47,014,482	1,256,033,973	-	2,763,502,905
Trade receivables - billed	2,341,584	290,907,532	110,871,983	158,259,446	764,834,351	148,703,334	1,475,918,230
Total	21,050,563,200	354,603,555	132,549,729	205,273,928	2,020,868,324	148,703,334	23,912,562,070

The Company considers the following credit quality classification:

- Stage 1 are considered to be neither past due nor impaired;
- Stage 2 are considered to be past due but not impaired; and
- Stage 3 are considered to be impaired.

(a) Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due of all customers as they have similar loss patterns. The security deposits are considered in the calculation of impairment as recoveries. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. ECL related to trade receivables is minimal given its low credit risk and the receivables are generally covered by security deposits.

As at December 31, 2025, the allowance for credit losses of trade receivables amounts to P173.40 million (2024 - P148.70 million) (Note 3).

(b) Cash in banks

As at December 31, 2025 and 2024, the ECL relating to cash in banks is minimal as these are considered as low credit risk.

(c) Finance lease receivables

The Company has applied the simplified approach and has calculated allowance for credit losses based on lifetime ECL for finance lease receivables. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

As at December 31, 2025 and 2024, the ECL related to the Company's finance lease receivables is minimal given that the receivable is fully covered by the value of the underlying asset (as title to the asset is not transferred to the lessee) in the event of default by the counterparty, and the counterparties are generally of good credit standing.

(d) Due from related parties

As at December 31, 2025 and 2024, the Company did not provide any allowance relating to due from related parties since there is no history of default payments. This assessment is undertaken each financial year through examination of the financial position of the related parties and the markets in which the related parties operate.

20.1.3 Liquidity risk

The Company actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. The Company's policy is to maintain a level of cash deemed sufficient to fund its monthly cash requirements, at least for the next two months. Capital expenditures are funded through long-term debt, while working capital requirements are sufficiently funded through cash collections and capital infusion by stockholders. Through scenario analysis and contingency planning, the Company also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost and ensures the availability of ample unused credit facilities as back-up liquidity.

The Company's cash is maintained at a level that will enable it to fund its operations as well as to have additional funds as buffer for any opportunities or emergencies that may arise. To manage the Company's liquidity, credit line facilities with designated local banks, as approved by the Board of Directors, were obtained. The Company's available credit line with various local banks as at December 31, 2025 and 2024 is P23.5 billion. The Company may also refinance its loans and manage payment terms for its payables.

The tables below summarize the maturity profile of the Company's financial instruments as at December 31 based on contractual undiscounted payments:

	2025			Total
	< 1 year	1 to 5 years	> 5 years	
Financial assets				
Cash in banks	37,837,390			37,837,390
Receivables				
Finance lease receivables	3,669,035,276	11,206,445,483	70,985,207,303	85,860,688,062
Due from related parties	4,677,770,304	-	-	4,677,770,304
Trade receivables*	1,794,624,990	-	-	1,794,624,990
Recoverable deposits	31,856,283	-	-	31,856,283
	10,173,286,853	11,206,445,483	70,985,207,303	92,364,939,639
Financial liabilities				
Accounts and other payables				
Due to related parties	2,875,240,192	-	-	2,875,240,192
Accounts payable	923,656,396	-	-	923,656,396
Accrued expenses	238,777,966	-	-	238,777,966
Retention payable	9,213,039	-	-	9,213,039
Interest payable	6,500,000	-	-	6,500,000
Short-term debt	2,000,000,000	-	-	2,000,000,000
Security deposits	492,993,894	1,044,410,754	457,694,435	1,995,099,083
Lease liabilities	58,602,303	261,035,155	3,880,494,973	4,200,132,431
Construction bonds	160,702,937	-	-	160,702,937
	6,765,686,727	1,305,445,909	4,338,189,408	12,409,322,044
Net liquidity (gap) position	3,407,600,126	9,900,999,574	66,647,017,895	79,955,617,595

* Net of allowance for ECL

	2024			Total
	< 1 year	1 to 5 years	> 5 years	
Financial assets				
Cash in banks	70,940,948	-	-	70,940,948
Receivables				
Finance lease receivables	1,491,049,823	6,294,303,937	41,067,339,616	48,852,693,376
Due from related parties	2,763,502,905	-	-	2,763,502,905
Trade receivables*	1,327,214,896	-	-	1,327,214,896
Recoverable deposits	24,192,597	-	-	24,192,597
	5,676,901,169	6,294,303,937	41,067,339,616	53,038,544,722
Financial liabilities				
Accounts and other payables				
Due to related parties	1,979,810,093	-	-	1,979,810,093
Accounts payable	817,595,440	-	-	817,595,440
Accrued expenses	74,514,727	-	-	74,514,727
Retention payable	5,952,197	-	-	5,952,197
Interest payable	3,422,222	-	-	3,422,222
Short-term debt	2,000,000,000	-	-	2,000,000,000
Security deposits	486,110,365	1,029,827,954	451,303,782	1,967,242,101
Lease liabilities	56,204,119	249,981,290	3,951,183,259	4,257,368,668
Construction bonds	138,143,467	-	-	138,143,467
	5,561,752,630	1,279,809,244	4,402,487,041	11,244,048,915
Net liquidity (gap) position	115,148,539	5,014,494,693	36,664,852,575	41,794,495,807

* Net of allowance for ECL

20.2 Capital management

The primary objective of the Company's capital management policies is to afford the financial flexibility to support its business initiatives while providing a sufficient cushion to absorb cyclical industry risks and to maximize stakeholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Company's sources of capital as at December 31 follow:

	2025	2024
Paid-up capital	37,830,861,320	32,771,959,550
Treasury shares	(673,299,700)	(673,299,700)
Additional paid-in capital	72,223,544,610	56,368,354,602
Retained earnings	26,521,693,604	24,903,508,070
	135,902,799,834	113,370,522,522

There are no changes made in the Company's capital management objectives, policies or processes.

Loan covenants

As at December 31, 2025 and 2024, the Company is not subject to any externally imposed capital requirements from debt covenant.

REIT Act - Aggregate Leverage Limit

The Company is subject to externally imposed capital requirements consistent with the requirement of the REIT Act section 8.10, *Aggregate Leverage Limit*. In 2025 and 2024, the Company is compliant with its debt covenants and requirements of the REIT Act.

Distributable Income under the IRR of REIT Act of 2009

Under the Revised Implementing Rules and Regulations (IRR) of REIT Act of 2009, section 4c, the Company shall present a computation of its distributable dividend taking into consideration requirements under the provisions of the Act and the Rule. Distributable income is not a measure of performance under PFRS Accounting Standards.

The computation of distributable income as presented by the management of the Company for the years ended December 31 follows:

	2025	2024	2023
Net income	9,539,219,827	7,317,064,621	5,030,544,039
Unrealized (gain) loss:			
Net fair value (gain) loss on investment properties	(108,679,768)	43,374,600	(99,254,883)
Straight-lining adjustments recorded in rental income	(245,890,088)	(473,104,893)	(86,563,721)
Distributable income	9,184,649,971	6,887,334,328	4,844,725,435

For each of the years ended December 31, 2025, 2024 and 2023, the Company is compliant by declaring 90% of its distributable income as dividends. Dividend declarations are disclosed in Note 11.

Fair value measurement

The Company follows the fair value measurement hierarchy to disclose the fair value measurements of its financial instruments. The table below summarizes the fair value measurement of the Company's assets and liabilities at December 31, all of which are under Level 3 in the fair value hierarchy:

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
Finance lease receivables	35,086,452,638	41,001,398,588	19,673,140,935	23,340,972,955
Lease liabilities	1,283,372,843	1,436,690,458	1,248,290,844	1,442,910,420
Security deposits	1,995,099,082	1,734,337,992	1,776,006,705	1,641,789,987

As at December 31, 2025 and 2024, the Company has no financial instrument measured at fair value.

In 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement. The carrying values of the other financial instruments of the Company as at December 31, 2025 and 2024 approximate their fair values due to the short-term nature of the transactions.

21 Basic and diluted earnings per share

The Company's earnings per share for the years ended December 31 is computed as follows:

	2025	2024	2023
Net income	9,539,219,828	7,317,064,621	5,030,544,039
Weighted average number of common shares	3,462,811,074	2,789,236,279	1,932,495,456
Basic and diluted earnings per share	2.75	2.62	2.60

The Company also assessed that there were no potential dilutive common shares in 2025, 2024, and 2023.

22 Segment reporting

The Company has determined that it is currently operating as one operating segment. Based on management's assessment, no part or component of the business of the Company meets the qualifications of an operating segment as defined by PFRS 8, *Operating Segments*.

The Company's operations on its four parcels of land, nine condominium units, fourteen stand-alone buildings, and five mixed used properties are its only income-generating activity, and such is the measure used by management in allocating resources.

There were no revenue transactions with external customers which accounted for 10% or more of the total revenues for the years ended December 31, 2025, 2024 and 2023.

23 Notes to statements of cash flows

Disclosed below is the roll forward of liabilities under financing activities:

For the year ended December 31, 2025

	January 1, 2025	Cash flows	Other changes	December 31, 2025
Short-term and long-term debt (a)	2,000,000	-	-	2,000,000
Lease liabilities (b)	1,248,290,844	(53,748,207)	88,830,206	1,283,372,843
Interest payable (b)	3,422,222	(107,055,555)	110,133,333	6,500,000
Total liabilities from financing activities	1,253,713,066	(160,803,762)	198,963,539	1,291,872,843

Other changes pertain to:

(a) Amortization of bond issue costs

(b) Interest expense and other charges

For the year ended December 31, 2024

	January 1, 2024	Cash flows	Other changes	December 31, 2024
Short-term and long-term debt (a)	3,000,000	(1,000,000)	-	2,000,000
Lease liabilities (b)	1,216,810,735	(55,230,077)	86,710,186	1,248,290,844
Interest payable (b)	-	(167,123,540)	170,545,762	3,422,222
Total liabilities from financing activities	1,219,810,735	(223,353,617)	257,255,948	1,253,713,066

Other changes pertain to:

(a) Amortization of bond issue costs

(b) Interest expense

For the year ended December 31, 2023

	January 1, 2023	Cash flows	Other changes	December 31, 2023
Short-term debt (a and b)	3,277,693,930	(300,000,000)	22,306,070	3,000,000,000
Lease liabilities (c)	1,186,580,358	(53,896,170)	84,126,547	1,216,810,735
Interest payable (b and c)	898,625	(94,843,339)	93,944,714	-
Total liabilities from financing activities	4,465,172,913	(448,739,509)	200,377,331	4,216,810,735

Other changes pertain to:

(a) Amortization of bond issue costs

(b) Reclassification from long-term debt to short-term debt

(c) Interest expense

The Company's non-cash investing and financing activities are as follows:

Investing/Financing

- Addition in investment properties amounting to P20,994.44 million related to the property-for-share swap agreement for the year ended December 31, 2025 (2024 - P28,602.82 million; 2023 - P22,479.70 million) (Notes 5 and 16). The Company has issued capital stock in exchange for these properties amounting to P5,058.90 million (2024 - P8,412.59 million; 2023 - P6,075.59 million), with additional paid in capital of P15,935.54 million (2024 - P20,190.23 million; 2023 - P16,404.10 million) (Note 11).
- Increase in receivables attributable to properties leased out under finance lease amounting to P14.73 billion for the year ended December 31, 2025 (2024 - P10.54 billion; 2023 - P5.50 billion) (Note 5).
- Increase in fair value of investment properties, gross of lease commissions and straight-line adjustment, amounted to P108.68 million for the year ended December 31, 2025 (2024 - decrease of P43.37 million; 2023 - increase of P201.35 million) (Note 5).

24 Events after the end of the reporting period

On February 19, 2026, the Board of Directors of the Company, at its regular meeting, approved the declaration of cash dividends of P0.62 per outstanding common share for the fourth quarter of 2025. The cash dividends amounting to P2,303.77 million will be payable on March 20, 2026 to stockholders on record as at March 5, 2026.

25 Summary of material accounting policies

25.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards; and
- interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

Basis of measurement

The financial statements of the Company have been prepared using the historical cost basis, except for investment properties which are measured at fair value.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the Company. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 19.

The financial statements have been prepared under the going concern assumption.

Functional and presentation currency

The financial statements of the Company are presented in Philippine Peso. All amounts are rounded off to the nearest Philippine Peso unless otherwise stated.

25.2 Adoption of amended accounting standards and interpretation

(a) Amendments to existing standards adopted by the Company effective January 1, 2025

The following amendments to existing standards have been adopted by the Company effective January 1, 2025:

The following amendments to existing standards have been adopted by the Group effective January 1, 2025:

- Lack of Exchangeability – Amendments to PAS 21;

On 15 August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

The adoption of the above amendment did not result in a material impact to the consolidated financial statements of the Group.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or have a material impact on the Group's consolidated financial statements.

(b) Amendments to existing standards not yet effective and not early adopted by the Company

The following amendments to existing standards are not mandatory for December 31, 2024 reporting period and have not been early adopted by the Company:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (*Effective beginning on or after January 1, 2026*)

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

- PFRS 18 Presentation and Disclosure in Financial Statements (*Effective beginning on or after January 1, 2027*)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Company's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- o Although the adoption of PFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the following items might potentially impact operating profit:
- o Foreign exchange differences, if any, need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- o PFRS 18 has specific requirements on the category in which derivative gains or losses are recognized - which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Company currently recognizes some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognized, and the Company is currently evaluating the need for change.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Company will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of January 1, 2027.

Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

There are no other new standards, interpretations and amendments to existing standards not yet effective as at December 31, 2025 reporting period that are considered to be relevant or have a material impact on the Company's financial statements.

25.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

23.3.1 Financial assets

Initial recognition and measurement

The Company's financial assets are classified, at initial recognition, as subsequently measured at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at its transaction price.

In order for a debt financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that passes the 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

Subsequent measurement - Financial assets at amortized cost (debt instruments)

The Company's financial assets at amortized cost are classified as such if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

25.3.2 Financial liabilities

Initial recognition and measurement

The Company's financial liabilities include accounts and other payables, security deposits, construction bonds, short-term and long-term debt, and lease liabilities.

All financial liabilities are recognized initially at fair value, and, in the case of loans, borrowings and payables, net of any directly attributable transaction costs.

The Company's interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as Interest expense and other charges in profit or loss.

25.3.3 Derecognition of financial instruments

Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

25.3.4 Derecognition of financial instruments

The Company recognizes an allowance for ECL for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For cash in banks, the Company applies the low credit risk simplification. The probability of default and loss given defaults are accessible from reputable credit rating agencies and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, where there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from a reputable credit rating agency to determine whether the debt instrument has significantly increased credit risk and to estimate the ECL.

For receivables (comprising trade, finance lease, due from related parties and other receivables), the Company applies a simplified approach in calculating ECL. Therefore, the Company recognizes a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 180 days past due since security deposits and advance rentals are equivalent to 90 days each which are paid at the start of the lease term which will cover any default. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

25.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

25.5 Investment properties

Investment properties comprise completed properties that are held to earn rentals or capital appreciation or both and are not occupied by the Company. The initial cost of investment properties consists of any directly attributable costs of bringing the investment properties to their intended location and working condition, including borrowing costs.

Investment properties are stated at fair value, which reflects market conditions at the reporting date. The fair value of investment properties is determined by management and independent valuation experts based on the "income approach". Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise. In determining the carrying amount of investment property under the fair value model, the Company does not double-count assets or liabilities that are recognized as separate assets or liabilities such as accrued rental income and lease commitments. Expenditures incurred after the investment property has been put in operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

The Company recognizes property-for-share swap transactions as share-based payment transactions under PFRS 2, '*Share based payments*'. The property received is measured at its fair value at the date of acquisition. The relevant shares issuance recorded in paid-up capital is measured at par value, while the excess of fair value over par value is recognized as additional paid-in capital.

Investment properties are derecognized when either it has been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss. The amount of consideration to be included in gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in PFRS 15, '*Revenue from customers*'.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the PAS 16, '*Property, plant and equipment*', up to the date of change in use.

25.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that other current assets and other non-current assets may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining estimated useful life.

25.7 Equity

Paid-up capital and APIC

Capital stock is measured at par value for all shares subscribed, issued and outstanding. When the Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds and the par value is credited to APIC.

Share issuance costs

Share issuance costs are incremental costs directly attributable to the issuance or subscription of new shares which are shown in equity as a deduction of APIC. If APIC is not sufficient, the excess is charged against retained earnings.

Treasury shares

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

25.8 Revenue recognition

The Company is in the business of leasing its investment property portfolio. The Company's non-lease performance obligations include common area management and administration of utility services. Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

Dues

Dues are recognized when the related services are rendered. The contract for the commercial spaces leased out by the Company to its tenants includes the right to charge for the electricity usage, water usage, air conditioning charges and CUSA charges like maintenance, janitorial and security services. Revenue from electricity and water is recognized at a net basis as the Company is acting as an agent, while revenue from CUSA and air conditioning charges is recognized at a gross basis as the Company is acting as principal.

Disaggregated revenue information

The non-lease component of the Company's revenue arises from common area charges and utilities dues. The Company's performance obligations are to ensure that common areas are available for general use of its tenants and to provide for uninterrupted utility services such as water and electricity.

Allocation of transaction price to performance obligation

Each of the non-lease component is considered a single performance obligation, therefore it is not necessary to allocate the transaction price. These services are capable of being distinct from the other services and the transaction price for each service is separately identified in the contract.

Timing of revenue recognition

Revenue from common area charges and utilities dues are recognized over time since the tenants simultaneously receives and consumes the services provided by the Company. The Company determined that the output method best represents the recognition pattern for revenue from utilities dues since this is recognized based on the actual consumption of the tenants.

25.9 Income outside the scope of PFRS 15

Rental income

Rental income under non-cancellable and cancellable leases on investment properties is accounted under operating lease and is recognized on a straight-line basis over the lease term and the terms of the lease, respectively, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contracts.

No rental income is recognized when the Company waives its right to collect rent and other charges. This is recognized as a rent concession and reported as a variable payment.

Interest income

Interest income is recognized as it accrues using the EIR method.

25.10 Costs and expenses

Costs and expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

25.11 Leases

The Company as lessor - operating lease

Leases where the Company does not transfer substantially all the risks and benefits of the ownership of the assets are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The Company as lessor - finance lease

A lease is classified as a finance lease if the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Company uses the interest rate implicit in the lease to measure the net investment in the lease. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease.

The Company as lessee

(a) Right-of-use asset

The Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use) except when the rental payment is purely variable and linked to the future performance or use of an underlying asset. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life or the lease term. The Company accounts for right-of-use assets using the fair value model in accordance with the policy as stated under investment properties. Right-of-use assets are subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

25.12 Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the reporting date.

25.13 Earnings per share

Basic earnings per share (EPS) is computed by dividing net income for the year attributable to common equity holders of the Company by the weighted average number of common shares issued and outstanding during the year adjusted for any subsequent stock dividends declared.

Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on earnings per share.

25.14 Segment reporting

The Company's lease operation is its only segment. Financial information on business segment is presented in Note 22 to the financial statements.

26 Report on the supplementary information required by the BIR

Below is the additional information required by Revenue Regulations (RR) No. 15-2010 that is relevant to the Company. This information is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements.

(a) Output VAT and input VAT

The National Internal Revenue Code (NIRC) of 1997, as amended, provides for the imposition of VAT on sales of goods and services. Accordingly, the Company's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT.

The Company is a VAT-registered entity with VAT output declaration of P825.33 million for the year ended December 31, 2025 based on the vatable sales amounting to P6,877.78 million. Zero-rated sales amounted to P7,538.04 million.

Upon effectivity of Ease of Paying Taxes (EOPT) Law, the Company's vatable sales are based on actual billed. The Company has zero-rated and exempt sales pursuant to Section 106(A)(2)(a)(5) of the Tax Code and Sections 109(A), 109(K) and 109 of the Tax Code, respectively.

Movements in input VAT for the year ended December 31, 2025 follow:

	Amount
At January 1, 2025	1,229,454,047
Capital goods not subject to amortization	2,358,928
Input tax on depreciable capital goods not attributable to any specific activity	135,064,101
Domestic purchases/payments for:	
Domestic purchases of services	409,213,491
Purchase of goods other than capital goods	3,126,565
Total input VAT	1,779,217,132
Less: Balance applied against output VAT	830,677,911
At December 31, 2025	948,539,221

(b) Documentary stamp tax

Documentary stamp taxes paid for the year ended December 31, 2025 amounted to P47.65 million, which pertains to the issuance of new shares and lease contracts of various tenants.

(c) All other local and national taxes

All other local and national taxes accrued and paid for the year ended December 31, 2025 consist of:

	Amount
Real property tax	533,028,336
Business permit	141,443,279
Fire permit	8,813,861
Community tax	10,500
Others	29,056,591
	712,352,567

All other taxes, local and national, including real estate taxes, licenses and permit fees are presented as part of "Taxes and licenses" under Direct operating expenses and General and administrative expenses in the statement of total comprehensive income.

(d) Withholding taxes

The amount of withholding taxes paid and accrued for the year ended December 31, 2025 follows:

	Total remittances	Withholding taxes payable	Total
Expanded withholding taxes	213,248,327	48,140,766	261,389,093
Final withholding taxes	123,029,504	44,296,600	167,326,104
	336,277,831	92,437,366	428,715,197

Total remittances pertain to tax payments made for the reporting period covering January 2025 to November 2025. The outstanding withholding taxes payable, included in Taxes payable under "Accounts and other payables" in the statement of financial position, as at December 31, 2025 represents the withholding taxes for the month of December 2025 which were remitted in January 2025.

(e) Taxes on importation

The Company has not made any importations in 2025.

(f) Excise tax

The Company has no transactions subject to excise tax in 2025.

(g) Tax assessments and cases

There are no outstanding tax assessments and cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the administration of the BIR as at December 31, 2025.

AREIT, Inc.

Index to Financial Statements and Supplementary Schedules

As at December 31, 2025

Supplementary Schedules Required by Annex 68-J

Schedule A. Financial Assets

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)

Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Schedule D. Supplementary Schedule of Long-Term Debt

Schedule E. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Schedule F. Guarantees of Securities of Other Issuers

Schedule G. Capital Stock

Other Supporting Schedules

Reconciliation of Retained Earnings Available for Dividend Declaration

Financial Soundness Indicators

Map of the Group of Companies within which the Reporting Entity belongs

AREIT, Inc.

Schedule A - Financial Assets
As at December 31, 2025
(All amounts in Philippine Peso)

Name of issuing entity and association of each issue	Number of shares or principal amount of financial assets	Amounts shown in the statement of financial position	Income received and accrued
Cash and cash equivalents in bank*			
Bank of the Philippine Islands	32,240,311	32,240,311	1,473,810
Deutsche Bank	5,597,079	5,597,079	5,993,117
	37,837,390	37,837,390	7,466,927
Receivables**			
Finance lease receivables	35,086,452,638	35,086,452,638	2,138,795,147
Due from related parties	4,677,770,304	4,677,770,304	169,906,679
Trade receivables - billed	1,968,028,194	1,968,028,194	-
Other receivables	3,182,994	3,182,994	-
	41,735,434,130	41,735,434,130	2,308,701,826
	41,773,271,520	41,773,271,520	2,316,168,753

* See Note 2 to the financial statements.

** See Note 3 to the financial statements.

AREIT, Inc.

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal
Stockholders (Other Than Related Parties)
As at December 31, 2025

Name and designation of debtor	Balance at the beginning of the period	Additions	Deductions		Current	Non- current	Balance at the end of the period
			Amounts collected	Amounts written-off			
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

AREIT, Inc.

Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
As at December 31, 2025

Name and designation of debtor	Balance at the beginning of the period	Additions	Deductions		Current	Non-current	Balance at the end of the period
			Amounts collected	Amounts written-off			
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

AREIT, Inc.

Schedule D - Supplementary Schedule of Long-Term Debt
As at December 31, 2025

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related Statement of Financial Position	Amount shown under caption “Long-term debt” in related Statement of Financial Position
		Amount shown under caption “Long-term debt” in related Statement of Financial Position	
N/A	N/A	N/A	N/A

AREIT, Inc.

Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
As at December 31, 2025

Name of related party	Balance at the beginning of the period	Balance at the end of the period
N/A	N/A	N/A

AREIT, Inc.

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2025

Name of issuing entity of securities guaranteed by the Company for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by the company for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

AREIT, Inc.

Schedule G - Capital Stock
As at December 31, 2025

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related Statement of Financial Position caption	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by related parties	Number of shares held by directors, officers, and employees	Others
Common	4,050,000,000	3,715,756,162	-	2,370,999,262	7	-
Total	4,050,000,000	3,715,756,162	-	2,370,999,262	7	-

See Note 11 to the financial statements.

AREIT, Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2025
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, beginning of the year	6,693,607,631
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of retained earnings appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	7,921,034,294
Retained earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	- (7,921,034,294)
Unappropriated Retained Earnings, as adjusted	(1,227,426,663)
Add/Less: Net income (loss) for the current year	9,539,219,828
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of investment property	- (108,679,768)
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRSs (describe nature)	-

(continued)

AREIT, Inc.**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the year ended December 31, 2025

Page 2

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRSs	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRSs, previously recorded (describe nature)	-	-
Adjusted net income		9,430,540,060
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Unrealized fair gain loss of investment property		
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-

(continued)

AREIT, Inc.**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the year ended December 31, 2025

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Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (straight-lining adjustments recorded in rental income)	-

Total Retained Earnings, end of the year available for dividend declaration	8,203,113,397

AREIT, Inc.

Financial Soundness Indicators
As at December 31, 2025
(With comparative figures as at December 31, 2024 and 2023)
(All amounts are in Philippine Peso, unless otherwise stated)

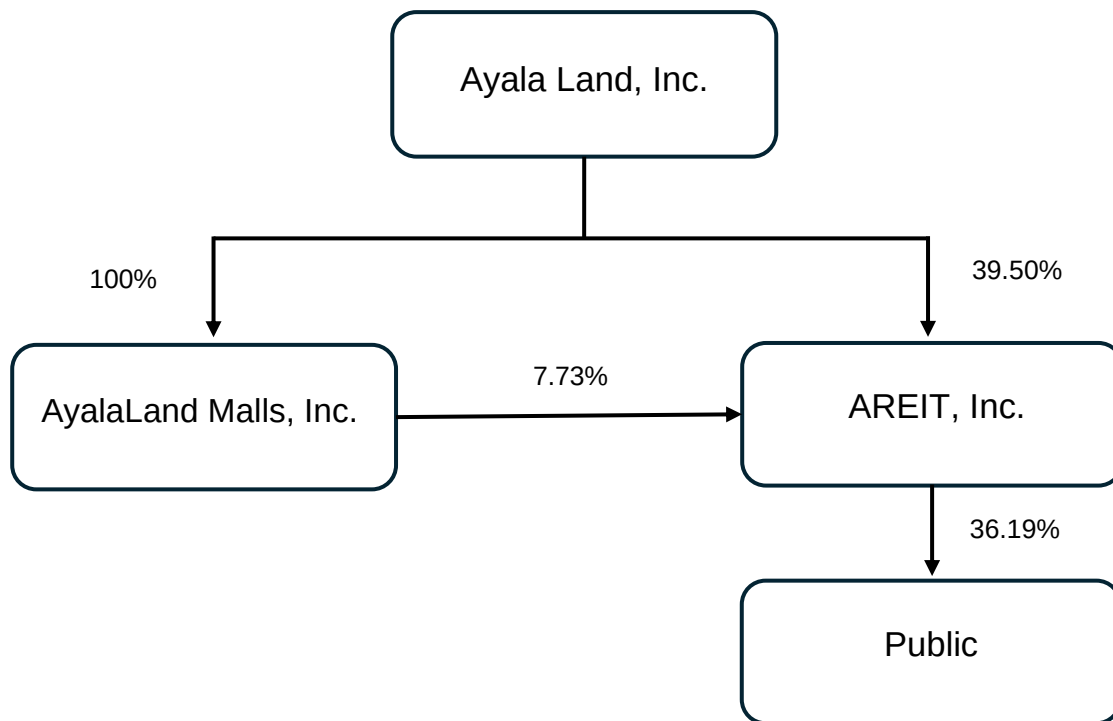
Ratio	Formula		2025	2024	2023
A. Current and liquidity ratios					
1. Current ratio	Total current assets	7,288,692,975	1.07	0.83	0.80
	Divided by: Total current liabilities	6,820,746,576			
	Current ratio	1.07			
2. Acid test ratio	Total current assets	7,288,692,975	0.97	0.76	0.77
	Less: Other current assets	(688,625,609)			
	Quick assets	6,600,067,366			
	Divided by: Total current liabilities	6,820,746,576			
	Acid test ratio	0.97			
B. Solvency ratio	Net income	9,539,219,827	4.77	3.66	1.68
	Add: Depreciation	332,234			
	Net income before depreciation	9,539,552,061			
	Divided by: Total debts*	2,000,000,000			
	Solvency ratio	4.77			
C. Debt-to-equity ratio	Total debts	2,000,000,000	0.01	0.02	0.04
	Divided by: Total equity	135,902,799,834			
	Debt-to-equity ratio	0.01			
D. Asset-to-equity ratio	Total assets	147,322,393,344	1.08	1.09	1.12
	Divided by: Total equity	135,902,799,834			
	Asset-to-equity ratio	1.08			
E. Interest rate coverage ratio	EBITDA**	9,529,281,410	34.73	23.51	21.25
	Divided by: Interest expense	274,359,782			
	Interest rate coverage ratio	34.73			
F. Profitability ratios					
1. Return on assets (%)	Net income	9,539,219,827	7%	7%	6%
	Divided by: Average total assets	135,272,538,143			
	Return on assets (%)	7%			
2. Return on equity (%)	Net income	9,539,219,827	8%	7%	7%
	Divided by: Average total equity	124,636,661,178			
	Return on equity (%)	8%			
3. Net profit margin	Net income	9,539,219,827	74%	0.71	0.70
	Divided by: Total revenues	12,959,780,593			
	Net profit margin	74%			

* Total debts includes short-term debt, long-term debt, and current portion of the long-term debt

** EBITDA refers to earnings before interest expense and other charges, taxes, and depreciation, and excludes net fair value change in investment properties, interest income, non-recurring gain under finance lease and other income

AREIT, Inc.

Map of the Group of Companies within which the Reporting Entity belongs
As at December 31, 2025

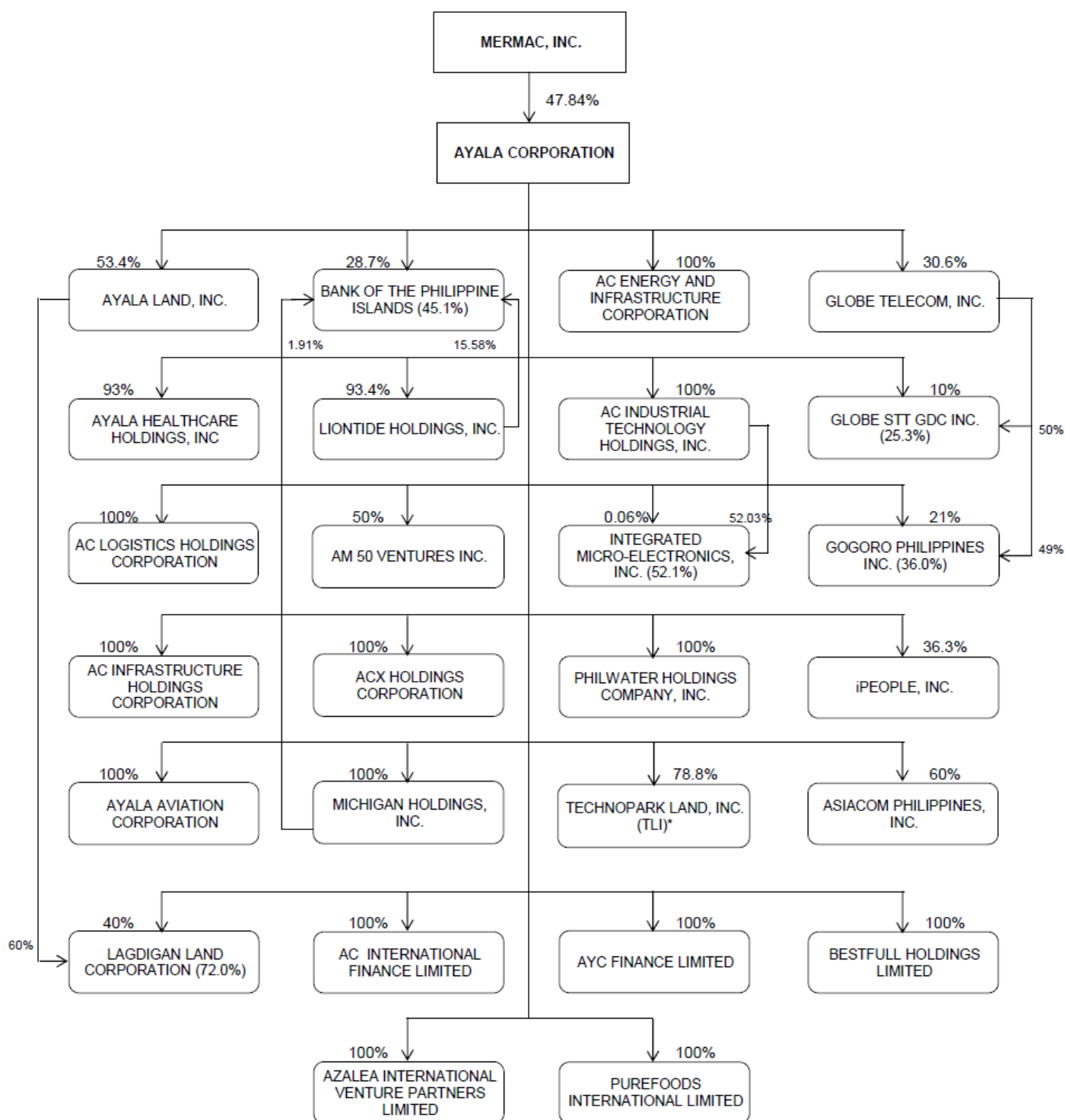


AREIT, Inc.

Map of the Group of Companies within which the Reporting Entity belongs

As at December 31, 2025

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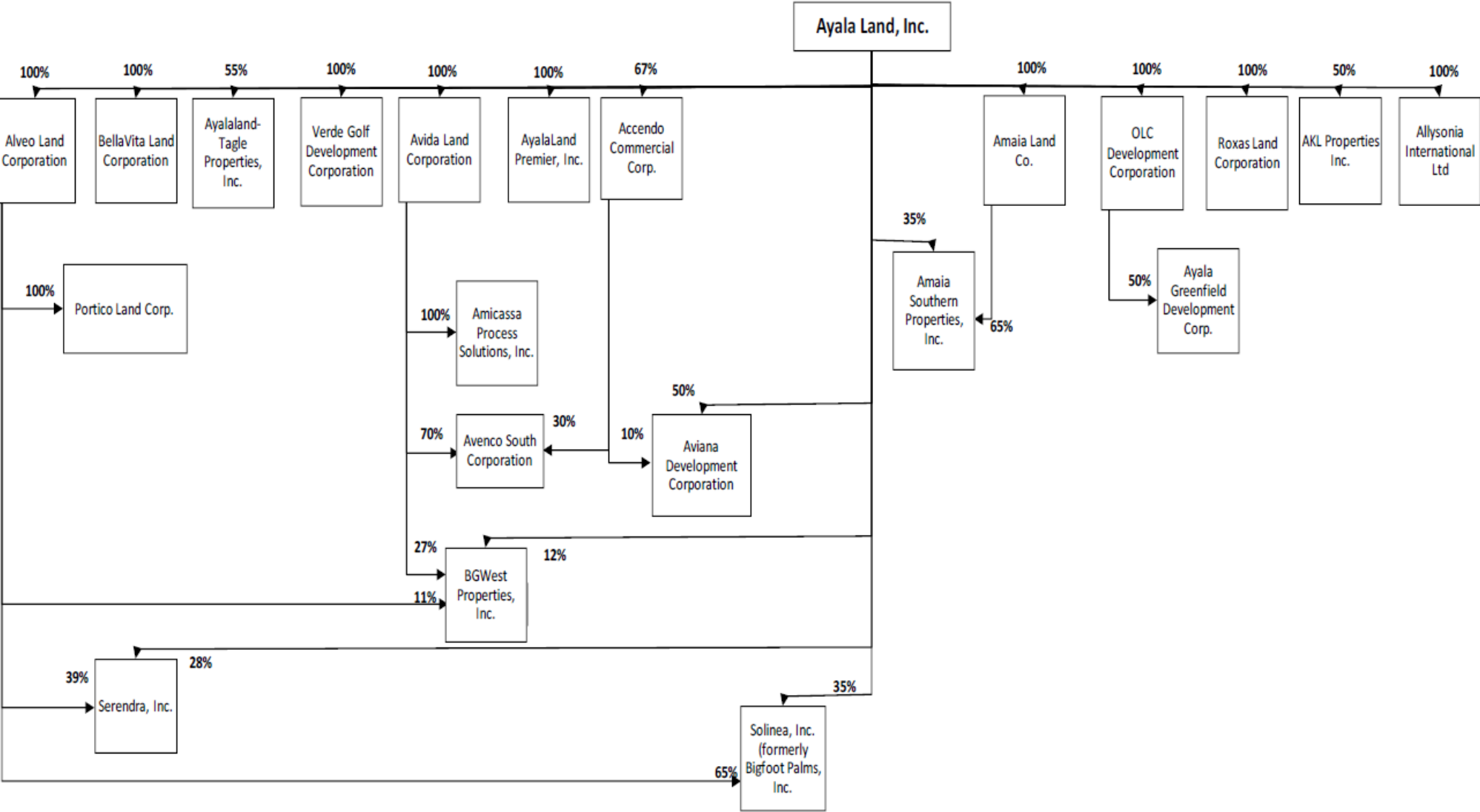


Legend:

% of ownership appearing outside the box - direct % of economic ownership

% of ownership appearing inside the box - effective % of economic ownership

*On December 10, 2021, the BOD and stockholders of TLI approved the plan to shorten its corporate term to June 30, 2023. On December 23, 2021, the SEC approved the amendment of the Fourth Article of the Articles of Incorporation to shorten the corporate term to June 30, 2023. The company obtained all necessary regulatory approvals for the closure its business. On January 6, 2026, the BIR officially cancelled the company's registration.

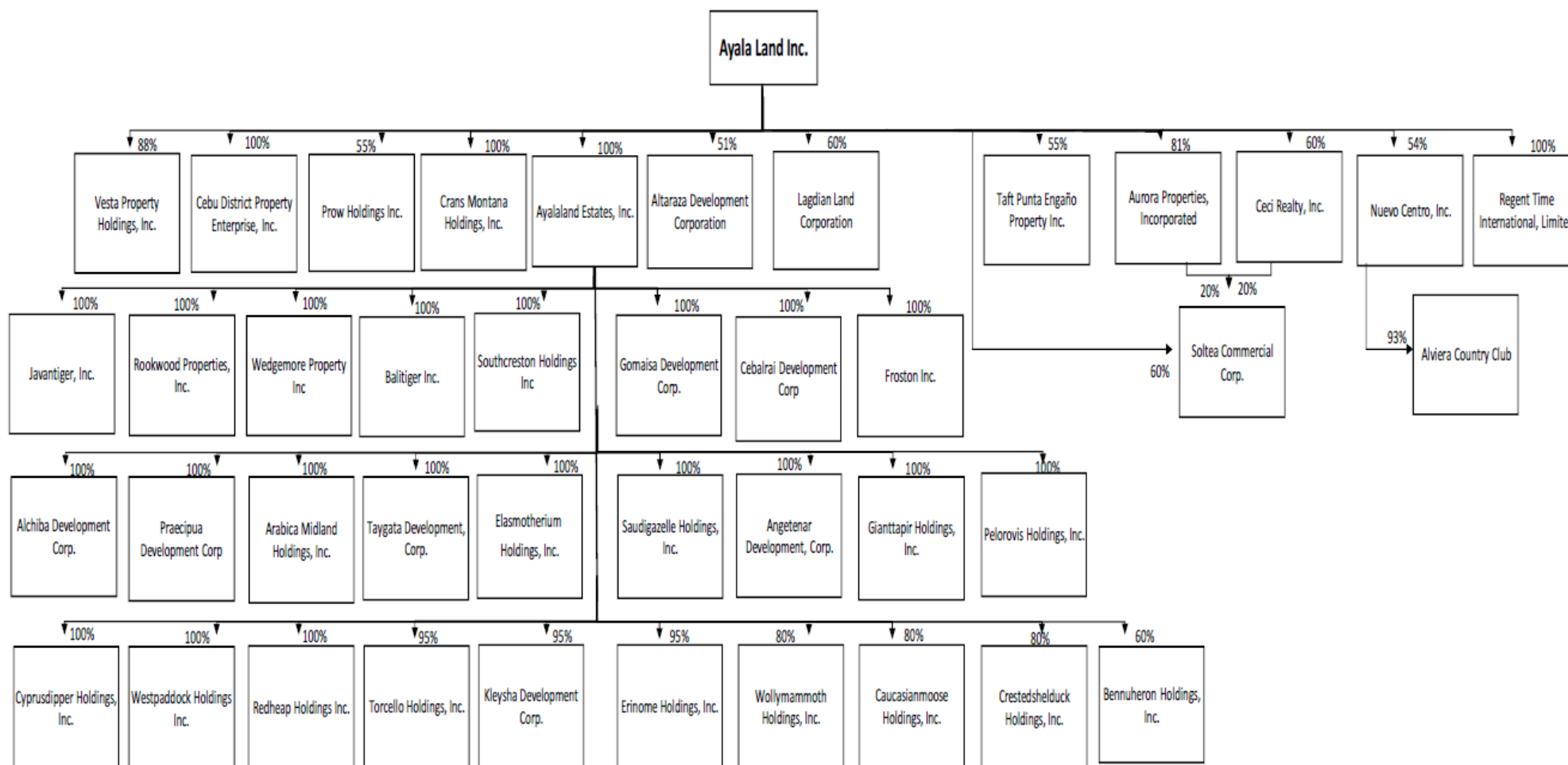


AREIT, Inc.

Map of the Group of Companies within which the Reporting Entity belongs

As at December 31, 2025

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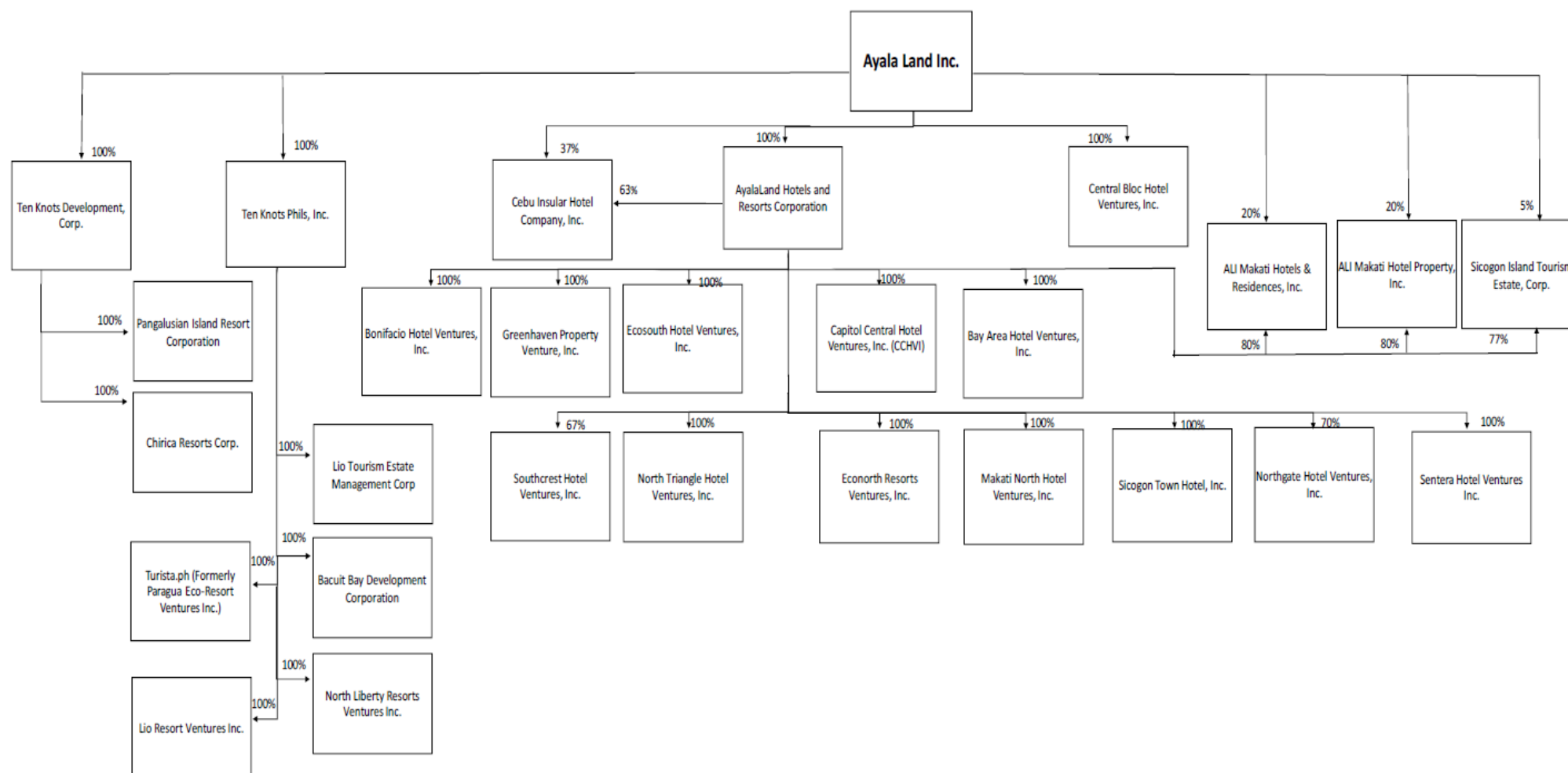


AREIT, Inc.

Map of the Group of Companies within which the Reporting Entity belongs

As at December 31, 2025

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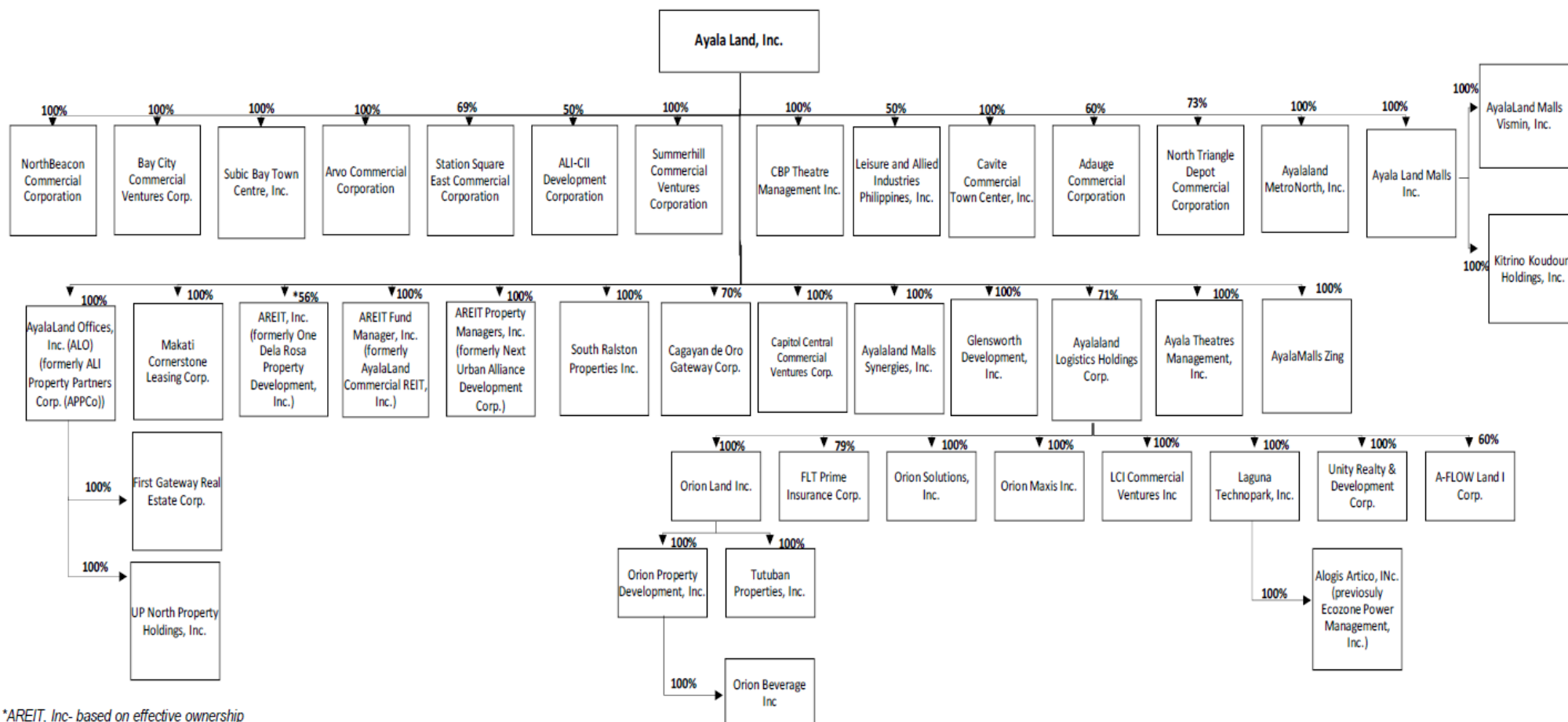


AREIT, Inc.

Map of the Group of Companies within which the Reporting Entity belongs

As at December 31, 2025

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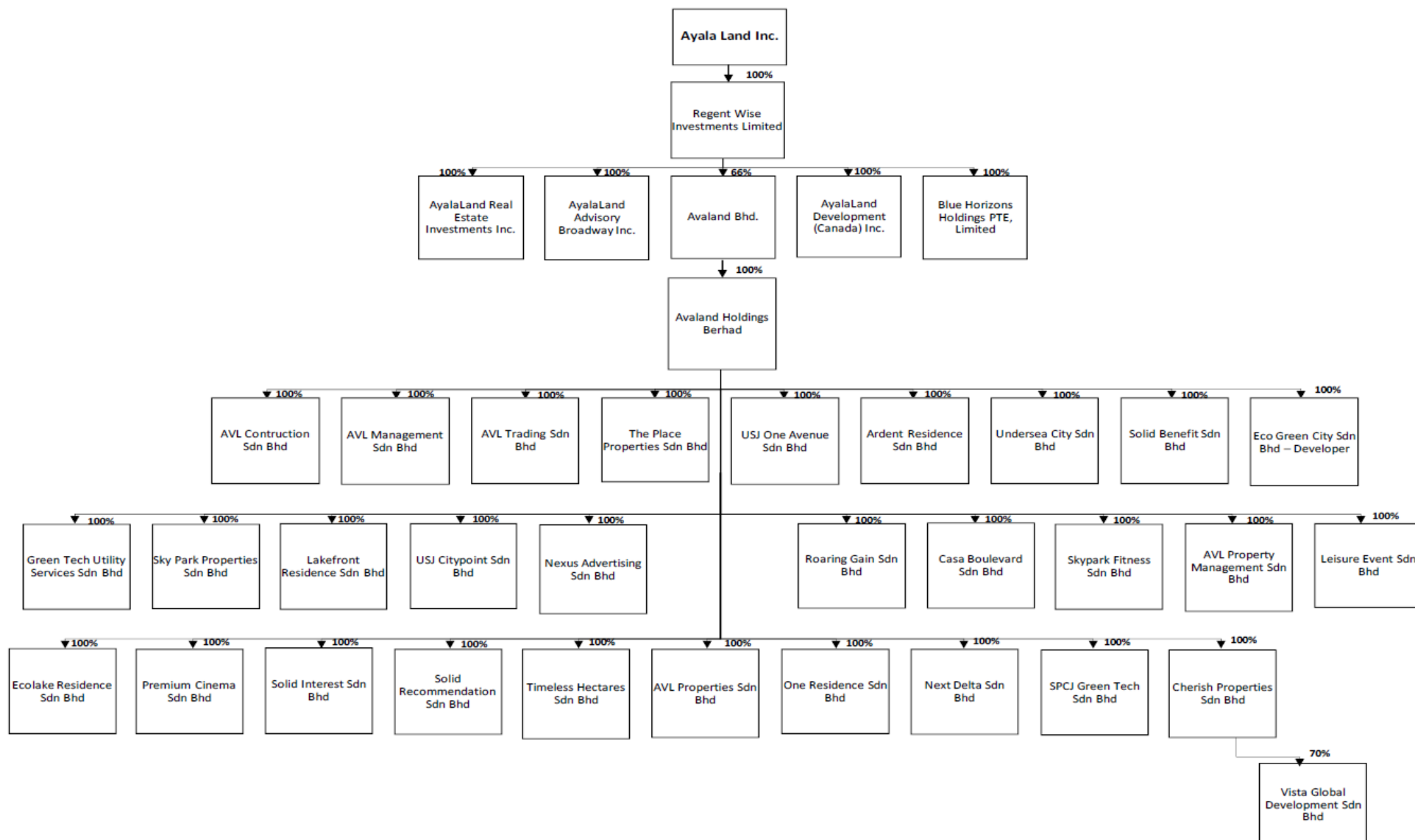
*AREIT, Inc. based on effective ownership

AREIT, Inc.

Map of the Group of Companies within which the Reporting Entity belongs

As at December 31, 2025

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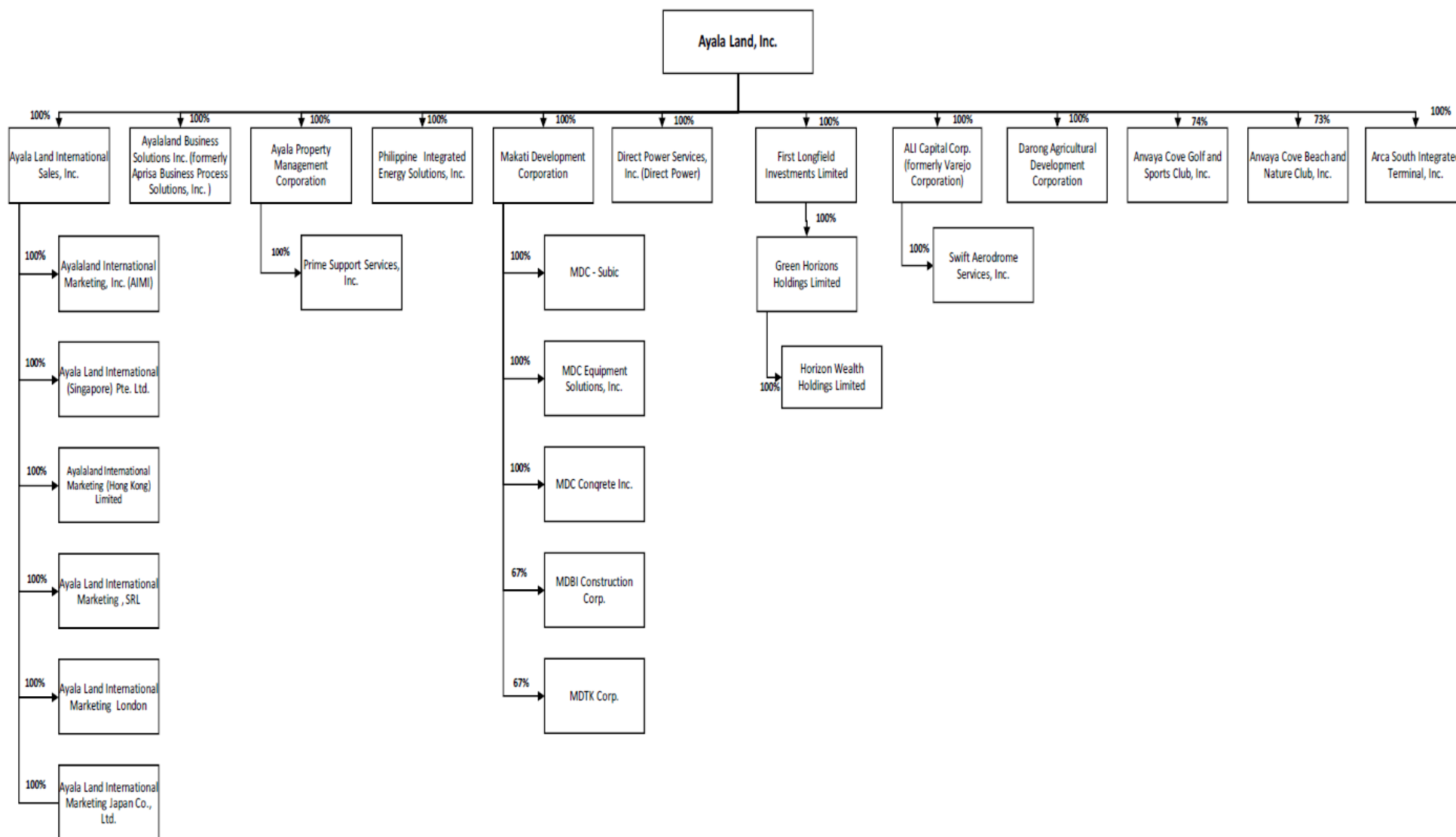


AREIT, Inc.

Map of the Group of Companies within which the Reporting Entity belongs

As at December 31, 2025

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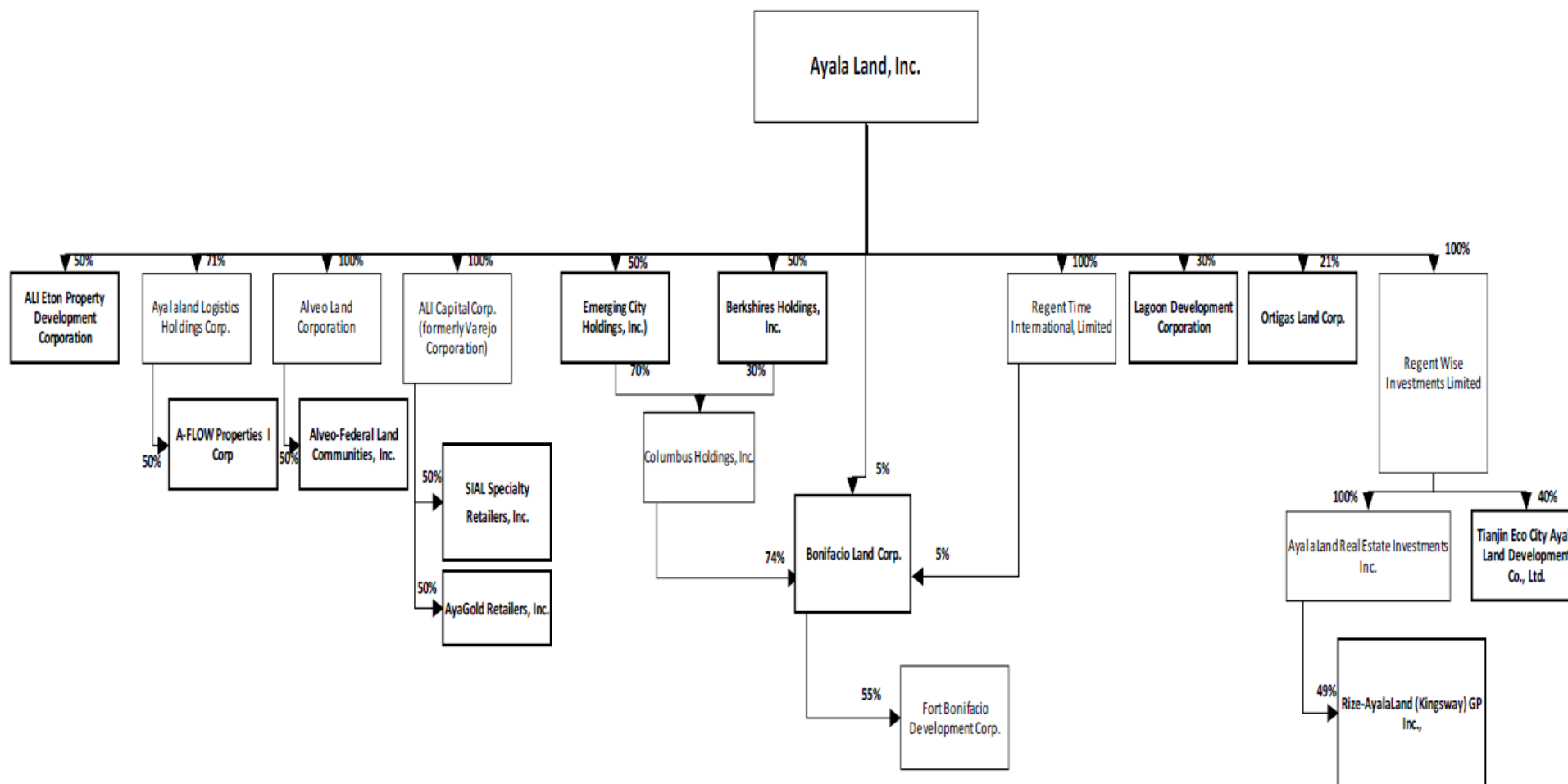
AREIT, Inc.

Map of the Group of Companies within which the Reporting Entity belongs

As at December 31, 2025

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Investments in Associates/Joint Ventures



AREIT, Inc.**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE- RELATED INFORMATION**

As at December 31, 2025 and 2024

Amounts in Philippine Peso (PHP)

	2025	2024
Total Audit Fees (excluding OPE)		
Regular Audit	882,000	840,000
Audit-related (AUP for reinvestment plan)	-	35,000
Total audit fees	882,000	875,000
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total non-audit fees	-	-
Total audit and non-audit fees	882,000	875,000

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

(Abreeza Mall and Abreeza Corporate Center)

Located in
**Barangay 20-B, Poblacion District
Davao City**

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Iloilo, and Davao offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-036A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of a certain real property exhibited to us by the **AREIT, Inc.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of **Abreeza Mall and Abreeza Corporate Center Building**, located **along J.P. Laurel Avenue**, within **Barangay 20-B, Poblacion District**, both in **Davao City**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions, and gave consideration to the –

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease / Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably presented as under:

Property Name	Market Value (Php)
<i>Abreeza Mall</i>	<i>4,575,503,000</i>
<i>Abreeza Corporate Center</i>	<i>813,391,000</i>

We made no investigation of and assume no responsibility for claims to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVAS:mfm

CAI File No. 12-2025-1327-035A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-036A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Barangay 20-B Poblacion District, Davao City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free, and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power, and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

The appraised property is the site of **Abreeza Mall and Abreeza Corporate Center**, it is located **on the southwest side of J.P. Laurel Avenue, within Barangay 20-B, Poblacion District, Davao City.**

The property is located approximately 180 meters northeast from Bacaca Road; 500 meters northwest from Victoria Plaza; 600 meters southwest from Dacudao-Buhangin Flyover; and about 1.4 kilometers northwest from Gaisano Mall.

J.P. Laurel Avenue is 25 meters wide, concrete paved with asphalt overlay and provided with concrete curbs and gutters, concrete sidewalks, and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed-use, specifically residential, institutional, and commercial.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 30 meters, and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Redemptorist Church
EMCOR
Aeon Towers
Insperia Davao Condominium
Davao Chinese Baptist Church
Shell Service Station
Victoria Plaza
Durian Hotel

The subject property, Victoria Plaza, Gaisano Mall, and SM Lanang Premier serve as the commercial and shopping centers of the residents in the area. These are all accessible from J.P. Laurel Avenue by public transportation. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply, and telecommunication facilities are available at the subject property.

Public transportation connecting to various sections of Davao City is available along J.P. Laurel Avenue where the subject property fronts. Road lights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

The land consists of eight (8) contiguous lots, containing a total area of 72,922 square meters, technically identified as follows:

Lot/Survey Nos.	TCT Nos.	Area (sq.m.)
8-A, PSD-11-151808	146-2021016830	157
8-B, PSD-11-151808	146-2021016831	1,451
8-C, PSD-11-151808	146-2021016832	38,617
8-D, PSD-11-151808	146-2021016833	2,117
8-E, PSD-11-151808	146-2021016834	9,672
8-F, PSD-11-151808	146-2021016835	1,229
8-G, PSD-11-151808	146-2021016836	18,452
*519-A-2-A-2-A, PSD-11-019681 (National Road)	T-446455	<u>1,227</u>
		Total - 72,922 sq.m.

*Road Lot

The above certificates of title were all issued by the Registry of Deeds for Davao City in favor of the **ACCENDO COMMERCIAL CORPORATION**.

The land, in its entirety, is bounded by the following properties:

- Northeast - Lot 521-1-C
- Southeast - Lots 499, 521-A-3 and 521-B-3
- Northwest - JP Laurel Avenue and 519-A-2-A-3 and 519

Attached is a plan of the property as plotted based on the technical descriptions appearing in the titles furnished to us by the client. As shown, the lands are irregular in shape with a frontage of 267 meters on J.P. Laurel Avenue.

The terrain of the land is flat. Its elevation is uniform and slightly above the grade with the fronting avenue.

No title verification was conducted to confirm the existence of the owner's original copy of the titles supposedly on file with the Registry of Deeds, since it is not included in the assignment.

Government Assessment

BIR Zonal Value of Real Property within Barangay 20-B, Poblacion District, Davao City as per Department Order No. 33-2021, effective 22 December 2021:

Street Name	Vicinity	Classification	3 rd Revision Zonal Value (Php/sq.m.)
J.P. Laurel Avenue	Lacson Street - Dacudao Avenue	Commercial Regular	44,500
Abreeza Place		Residential Regular	105,500
		Condominium Commercial	126,600

VI. DESCRIPTION OF IMPROVEMENTS

The land is improved with buildings and other land improvements described as follows:

Abreeza Mall – Davao - This is a three (3)-storey reinforced concrete-framed building with basement, having pre-painted rib type long span metal sheet roof on steel trusses and frame roof; acoustic board on aluminum T-runner frame, suspended acoustic board on t-runner; fiber cement board, gypsum board on metal frame exposed concrete slab and colored T&G pvc panel ceilings; cement plastered concrete hollow blocks, glass on powder coated aluminum frame, and clear glass view partly with laminate wood and ceramic tile and aluminum composite panel cladding walls; cement plastered concrete hollow blocks and double walled plywood partitions; metal exits, steel plate, wood panel, glass on powder coated aluminum frame, automatic frameless glass, swing glass, steel roll-up, plain steel flush and steel doors; and ceramic tile and plain cement with epoxy paint finished and carpeted floor at office concrete floors.

The building features retail shops of having concrete slab floor, fibered cement board on metal furring acoustic board on T-runner ceilings; cement plastered concrete hollow block on walls and partitions; clear glass on powder coated aluminum frame windows; swing glass, wood panel and glass on aluminum frame doors; ceramic tiles and epoxy paint finished concrete floors; and granite tile wall to floor at comfort rooms.

The building is painted and provided with firefighting and alarm system, centralized air conditioning, CCTV cameras, water supply system, underground cistern, air wells, escalators, elevators, electrical lighting, plumbing and telecommunication facilities. Total floor area is approximately 84,662 square meters, allocated as follows:

Floor Level	Gross Floor Area (sq.m.)	Leasable Floor Area (sq.m.)
Basement	26,613	-
Ground	23,780	15,858
Second	18,638	11,674
Third	<u>15,631</u>	<u>7,239</u>
Total -	84,662	34,771

The estimated remaining economic life is 36 years.

Abreeza Corporate Center Building -This is a lofty seven (7)-storey reinforced concrete-framed building, having a concrete slab roof; fiber cement with decorative wood design, soffit slab and acoustic board on T-runner ceilings; cement plastered concrete hollow block with ceramic tile cladding design interior walls; cement plastered concrete hollow block and modular partition on metal stud at office partitions; glass on aluminum frame and glass on powder coated aluminum frame windows; glass on aluminum frame and plain steel flush doors; and ceramic tile, granite tile and epoxy painted finished floors.

The building features offices and BPOs having concrete slab floor, fibered cement board on metal furring acoustic board on T-runner ceilings; cement plastered concrete hollow block on walls and partitions; clear glass on powder coated aluminum frame windows; swing glass, wood panel and glass on aluminum frame doors; ceramic tiles finished concrete floors; and granite tile wall to floor at comfort rooms.

The building is painted and provided with a firefighting and alarm system, centralized air conditioning, CCTV cameras, water supply system, underground cistern, air wells, escalators, elevators, electrical lighting, plumbing, and telecommunication facilities. The total floor area is approximately 16,484 square meters, allocated as follows:

Floor Level	Gross Floor Area (sq.m.)	Leasable Floor Area (sq.m.)
Ground	1,875	936
Second	2,902	1,279
Third	2,902	1,626
Fourth	2,902	1,928
Fifth	2,792	2,480
Sixth	2,792	2,480
Seventh	<u>2,792</u>	<u>2,283</u>
Total -	18,956	13,013

The estimated remaining economic life is 36 years.

STP Room - This is a one (1)-storey concrete-framed building, having concrete slab roof; cement plastered concrete hollow block walls; fiber cement board with screen wire partitions; plywood flush and plain steel doors; and concrete floor.

This is painted and provided with electrical lighting facility. Floor area is approximately 84 square meters.

Estimated remaining economic life is 21 years.

Covered Walkway (attached to Mall) - This is an open-walled structure of I-beam steel frame having rib-type sheet on steel frame roof; and unglazed tile floor.

The floor area is approximately 1,805 square meters.

The estimated remaining economic life is 21 years.

Covered Walkway (to Highway) - This is an open-walled structure of I-beam steel frame having rib-type partly fiber glass sheet on steel frame roof; and unglazed tile floor.

The floor area is approximately 376 square meters.

The estimated remaining economic life is 21 years.

Other Land Improvements

STP - This is a 3-meter-high cement plastered concrete hollow block structure from roof, wall to floor having capacity of 175,000 gallons.

Driveway/Landscape - Driveway is a concrete pavement on a compacted earth base floor provided with underground drainage system servicing the entire Abreeza Mall landscape consists of Bermuda grass and ornamental plants, with lamp posts and concrete pathways with circular shaped fountains located near the highway containing an approximate area of 19,800 square meters.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization, and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property.

The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

Abreeza Mall

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php304,146,138 considering vacancy and bad debts, and including dues-net. And the average lease rates is Php280/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 13.13% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

Discounted Cash Flow Analysis (in PhP)														
ABREEZA MALL														
STATISTICS														
Gross Leasable Area	34,771	sq.m.	Ave. Lease Rate	Php280/sq.m./mo.										
Discount Rate		8.28%												
Average Growth Rate		2.50%												
Terminal Capitalization Rate		5.78%												
Present Worth Factor			0.92354	0.85293	0.78772	0.72749	0.67187	0.62050	0.57305	0.52924	0.48878	0.45140		
		Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES		Escalation	-	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%		2.50%
Office Spaces			-	-	-	-	-	-	-	-	-	-		
Parking Slots			-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	-	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			304,146,138	311,749,792	319,543,536	327,532,125	335,720,428	344,113,439	352,716,275	361,534,181	370,572,536	379,836,849	3,407,465,298	389,332,771
PLUS: Dues - Net			-	-	-	-	-	-	-	-	-	-	-	-
Total Effective Gross Revenues (EGR)			304,146,138	311,749,792	319,543,536	327,532,125	335,720,428	344,113,439	352,716,275	361,534,181	370,572,536	379,836,849	3,407,465,298	389,332,771
LESS: DIRECT OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(41,477,992)	(42,013,576)	(42,557,760)	(43,081,110)	(43,580,194)	(44,669,699)	(45,786,441)	(46,931,102)	(48,104,380)	(49,306,989)	(447,509,244)	(50,539,664)
General Administrative Expenses			-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures			-	-	-	-	-	-	-	-	-	-	-	-
Total			(41,477,992)	(42,013,576)	(42,557,760)	(43,081,110)	(43,580,194)	(44,669,699)	(45,786,441)	(46,931,102)	(48,104,380)	(49,306,989)	(447,509,244)	(50,539,664)
NET INCOME			262,668,146	269,736,216	276,985,776	284,451,014	292,140,234	299,443,740	306,929,833	314,603,079	322,468,156	330,529,860	2,959,956,055	338,793,107
ADD: Reversion Value (Resale Value)														5,862,689,600
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														5,862,689,600
Present Worth Factor @	8.28%	discount rate	0.92354	0.85293	0.78772	0.72749	0.67187	0.62050	0.57305	0.52924	0.48878	0.45140		0.45140
Present Worth of Net Income			242,585,018	230,065,974	218,186,143	206,934,904	196,279,165	185,803,818	175,887,536	166,500,483	157,614,413	149,202,589	1,929,060,042	
Present Worth of Net Reversion Value														2,646,443,098
Total Present Value of Net Income														1,929,060,042
Present Worth of Net Reversion Value														2,646,443,098
Total														4,575,503,140
Market Value of Property (building and its facilities)			PhP											4,575,503,140
Rounded to			PhP											4,575,503,000

Abreeza Corporate Center

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php96,470,325 considering vacancy and bad debts, and including dues-net. And the average lease rates is Php594/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 53.47% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.78% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.09% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

Discounted Cash Flow Analysis (in PhP)														
ABREEZA CORPORATE CENTER														
STATISTICS														
Gross Leasable Area	13,013	sq.m.	Average Lease Rate	Php594/sq.m./mo.										
Discount Rate		9.42%												
Average Growth Rate		2.50%												
Terminal Capitalization Rate		6.92%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES			Escalation	-	3.58%	-9.03%	3.91%	2.28%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%
Office Spaces				-	-	-	-	-	-	-	-	-	-	
Parking Slots				-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)		0%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				66,295,538	68,667,784	62,467,538	64,906,962	66,385,440	68,045,076	69,405,977	70,794,097	72,209,979	73,654,178	682,832,570
PLUS: Dues - Net				30,174,787	31,998,825	32,251,322	33,275,403	35,449,053	36,335,279	37,061,985	37,803,224	38,559,289	39,330,475	352,239,642
Total Effective Gross Revenues (EGR)				96,470,325	100,666,609	94,718,860	98,182,365	101,834,493	104,380,355	106,467,962	108,597,321	110,769,268	112,984,653	1,035,072,211
LESS: DIRECT OPERATING EXPENSES			Php(000)											
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(33,902,877)	(34,820,809)	(34,148,750)	(35,053,729)	(35,872,022)	(36,768,822)	(37,504,199)	(38,254,283)	(39,019,368)	(39,799,756)	(365,144,614)
General Administrative Expenses				(473,116)	(487,309)	(501,928)	(516,986)	(532,496)	(545,808)	(556,724)	(567,859)	(579,216)	(590,800)	(5,352,244)
Capital Expenditures				(3,248,000)	(2,746,711)	(2,498,702)	(2,596,278)	(2,655,418)	(2,721,803)	(2,776,239)	(2,831,764)	(2,888,399)	(2,946,167)	(27,909,481)
Total				(37,623,993)	(38,054,830)	(37,149,380)	(38,166,994)	(39,059,935)	(40,036,434)	(40,837,162)	(41,653,905)	(42,486,984)	(43,336,723)	(398,406,339)
NET INCOME				58,846,332	62,611,780	57,569,480	60,015,371	62,774,558	64,343,921	65,630,800	66,943,416	68,282,284	69,647,930	636,665,872
ADD: Reversion Value (Resale Value)														1,027,236,516
LESS: Marketing Cost		0.00%	of Resale Value											0
Net Reversion Value														1,027,236,516
Present Worth Factor @	9.42%	discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	0.40663
Present Worth of Net Income				53,782,334	52,299,380	43,949,409	41,873,906	40,029,934	37,499,803	34,958,227	32,588,909	30,380,172	28,321,135	395,683,209
Present Worth of Net Reversion Value														417,708,090
Total Present Value of Net Income														395,683,209
Present Worth of Net Reversion Value														417,708,090
Total														813,391,299
Market Value of Property (building and its facilities)			Php											813,391,299
Rounded to			Php											813,391,000

On the basis of the foregoing, the market value of the property (buildings and its facilities) using the Discounted Cash Flow Analysis, are represented as follows

Property Name	Market Value (Php)
<i>Abreeza Mall</i>	<i>4,575,503,000</i>
<i>Abreeza Corporate Center</i>	<i>813,391,000</i>

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

ACC TOWER

Located in
Cebu Business Park
Barangay Luz, Cebu City

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Avenue, Ayala Triangle
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices, has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Avenue, Ayala Triangle
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-016A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **ACC Tower (building and its facilities)** located within **Cebu Business Park, Cebu City**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset or any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION SIX HUNDRED TWENTY-SIX MILLION FOUR HUNDRED SEVENTY-SEVEN THOUSAND (Php1,626,477,000) PESOS.**

We made no investigation of and assume no responsibility for claims to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-016A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-016A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain property located within Cebu Business Park, Barangay Luz, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the property appraised is the site of **ACC Tower**, is located on the southeast side of Bohol Avenue, within Cebu Business Park, Barangay Luz, Cebu City.

The property is located approximately 120 meters northeast from the corner of Bohol and Luzon Avenue; 200 meters northeast from the corner of Luzon Avenue and Archbishop Reyes Avenue; and about 500 meters northeast from Gorordo Avenue.

Bohol Avenue is 18 meters wide, concreted and provided with concrete curbs and gutters, concrete sidewalks and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is for commercial use.

Generally, the streets in the neighborhood are designed to accommodate light to moderate vehicular and pedestrian traffic loads. Major thoroughfares are concreted, with widths ranging from 20 to 30 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

WT-Pag-Ibig Tower Building
Ayala FGU-Center
Kepwealth Center Cebu
Seda Hotel
Cebu Holdings Center
Park Tower 1
Park Tower 2
Pioneer Insurance Building

Ayala Center Mall serves the shopping and marketing needs of the residents in the area. This is adjacent to the subject property. Other community centers like the post office, public market, churches, hospitals/clinics, and private and public schools are likewise accessible from the subject property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the site.

Public transportation connecting to various sections of Cebu City is available along Archbishop Reyes Avenue which is approximately 200 meters from the subject property. Streets lights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. DESCRIPTION OF THE IMPROVEMENTS

This is a twelve (12)-storey corporate center that consists of retail shops at the ground and second levels while call centers/business process outsourcing (BPO) offices at the upper floors. The building also includes parking spaces on the building podium level.

This is painted and provided with electrical lighting, plumbing, telecommunication facilities and backup generator. The building is also equipped with four (4) elevators. Total leasable area is approximately 27,457.53 square meters.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php227,752,738 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php654/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 38.81% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.41% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.33% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of the **ACC TOWER (building and its facilities)** using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php1,626,477,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

BPI PHILAM LIFE ALABANG

Located in
Barangay Ayala Alabang
Muntinlupa City, Metro Manila

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Avenue, Ayala Triangle
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu and Davao offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Avenue, Ayala Triangle
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-025A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **BPI PHILAM LIFE ALABANG (building and its facilities)**, located at **Alabang-Zapote Road corner Acacia Avenue Madrigal Business Park, Barangay Ayala Alabang, Muntinlupa City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property and investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **SEVEN MILLION ONE HUNDRED EIGHTY-SEVEN THOUSAND (Php7,187,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-025A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-025A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Madrigal Business Park, Barangay Ayala Alabang, Muntinlupa City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

The appraised property consists of **six (6) office units**, located **on the 7th floor of Ayala Life-FGU Center, along Alabang-Zapote Road corner Acacia Avenue, within Madrigal Business Park, Barangay Ayala Alabang, Muntinlupa City, Metro Manila**.

Ayala Life-FGU Center is located approximately 450 meters northwest from Madrigal Avenue corner Alabang-Zapote Road; 1.40 kilometers northwest from Filinvest Avenue corner Alabang-Zapote Road; and about 2.35 kilometers northwest from South Luzon Expressway (SLEX).

Alabang Zapote Road is 40 meters wide and asphalt-paved while Acacia Avenue is 20 meters wide and concrete-paved. Both are provided with concrete curbs and gutters, concrete sidewalks, and underground drainage.

III. NEIGHBORHOOD DATA

Ayala Life-FGU Center is located where land development is of mixed commercial and residential use.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are asphalted, with widths ranging from 15 to 50 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Isuzu Alabang
Alabang Medical Center
Richville Corporate Tower
Philam Life Building
Kingston Tower
The Paragon Corporate Center

Puregold Molito and Alabang Town Center serve the commercial and shopping needs of the residents in the area. These are within the proximity of the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are accessible from Alabang- Zapote Road.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available on the subject condominium units.

Public transportation connecting to various sections of Muntinlupa City, as well as to the other parts of Metro Manila is available along Alabang-Zapote Road where the subject condominium building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. DESCRIPTION OF THE SUBJECT PROPERTY

BPI Philam Life Alabang

This is a thirteen (13)-storey with four (4) basement parking levels reinforced concrete framed building, constructed with reinforced concrete slab roof; soffit slab, plywood and gypsum board ceilings; cement plastered concrete hollow block walls; fiber cement board and glass on aluminum frame partitions; glass on powder-coated aluminum frame windows; wood panel, glass, steel and PVC doors; and plain cement, ceramic tiles, vinyl tiles, carpet, and epoxy paint finished concrete floors.

The building is painted and provided with electrical, plumbing, telecommunication, four (4) passenger elevators, and firefighting facilities.

The subject units consist of six (6) office units all located on the 7th floor having a total area of 551-square meter, the particulars are on the next page:

Unit No.	Floor Area (sq.m.)
709	55
701	55
702	102
703	113
704	113
705	<u>113</u>
Total - 551 sq.m.	

The interior finishes of the units consist of gypsum board on aluminum T-runner and plywood ceiling; fiber cement board and glass partitions; glass and PVC doors, and ceramic tiles, carpet and vinyl tiles finish concrete floor.

The units are presently leased by Amaia Land Corporation. Reportedly, all improvements are at the expense of the lessee.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office and commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancies and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the

appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on years 1 to 5 is zero, and on year 6 is estimated at Php1,272,000 with an escalation rate of 2% per year till year 10 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 95.13% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 1.57% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and

8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)															
BPI-PHILAM ALABANG															
STATISTICS															
					Ave. Lease Rate on Yr. 1										
Gross Leasable Area (GLA)		Office Space	1,072.02	sq.m.	Php838/sq.m./mo.										
Leased Out GLA		Office Space	660.00	sq.m.											
Discount Rate			9.42%												
Average Growth Rate			2.00%												
Terminal Capitalization Rate			7.42%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		
			Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES			Escalation	-	-	-	-	-	-	2.00%	2.00%	2.00%	2.00%		2.00%
Office Spaces				-	-	-	-	-	-	-	-	-	-		
Retails				-	-	-	-	-	-	-	-	-	-		
Parking Slots				-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-	-
LESS:															
Vacancy Rate (incl. bad debts)		- of gross revenues		-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				-	-	-	-	-	1,272,000	1,297,440	1,323,389	1,349,857	1,376,854	6,619,539	1,404,391
PLUS: Dues - Net				-	-	-	-	-	508,800	518,976	529,356	539,943	550,741	2,647,816	561,756
Total Effective Gross Revenues (EGR)				-	-	-	-	-	1,780,800	1,816,416	1,852,744	1,889,799	1,927,595	9,267,355	1,966,147
LESS: DIRECT OPERATING EXPENSES		Php													
Direct Operating Expenses															
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(529,961)	(541,360)	(553,101)	(565,194)	(577,649)	(678,242)	(691,807)	(705,643)	(719,756)	(734,151)	(6,296,865)	(748,834)
General Administrative Expenses				-	-	-	-	-	(20,000)	(20,400)	(20,808)	(21,224)	(21,649)	(104,081)	(22,082)
Capital Expenditures				-	-	-	-	-	-	-	-	-	-	-	-
Total				(529,961)	(541,360)	(553,101)	(565,194)	(577,649)	(698,242)	(712,207)	(726,451)	(740,980)	(755,800)	(6,400,946)	(770,916)
NET INCOME				(529,961)	(541,360)	(553,101)	(565,194)	(577,649)	1,082,558	1,104,209	1,126,293	1,148,819	1,171,795	2,866,408	1,195,231
ADD: Reversion Value (Resale Value)															16,117,513
LESS: Marketing Cost	0.00%	of Resale Value													0
Net Reversion Value															16,117,513
Present Worth Factor @	9.42%	discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income				(484,355)	(452,196)	(422,245)	(394,347)	(368,354)	630,917	588,156	548,294	511,133	476,490	633,493	
Present Worth of Net Reversion Value															6,553,910
Total Present Value of Net Income					633,493										
Present Worth of Net Reversion Value					6,553,910										
Total					7,187,403										
Market Value of Property (building and its facilities)				PhP	7,187,403										
Rounded to				PhP	7,187,000										
On the basis of the foregoing, the market value of BPI PHILA ALABANG (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of PhP7,187,000.															

On the basis of the foregoing, the market value of **BPI PHILAM LIFE ALABANG** (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php7,187,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

AYALA NORTH EXCHANGE - BPO

Located at
**No. 6796 Ayala Avenue corner Salcedo Street
Legaspi Village, Makati City, Metro Manila**

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 27 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-001A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **AYALA NORTH EXCHANGE - BPO (building and its facilities)**, located at **No. 6796, Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market conditions, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **SIX BILLION TWO HUNDRED FORTY MILLION THIRTY-TWO THOUSAND (Php6,240,032,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO

Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-001A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-001A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located on the corner of Ayala Avenue and Salcedo Street, within Legaspi Village, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 12-2024-1132-001, the appraised property is the **AYALA NORTH EXCHANGE – BPO**, located at **No. 6796, Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City, Metro Manila**.

The site of Ayala North Exchange is bounded by Amorsolo Street on the northwest, Ayala Avenue on the northeast and Salcedo Street on the southeast, it is located approximately 220-meter northwest from V. A. Rufino Street; 390 meters southwest from Ayala Avenue near PBCOM Tower; 680 meters northwest from the corner of Paseo De Roxas and Ayala Avenue near Tower One and Exchange Plaza; 1.08 kilometers northwest from Makati Avenue; and about 1.82 kilometers northwest from Epifanio de los Santos Avenue near Ayala MRT Station.

Ayala Avenue, Amorsolo and Salcedo Streets are correspondingly 40, 12 and 12 meters wide. These are concrete paved with asphalt overlay, provided concrete sidewalks, concrete curbs and gutters, and an underground drainage, the former has a center island.

III. NEIGHBORHOOD DATA

The property is located in Legaspi Village, one of the fifteen (15) classified areas representing the Makati Central Business District (MCBD). Legaspi Village is a well-planned area developed and fully improved with multi-storey office/residential and commercial condominiums strategically located near several first-class residential, commercial and light-industrial villages of Makati City.

Since the early 80's Legaspi Village has already by-word for choice office/residential sites that cater to multi-national and big local companies, and the elite populace as well. Its easy accessibility to different business/commercial centers of Makati somehow adds premium to its property value. The presence of Asian Institute of Management has firmly established its reputation as one of the best regulated real estate sites in Metro Manila.

To ensure traffic decongestion, most of the streets of Legaspi Village are designed as one-way vehicular traffic. Pay parking along its principal streets is also being implemented.

Generally, the roads in the neighborhood follow a gridiron pattern designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

- Makati Medical Center
- Asian Institute of Management
- Ayala North Exchange Plaza
- RCBC Plaza – Yuchengco Tower
- GT Tower
- LKG Tower
- PBCOM Tower

Glorieta, SM City – Makati, Greenbelt Center and Landmark serve as the commercial and shopping centers in the area. These are short distance from the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are accessible from Ayala Avenue by public transportation.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject office building.

Public transportation connecting to various sections of Makati City as well as to the other parts of Metro Manila is available along Ayala Avenue which is approximately 270 meters from the subject office building. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are jointly maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. AYALA NORTH EXCHANGE

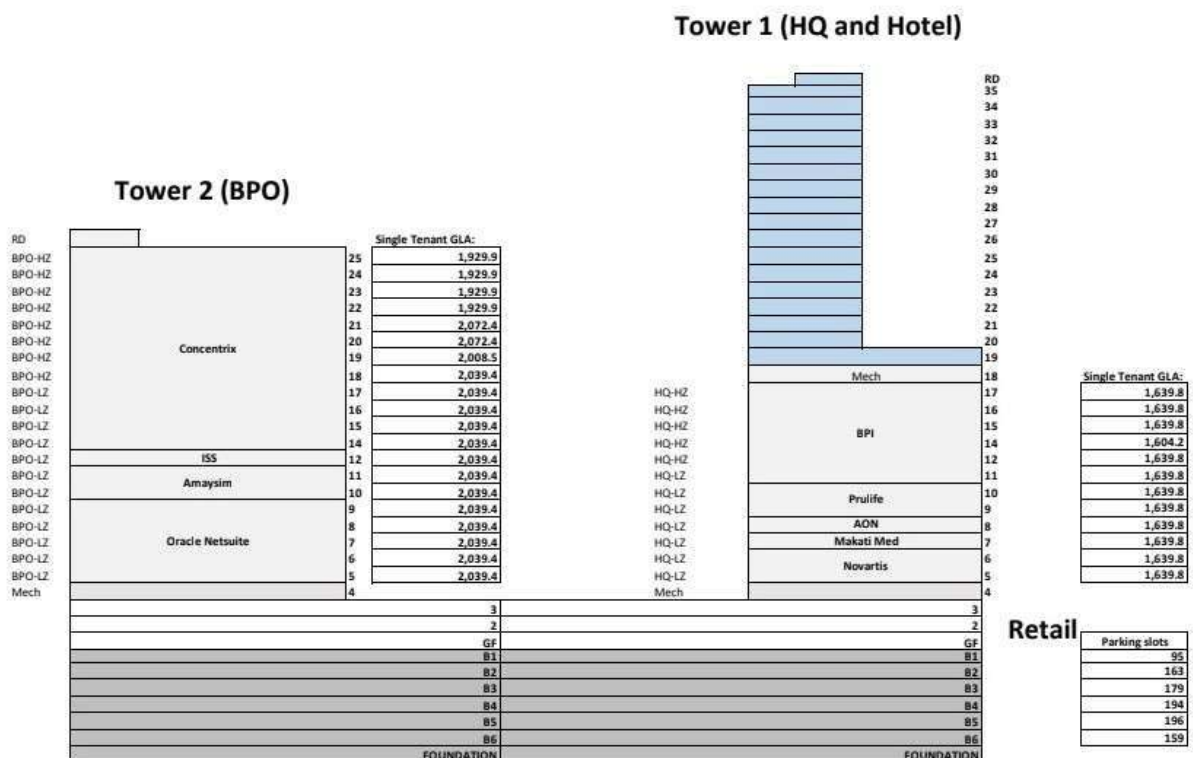
Ayala North Exchange

This consists of two towers, designated as Towers 1 and 2 on top of a 3-level podium and 6-level basements. Tower 1 (HQ and Service Apartments) comprises offices from 5th to 17th floors and serviced apartments together with its other amenities and back of house area from the 18th to 35th floors. Tower 2 (BPO) comprises of BPO offices on the 5th to 25th floors, 4th and 18th floors of Towers 1 and 2 are machine rooms. The podium, ground to third floors are retail areas and the basements are used as parking.

This is reinforced concrete-framed building having reinforced concrete slab roof deck; pre-cast concrete partly with aluminum composite panel and glass on anodized aluminum frame walls; fibered cement board on metal furring and concrete slab soffit ceilings; concrete hollow block, glass on anodized aluminum frame and fibered cement board on steel stud partitions; ceramic and granite tiles, carpet and plain cement floor finishes; glass panel on anodized aluminum frame windows; and full glass, glass on anodized aluminum frame, insulated steel plate, plywood and laminated wood doors.

This is equipped with 100% back-up generators; a centralized chilled water system; 986 parking slots; high-speed, large-capacity elevators; multiple telecommunication providers; and an energy-efficient building management system, among other features. Total floor area is 120,090.25 square meters.

Graphical Representation of Ayala North Exchange



VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office/commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php629,075,206 considering vacancy and bad debts, and including dues-net. And the average lease rate for offices is Php1,099/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 40.20% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.36% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitalization rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)														
AYALA NORTH EXCHANGE - BPO														
STATISTICS														
Estimated Leasable Area														
5th to 25th Floors	Office Space	40,354.00	sq.m.	Ave. Lease Rate on Yr. 1 (Based on EGR) Php1,080/sq.m./mo.										
Discount Rate		9.42%												
Average Growth Rate		2.50%												
Terminal Capitalization Rate		6.92%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES			Escalation	-	4.00%	4.03%	4.03%	4.03%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Office Spaces				-	-	-	-	-	-	-	-	-	-	
Parking Slots				-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)		4%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				522,916,234	543,824,856	565,741,547	588,543,101	612,265,305	627,571,938	643,261,236	659,342,767	675,826,336	692,721,995	6,132,015,315
PLUS: Dues - Net				106,158,972	114,943,679	126,147,902	138,414,920	151,848,721	155,644,939	159,536,062	163,524,464	167,612,575	171,802,890	1,455,635,123
Total Effective Gross Revenues (EGR)				629,075,206	658,768,535	691,889,449	726,958,021	764,114,026	783,216,876	802,797,298	822,867,231	843,438,912	864,524,884	7,587,650,438
LESS: DIRECT OPERATING EXPENSES			Php(000)											
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(205,313,775)	(223,776,830)	(230,677,489)	(237,920,020)	(245,384,936)	(251,519,559)	(257,807,548)	(264,252,737)	(270,859,055)	(277,630,532)	(2,465,142,481)
General Administrative Expenses				(1,923,142)	(1,980,836)	(2,040,261)	(2,101,469)	(2,164,513)	(2,218,626)	(2,274,092)	(2,330,944)	(2,389,217)	(2,448,948)	(21,872,048)
Capital Expenditures				(33,687,940)	(28,345,515)	(29,717,932)	(31,162,182)	(32,637,438)	(31,378,597)	(32,163,062)	(32,967,138)	(33,791,317)	(34,636,100)	(320,487,219)
Total				(240,924,857)	(254,103,180)	(262,435,682)	(271,183,671)	(280,186,887)	(285,116,782)	(292,244,702)	(299,550,819)	(307,039,590)	(314,715,579)	(2,807,501,749)
NET INCOME				388,150,349	404,665,355	429,453,767	455,774,350	483,927,139	498,100,094	510,552,597	523,316,412	536,399,322	549,809,305	4,780,148,690
ADD: Reversion Value (Resale Value)														8,148,881,750
LESS: Marketing Cost		0.00%	of Resale Value											0
Net Reversion Value														8,148,881,750
Present Worth Factor @	9.42%	discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	0.40663
Present Worth of Net Income				354,748,219	338,015,419	327,851,480	318,002,735	308,589,537	290,294,018	271,945,700	254,757,105	238,654,932	223,570,513	2,926,429,657
Present Worth of Net Reversion Value														3,313,602,834
Total Present Value of Net Income														6,240,032,491
Present Worth of Net Reversion Value														3,313,602,834
Total														6,240,032,491
Market Value of Property (building and its facilities)			PhP											6,240,032,491
Rounded to			PhP											6,240,032,000

On the basis of the foregoing, the market value of the Ayala North Exchange - BPO (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php6,240,032,000.**

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

AYALA NORTH EXCHANGE - HQ

Located at
**No. 6796 Ayala Avenue corner Salcedo Street
Legaspi Village, Makati City, Metro Manila**

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

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Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

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The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-002A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **AYALA NORTH EXCHANGE - HQ (building and its facilities)**, located at **No. 6796, Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market condition, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **THREE BILLION FOUR HUNDRED FIFTY-TWO MILLION EIGHT HUNDRED SEVENTY-SEVEN THOUSAND (Php3,452,877,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-002A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
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5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-002A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located on the corner of Ayala Avenue and Salcedo Street, within Legaspi Village, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 12-2024-1132-002, the appraised property is the **AYALA NORTH EXCHANGE – HQ**, located at **No. 6796, Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City, Metro Manila**.

The site of Ayala North Exchange is bounded by Amorsolo Street on the northwest, Ayala Avenue on the northeast and Salcedo Street on the southeast, it is located approximately 220-meter northwest from V. A. Rufino Street; 390 meters southwest from Ayala Avenue near PBCOM Tower; 680 meters northwest from the corner of Paseo De Roxas and Ayala Avenue near Tower One and Exchange Plaza; 1.08 kilometers northwest from Makati Avenue; and about 1.82 kilometers northwest from Epifanio Delos Santos Avenue near Ayala MRT Station.

Ayala Avenue, Amorsolo and Salcedo Streets are correspondingly 40, 12 and 12 meters wide. These are concrete paved with asphalt overlay, provided concrete sidewalks, concrete curbs and gutters, and an underground drainage, the former has a center island.

III. NEIGHBORHOOD DATA

The property is located in Legaspi Village, one of the fifteen (15) classified areas representing the Makati Central Business District (MCBD). Legaspi Village is a well-planned area developed and fully improved with multi-storey office/residential and commercial condominiums strategically located near several first-class residential, commercial and light-industrial villages of Makati City.

Since the early 80's Legaspi Village has already by-word for choice office/residential sites that cater to multi-national and big local companies, and the elite populace as well. Its easy accessibility to different business/commercial centers of Makati somehow adds premium to its property value. The presence of Asian Institute of Management has firmly established its reputation as one of the best regulated real estate sites in Metro Manila.

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Generally, the roads in the neighborhood follow a gridiron pattern designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

- Makati Medical Center
- Asian Institute of Management
- Ayala North Exchange Plaza
- RCBC Plaza – Yuchengco Tower
- GT Tower
- LKG Tower
- PBCOM Tower

Glorieta, SM City – Makati, Greenbelt Center and Landmark serve as the commercial and shopping centers in the area. These are short distance from the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are accessible from the Ayala Avenue by public transportation.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject office building.

Public transportation connecting to various sections of Makati City as well as to the other parts of Metro Manila is available along Ayala Avenue which is approximately 270 meters from the subject office building. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are jointly maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

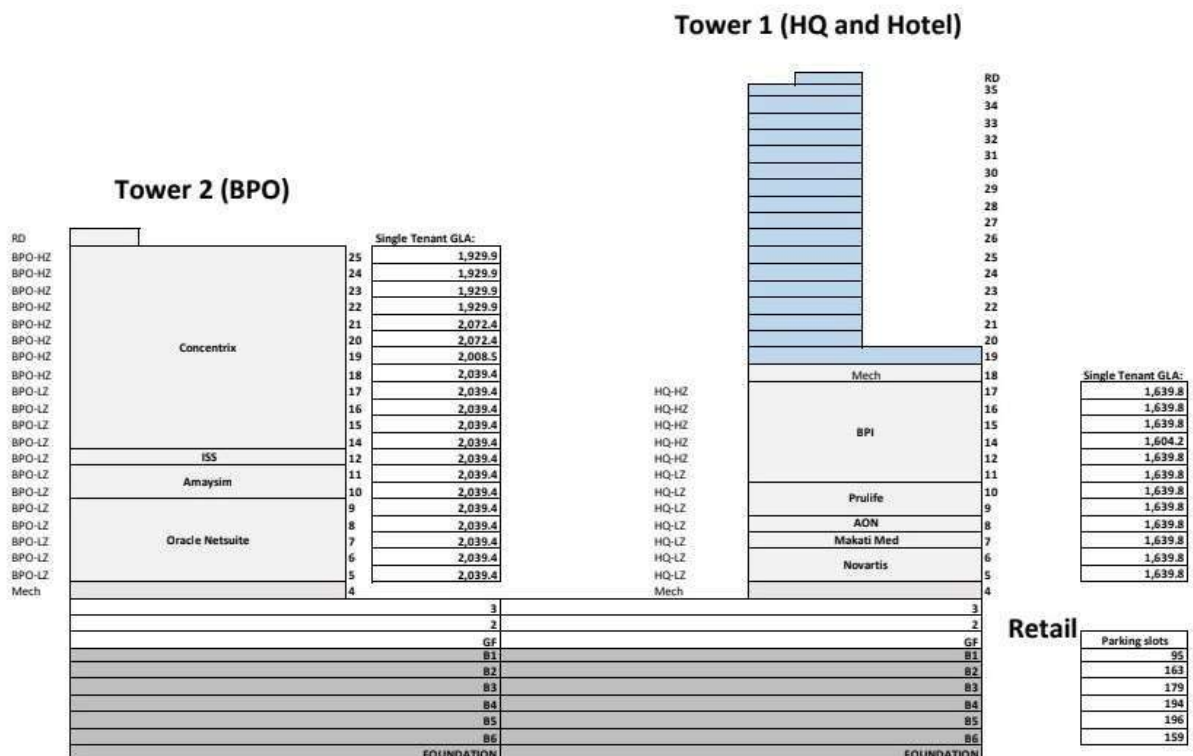
V. AYALA NORTH EXCHANGE**Ayala North Exchange**

This consists of two towers, designated as Towers 1 and 2 on top of a 3-level podium and 6-level basements. Tower 1 (HQ and Service Apartments) comprises offices from 5th to 17th floors and serviced apartments together with other amenities and back of house area from the 18th to 35th floors. Tower 2 (BPO) comprises of BPO offices on the 5th to 25th floors, 4th and 18th floors of Towers 1 and 2 are machine rooms. The podium, ground to third floors are retail areas and the basements are used as parking.

This is reinforced concrete framed building having reinforced concrete slab roof deck; pre-cast concrete partly with aluminum composite panel and glass on anodized aluminum frame walls; fibered cement board on metal furring and concrete slab soffit ceilings; concrete hollow block, glass on anodized aluminum frame and fibered cement board on steel stud partitions; ceramic and granite tiles, carpet and plain cement floor finishes; glass panel on anodized aluminum frame windows; and full glass, glass on anodized aluminum frame, insulated steel plate, plywood and laminated wood doors.

This is equipped with 100% back-up generators; a centralized chilled water system; 986 parking slots; high-speed, large-capacity elevators; multiple telecommunication providers; and an energy-efficient building management system, among other features. Total floor area is 120,090.25-square meter.

Graphical Representation of Ayala North Exchange



VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office/commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate of Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow.

For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php336,611,496 considering vacancy and bad debts, and including dues-net. And the average lease rate for offices is Php1,091/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 36.03% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.66% of the effective gross revenues;
6. The average capital expenditures over 10-year projection is estimated at 4.82% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitalization rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in PhP)														
AYALA NORTH EXCHANGE - HQ														
STATISTICS														
Estimated Leasable Area					Ave. Lease Rate on Yr. 1									
Gross Leasable Area	Office Space	21,367.76	sq.m.		Php1,118/sq.m./mo.									
Leased Out GLA		16,465.19												
Occupied GLA		16,465.19												
Discount Rate		9.42%												
Average Growth Rate		2.50%												
Terminal Capitalization Rate		6.92%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES	Escalation	-	9.60%	3.59%	2.77%	3.89%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Office Spaces		-	-	-	-	-	-	-	-	-	-	-	-	
Parking Slots		-	-	-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues		-	-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	23%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			286,759,470	313,335,680	321,974,194	329,200,385	340,893,978	349,416,328	358,151,736	367,105,529	376,283,167	385,690,247	3,428,810,714	395,332,503
PLUS: Dues - Net			49,852,025	55,607,032	60,230,089	63,587,126	67,161,553	68,840,591	70,561,606	72,325,646	74,133,788	75,987,132	658,286,589	77,886,811
Total Effective Gross Revenues (EGR)			336,611,496	368,942,712	382,204,283	392,787,511	408,055,531	418,256,919	428,713,342	439,431,176	450,416,955	461,677,379	4,087,097,303	473,219,313
LESS: OPERATING EXPENSES	Php(000)													
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(107,158,075)	(113,073,023)	(116,066,569)	(118,741,303)	(122,171,968)	(125,226,267)	(128,356,924)	(131,565,847)	(134,854,993)	(138,226,368)	(1,235,441,339)	(141,682,027)
General Administrative Expenses			(1,979,847)	(2,039,242)	(2,100,420)	(2,163,432)	(2,228,335)	(2,284,044)	(2,341,145)	(2,399,673)	(2,459,665)	(2,521,157)	(22,516,961)	(2,584,186)
Capital Expenditures			(25,448,747)	(15,666,784)	(10,528,079)	(10,818,333)	(11,061,133)	(17,470,816)	(17,907,587)	(18,355,276)	(18,814,158)	(19,284,512)	(165,355,426)	(19,766,625)
Total			(134,586,669)	(130,779,050)	(128,695,067)	(131,723,068)	(135,461,436)	(144,981,127)	(148,605,656)	(152,320,797)	(156,128,817)	(160,032,037)	(1,423,313,726)	(164,032,838)
NET INCOME			202,024,827	238,163,663	253,509,216	261,064,442	272,594,094	273,275,792	280,107,686	287,110,379	294,288,138	301,645,341	2,663,783,578	309,186,475
ADD: Reversion Value (Resale Value)														4,470,772,313
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														4,470,772,313
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income			184,639,658	198,937,194	193,532,757	182,149,800	173,827,171	159,265,835	149,199,282	139,768,995	130,934,758	122,658,898	1,634,914,348	
Present Worth of Net Reversion Value														1,817,962,790
Total Present Value of Net Income														1,634,914,348
Present Worth of Net Reversion Value														1,817,962,790
Total														3,452,877,138
Market Value of Property (building and its facilities)					PhP									3,452,877,138
Rounded to					PhP									3,452,877,000

On the basis of the foregoing, the market value of the Ayala North Exchange - HQ (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **PhP3,452,877,000.**

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

AYALA NORTH EXCHANGE - RETAIL

Located at
**No. 6796 Ayala Avenue corner Salcedo Street
Legaspi Village, Makati City, Metro Manila**

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 27 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu and Davao offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

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Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **FIVE HUNDRED NINETY-THREE MILLION NINE HUNDRED THIRTEEN THOUSAND (Php593,913,000) PESOS**.

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WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

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Electric power, water supply and telecommunication facilities are available at the subject office building.

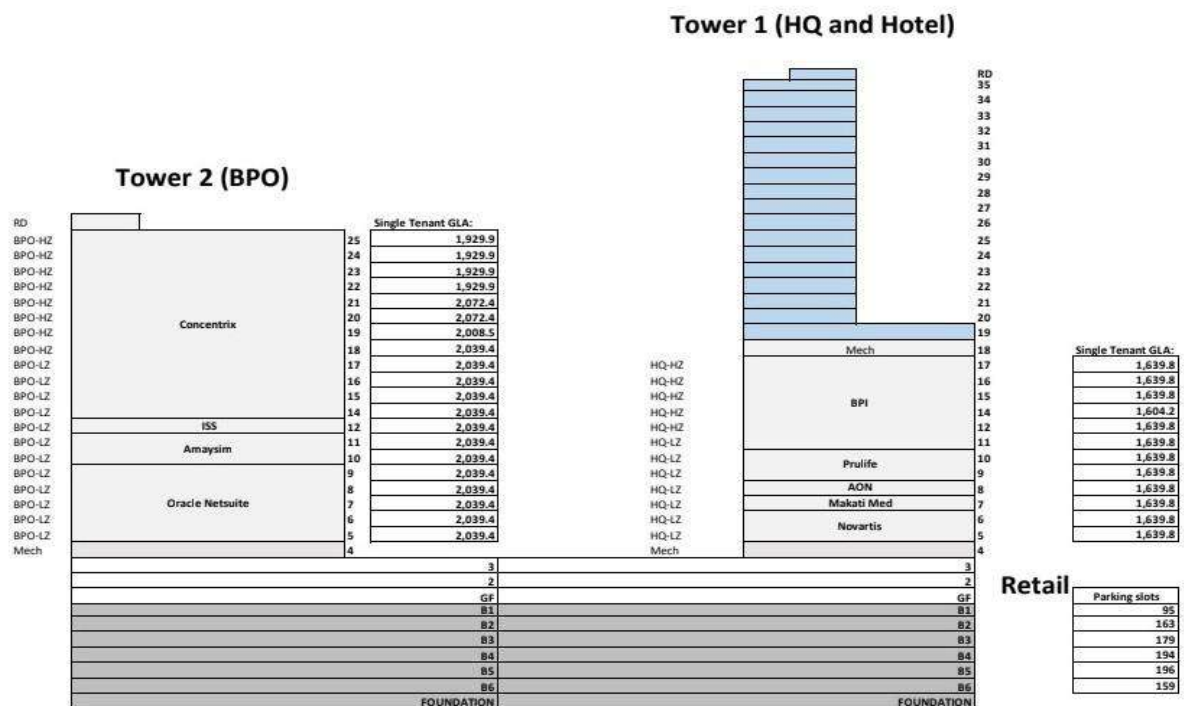
Public transportation connecting to various sections of Makati City as well as to the other parts of Metro Manila is available along Ayala Avenue which is approximately 270 meters from the subject office building. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are jointly maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. AYALA NORTH EXCHANGE**Ayala North Exchange**

This consists of two towers, designated as Towers 1 and 2 on top of a 3-level podium and 6-level basements. Tower 1 (HQ and Service Apartments) comprises offices from 5th to 17th floors and serviced apartments together with its other amenities and back of house area from the 18th to 35th floors. Tower 2 (BPO) comprises of BPO offices on the 5th to 25th floors. 4th and 18th floors of Towers 1 and 2 are machine rooms. The podium, ground to third floors are retail areas and the basements are used as parking.

This is reinforced concrete framed building having reinforced concrete slab roof deck; pre-cast concrete partly with aluminum composite panel and glass on anodized aluminum frame walls; fibered cement board on metal furring and concrete slab soffit ceilings; concrete hollow block, glass on anodized aluminum frame and fibered cement board on steel stud partitions; ceramic and granite tiles, carpet and plain cement floor finishes; glass panel on anodized aluminum frame windows; and full glass, glass on anodized aluminum frame, insulated steel plate, plywood and laminated wood doors.

This is equipped with 100% back-up generators; a centralized chilled water system; 986 parking slots; high-speed, large-capacity elevators; multiple telecommunication providers; and an energy-efficient building management system, among other features. Total floor area is 120,090.25-square meter.

Graphical Representation of Ayala North Exchange

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office/commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate of Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php104,352,007 considering vacancy and bad debts, and including dues-net. And the average lease rate for retail spaces is Php1,165 /sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 50.32% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.83% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 5.07% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)														
AYALA NORTH EXCHANGE - RETAIL														
STATISTICS														
Gross Leasable Area														
		Office Space	-	-	-	-	-	-	-	-	-	-	-	-
		Retails	7,723.00	sq.m.	Php1,081/sq.m./mo.									
Discount Rate			9.42%											
Average Growth Rate			2.00%											
Terminal Capitalization Rate			7.42%											
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
		Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES		Escalation	-	1.35%	0.04%	1.46%	2.60%	2.00%	2.00%	2.00%	2.00%	2.00%		2.00%
Office Spaces			-	-	-	-	-	-	-	-	-	-		
Retails			-	-	-	-	-	-	-	-	-	-		
			-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)		4% of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			100,162,886	101,515,783	101,559,157	103,043,673	105,724,741	107,839,237	109,996,021	112,195,942	114,439,861	116,728,658	1,073,205,960	119,063,231
<i>PLUS: Dues - Net</i>			<i>4,189,122</i>	<i>3,608,011</i>	<i>2,289,004</i>	<i>1,232,400</i>	<i>614,834</i>	<i>627,131</i>	<i>639,673</i>	<i>652,467</i>	<i>665,516</i>	<i>678,826</i>	<i>15,196,983</i>	<i>692,403</i>
Total Effective Gross Revenues (EGR)			104,352,007	105,123,794	103,848,161	104,276,074	106,339,575	108,466,367	110,635,695	112,848,409	115,105,377	117,407,484	1,088,402,943	119,755,634
LESS: OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(50,336,082)	(50,900,072)	(51,447,855)	(52,167,202)	(53,141,198)	(54,204,022)	(55,288,102)	(56,393,865)	(57,521,742)	(58,672,177)	(540,072,318)	(59,845,620)
General Administrative Expenses			(784,699)	(808,240)	(832,488)	(857,462)	(883,186)	(900,850)	(918,867)	(937,244)	(955,989)	(975,109)	(8,854,133)	(994,611)
Capital Expenditures			(5,744,118)	(5,075,789)	(5,077,958)	(5,152,184)	(5,286,237)	(5,391,962)	(5,499,801)	(5,609,797)	(5,721,993)	(5,836,433)	(54,396,272)	(5,953,162)
Total			(56,864,900)	(56,784,101)	(57,358,301)	(58,176,848)	(59,310,621)	(60,496,834)	(61,706,770)	(62,940,906)	(64,199,724)	(65,483,718)	(603,322,723)	(66,793,393)
NET INCOME			47,487,108	48,339,693	46,489,861	46,099,225	47,028,954	47,969,534	48,928,924	49,907,503	50,905,653	51,923,766	485,080,220	52,962,241
ADD: Reversion Value (Resale Value)														714,187,976
LESS: Marketing Cost		0.00% of Resale Value												0
Net Reversion Value														714,187,976
Present Worth Factor @		9.42% discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	0.40663
Present Worth of Net Income			43,400,623	40,377,960	35,491,060	32,164,337	29,989,315	27,956,768	26,061,978	24,295,609	22,648,957	21,113,908	303,500,514	
Present Worth of Net Reversion Value														290,412,277
Total Present Value of Net Income														303,500,514
Present Worth of Net Reversion Value														290,412,277
Total														593,912,791
Market Value of Property (building and its facilities)														593,912,791
Rounded to														593,913,000

On the basis of the foregoing, the market value of the Ayala North Exchange - Retail (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php593,913,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

AYALA NORTH EXCHANGE - SEDA

Located at
**No. 6796 Ayala Avenue corner Salcedo Street
Legaspi Village, Makati City, Metro Manila**

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 27 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2022 Edition) and Philippine Valuation Standards (2nd Edition 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu and Davao offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-004A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **AYALA NORTH EXCHANGE - SEDA (building and its facilities)**, located at **No. 6796, Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market condition, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION NINE HUNDRED SIX MILLION FIVE HUNDRED NINETY-TWO THOUSAND (Php1,906,592,000) PESOS**.

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO W. SAN ANTONIO

Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-004A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-004A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located on the corner of Ayala Avenue and Salcedo Street, within Legaspi Village, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided by the clients and as shown to us by the client's representative, the appraised property is the **AYALA NORTH EXCHANGE – SEDA**, located at **No. 6796, Ayala Avenue corner Salcedo Street, Legaspi Village, Makati City, Metro Manila**.

The site of Ayala North Exchange is bounded by Amorsolo Street on the northwest, Ayala Avenue on the northeast and Salcedo Street on the southeast, it is located approximately 220-meter northwest from V. A. Rufino Street; 390 meters southwest from Ayala Avenue near PBCOM Tower; 680 meters northwest from the corner of Paseo De Roxas and Ayala Avenue near Tower One and Exchange Plaza; 1.08 kilometers northwest from Makati Avenue; and about 1.82 kilometers northwest from Epifanio Delos Santos Avenue near Ayala MRT Station.

Ayala Avenue, Amorsolo and Salcedo Streets are correspondingly 40, 12 and 12 meters wide. These are concrete paved with asphalt overlay, provided concrete sidewalks, concrete curbs and gutters, and an underground drainage, the former has a center island.

III. NEIGHBORHOOD DATA

The property is located in Legaspi Village, one of the fifteen (15) classified areas representing the Makati Central Business District (MCBD). Legaspi Village is a well-planned area developed and fully improved with multi-storey office/residential and commercial condominiums strategically located near several first-class residential, commercial and light-industrial villages of Makati City.

Since the early 80's Legaspi Village has already by-word for choice office/residential sites that cater to multi-national and big local companies, and the elite populace as well. Its easy accessibility to different business/commercial centers of Makati somehow adds premium to its property value. The presence of Asian Institute of Management has firmly established its reputation as one of the best regulated real estate sites in Metro Manila.

To ensure traffic decongestion, most of the streets of Legaspi Village are designed as one-way vehicular traffic. Pay parking along its principal streets is also being implemented.

Generally, the roads in the neighborhood follow a gridiron pattern designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Makati Medical Center
Asian Institute of Management
Ayala North Exchange Plaza
RCBC Plaza – Yuchengco Tower
GT Tower
LKG Tower
PBCOM Tower

Glorieta, SM City – Makati, Greenbelt Center and Landmark serve as the commercial and shopping centers in the area. These are short distance from the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are accessible from Ayala Avenue by public transportation.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject office building.

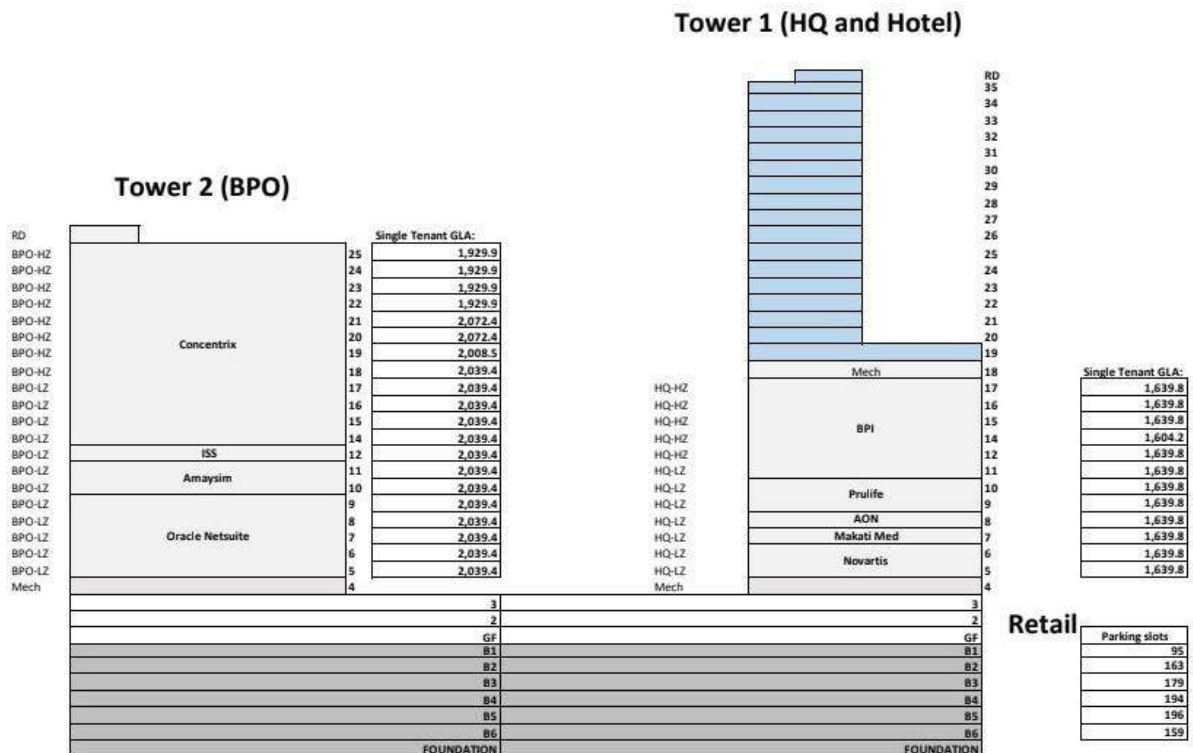
Public transportation connecting to various sections of Makati City as well as to the other parts of Metro Manila is available along Ayala Avenue which is approximately 270 meters from the subject office building. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are jointly maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

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This is reinforced concrete framed building having reinforced concrete slab roof deck; pre-cast concrete partly with aluminum composite panel and glass on anodized aluminum frame walls; fibered cement board on metal furring and concrete slab soffit ceilings; concrete hollow block, glass on anodized aluminum frame and fibered cement board on steel stud partitions; ceramic and granite tiles, carpet and plain cement floor finishes; glass panel on anodized aluminum frame windows; and full glass, glass on anodized aluminum frame, insulated steel plate, plywood and laminated wood doors.

This is equipped with 100% back-up generators; a centralized chilled water system; 986 parking slots; high-speed, large-capacity elevators; multiple telecommunication providers; and an energy-efficient building management system, among other features. Total floor area is 120,090.25-square meter.

Graphical Representation of Ayala North Exchange

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office/commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate of Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php162,624,000 considering vacancy and bad debts.
3. The growth rate of the gross revenue is estimated at 3.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 12.32% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 14.16% of the effective gross revenues;
6. The average capital expenditures over 10-year projection is estimated at 0.00% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 4.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of the Ayala North Exchange - Seda (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php1,906,592,000.**

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

Ayala Triangle Gardens Tower 2

Located in
**Paseo de Roxas corner Makati Avenue
Barangay Bel-Air, Salcedo Village
Makati City, Metro Manila**

02 February 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data, and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form, and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-027A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of a certain property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **Ayala Triangle Gardens Tower 2 and its facilities**, located **Paseo de Roxas corner Makati Avenue, within Barangay Bel-Air, Salcedo Village, Makati City, Metro Manila**.

The term **Market Value**, as used herein is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **FOURTEEN BILLION ONE HUNDRED EIGHTY-SIX MILLION TWO HUNDRED TWENTY-TWO THOUSAND (Php14,186,222,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-027A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-027A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Barangay Bel-Air, Salcedo Village, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free, and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the clients, the appraised property is the **Ayala Triangle Gardens Tower 2**, located **Paseo de Roxas corner Makati Avenue**, within **Barangay Bel-Air, Salcedo Village, Makati City, Metro Manila**.

Ayala Triangle Garder Tower 2 is located on the southwest corner of Paseo de Roxas and Makati Avenue, it is located approximately 300-meter northeast from the intersection of Makati Avenue – Ayala Avenue; 990 meters northwest from the intersection Ayala Avenue - Epifanio Delos Santos Avenue(EDSA); 1.55 kilometers southeast from the intersection of Ayala Avenue – Sen. Gil J. Puyat Avenue; and about 435 meters southwest from the intersection Se. Gil J. Puyat Avenue – Makati Avenue.

Paseo de Roxas and Makati Avenue are both 20 meters wide. These are concrete paved with asphalt overlay, provided concrete sidewalks, concrete curbs and gutters, and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in Legaspi Village, one of the fifteen (15) classified areas representing the Makati Central Business District (MCBD). Legaspi Village is a well-planned area developed and fully improved with multi-storey office/residential and commercial condominiums strategically located near several first-class residential, commercial, and light-industrial villages of Makati City.

Since the early 80's Legaspi Village has already by-word for choice office/residential sites that cater to multi-national and big local companies, and the elite populace as well. Its easy accessibility to different business/commercial centers of Makati somehow adds premium to its property value. The presence of Asian Institute of Management has firmly established its reputation as one of the best regulated real estate sites in Metro Manila.

To ensure traffic decongestion, most of the streets of Legaspi Village are designed as one-way vehicular traffic. Pay for parking along its principal streets is also being implemented.

Generally, the roads in the neighborhood follow a gridiron pattern designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concrete, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

- Makati Medical Center
- Asian Institute of Management
- Ayala North Exchange Plaza
- RCBC Plaza – Yuchengco Tower
- Paseo Center
- BDO Towers Valero
- Malaysian Embassy
- Prince Tower
- Makati Sports Club
- Crown Regency
- Ateneo De Manila University (Salcedo Campus)
- One Salcedo Place
- Jaime C. Velazquez Park

Glorieta, SM City – Makati, Greenbelt Center and Landmark serve as the commercial and shopping centers in the area. These are short distance from the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are accessible from the Ayala Avenue by public transportation.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject office building.

Public transportation connecting to various sections of Makati City as well as to other parts of Metro Manila is available along Ayala Avenue which is approximately 300 meters from the subject office building. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are jointly maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. DESCRIPTION OF THE SUBJECT PROPERTY

Ayala Triangle Gardens Tower 2

The Ayala Triangle Gardens Tower 2 comprises offices on the Ground to 39th floors; 40th to 41st floors are machine rooms; and a helipad. The basement 1 are retail area and basement 2 to 5 are used as parking spaces.

This is a thirty-nine (39)-level reinforced concrete framed building with two (2) level machine room, helipad, and five (5)-level basement having concrete slab roof with waterproofing membrane, aluminum composite panel cladding; skylight sheet on steel frame canopy; concrete slab soffit, fiber cement board and acoustic board on T-runner ceilings; cement plastered concrete hollow block with wall to wall granite tile finish, precast concrete, fixed glass on aluminum frame and glass curtain walls; cement plastered concrete hollow block partitions; fixed glass on aluminum frame and steel louver windows; ceramic tile, granite slab and plain concrete cement finished with epoxy paint floor; frameless glass panel, glass on aluminum frame, flush hollow metal, hollow metal with narrow glass vision lite, hollow metal with louver, and steel roll up doors; steel grill platform and walkway; concrete cement finished with epoxy paint stairways with steel nosing.

The machine room is made of concrete soffit slab ceiling, cement plastered concrete hollow block walls; steel louver windows; sliding steel louver, steel panel and plywood flush doors; and epoxy paint and plain cement finished concrete floors.

The rentable spaces are typically of concrete slab exposed ceiling, cement plastered concrete hollow block walls; glass on aluminum frame doors; and plain concrete cement flooring.

The building is divided into five (5) zones, namely the Low Zone (17th Floor Down); Mid Zone (18th - 28th Floor); High Zone (29th - 39th Floor); Retail Zone (Basement 5 - 3rd Floor), and Service Zone (Basement 5 - 41st Floor). It has a five (5) level basement. The parking area is serviced by two (2) elevators (Basement 5 - Ground Floor), the Low Zone is serviced by six (6) elevators; Mid Zone is serviced by seven (7) elevators; High Zone is serviced by seven (7) Elevators; Retail Zone is Service by five (5) elevators; two (2) Service Elevators, and one (1) Elevator (41st - Helipad).

This is equipped with 100% backup generators; a centralized chilled water system; high-speed, large-capacity elevators; multiple telecommunication providers; and an energy-efficient building management system, among other features. The gross leasable area is 63,150 square meters.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that an **existing mixed-use, office/commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization, and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation, and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis, and discounted cash flow. For the purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php1,465,336,398 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 35.02% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.07% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 3.11% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of **Ayala Triangle Gardens Tower 2** (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php14,186,222,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

AYALA MALLS CENTRAL BLOC & GARDEN ROW

Located in
Cebu IT Park
Barangay Apas, Cebu City

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices, has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-032A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the market value of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **Ayala Malls Central Bloc and Garden Row (building and its facilities)**, located **within Cebu IT Park, Barangay Apas, Cebu City**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset or any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market conditions, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION ONE HUNDRED FOUR MILLION SIX HUNDRED THIRTY-NINE THOUSAND (Php5,104,639,000) PESOS.**

We made no investigation of and assume no responsibility for titles to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,
CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-032A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-032A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Cebu IT Park, Barangay Apas, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 11-2024-1019, the appraised property consists of two (2) sites both located **within Cebu IT Park, Barangay Apas, Cebu City**. The particulars are as follows.

Site 1 is the site of the **Ayala Malls Central Bloc** bounded by W. Geonzon Street on the northwest; Inez Villa Street on the northeast; Jose Maria Del Mar Street on the southeast; and V. Padriga Street on the southwest. It is located approximately 430-meter northeast from Salinas Drive; 620-meter northwest from Gov. M. Cuenco Avenue; 1.10-kilometer northwest from Ayala Center Cebu; 5.0-kilometer northeast from Cebu City Hall; and about 14.0-kilometer northwest from Mactan – Cebu International Airport.

Site 2 is the site of the **Ayala Malls – Garden Row** bounded by Road Lot 8 on the northwest; V. Padriga Street on the northeast; Road Lot 7 on the southeast; and Abad Street on the southwest. It is located on the southwest side V. Padriga Street across Site 1.

W. Geonzon, Inez Villa, Jose Maria, V. Padriga and Abad Streets are all 25 meters wide. These are concrete-paved and provided with concrete sidewalks, concrete curbs and gutters, center island and underground drainage. Road lots 7 and 8 are both 12 meters wide, concrete-paved and provided with concrete sidewalks, concrete curbs and gutters and an underground drainage.

III. NEIGHBORHOOD DATA

The Cebu IT Park (formerly known as Asia town IT Park) is a 27-hectare mixed use business park envisioned to attract locators in the information technology services. It is developed by Cebu Property Ventures and Development Corporation, a subsidiary of Cebu Holdings, Inc.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in Cebu IT Park are:

Avida Towers - Cebu
Skyrise 1 to 3
eBloc Towers 1 to 3
Park Centrale
Filinvest Cebu Cyberzone
Calyx Centre
TGU Tower

The Ayala Center - Cebu and SM City - Cebu, as well as the subject property, cater to the commercial and shopping needs of Metro Cebu. These are accessible from the property through taxicab, motorcycle locally known as habal-habal, and also through jeepneys or modern jeepneys at Cebu IT Park Transport Terminal which is across the property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are likewise accessible from the property by public transportation.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Cebu City as well as to other parts of Metro Cebu is available in the Cebu IT Park Transport Terminal which is across from the subject property. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

Site 1

The land is technically identified as Block 10 plan PSD-07-037105, containing an area of 21,658 square meters, more or less, covered by Transfer Certificate of Title No.146982, issued by the Registry of Deeds for Cebu City, in favor of the **CEBU PROPERTY VENTURES AND DEVELOPMENT CORPORATION**.

The land is bounded by the following properties:

Northeast	-	I. Villa Street
Southeast	-	Jose Maria del Mar Street
Southwest	-	V. Padriga Street
Northwest	-	W. Geonzon Street

Attached is a plan of the property as plotted based on the technical description appearing in the title furnished us by the client. As shown, the land is rectangular in shape with frontages of 147 meters on I. Villa Street, 124 meters on Jose Maria del Mar Street, 147 meters on V. Padriga Street, and 124 meters on W. Geonzon Street.

The terrain of the land is flat and at grade with fronting streets.

Site 2

The land is technically identified as Block 11 plan PSD-07-037105, containing an area of 7,013 square meters, more or less, covered by Transfer Certificate of Title No. 146983, issued by the Registry of Deeds for Cebu City, in favor of the **CEBU PROPERTY VENTURES AND DEVELOPMENT CORPORATION**.

The land is bounded by the following properties:

Northeast	-	V. Padriga Street
Southeast	-	Road Lot 7
Southwest	-	Abad Street
Northwest	-	Road Lot 8

Attached is a plan of the property as plotted based on the technical description appearing in the title furnished us by the client. As shown, the land is rectangular in shape with frontages of 38 meters on V. Padriga Street, 129 meters on Road Lot 7, 38 meters on Abad Street, and 129 meters on Road Lot 8.

The terrain of the land is flat and at grade with fronting streets/roads.

No title verification was conducted to confirm the existence of the owner's original copy of the titles supposedly on file with the Registry of Deeds, since it is not included in the assignment.

Government Assessment

BIR Zonal Value of Real Property within Barangay Lahug, Cebu City as per Department Order No. 054-2023, effective 06 October 2023:

Street Name	Vicinity	Classification	5 th Revision Zonal Value (Php/sq.m.)
Salinas Drive	IT Park	Commercial	135,000

VI. DESCRIPTION OF THE BUILDINGS

The land is improved with buildings, described as follows:

Ayala Malls Central Bloc

This is a five (5)-storey, reinforced concrete-framed building with basement parking, having reinforced concrete slab roof with water proofing membrane and partly pre-painted rib type long span iron sheet roof on steel frames; acoustic board on aluminum T-runner frame, fibered cement board, steel panel and exposed slab ceilings; cement plastered concrete hollow blocks, glass on powder coated aluminum frame, and clear glass view walls; cement plastered concrete hollow blocks partitions; metal exits, steel plate, wood panel, glass on powder coated aluminum frame, automatic frameless glass, swing glass, steel roll-up, and steel doors; iron grill and stainless steel railings; granite tile finish floor to walls at comfort rooms; and granite tile and ceramic tile finished concrete floors.

Garden Row (2 units)

These are one (1)-storey reinforced concrete-framed buildings of pre-painted rib-type long span iron sheet roof on steel frame roof; cement plastered concrete hollow block walls and partitions; and plain cement finished concrete floors.

These buildings were painted and provided with firefighting and alarm systems, centralized air-conditioning, CCTV cameras, water supply system, underground cistern, air wells, escalators, elevators, electrical, plumbing and telecommunication facilities. Total floor area is approximately 76,179 square meters, allocated as under:

Floor Level	Area (sq.m.)
Basement Parking (Portion)	10,871
Basement 1 (Portion)	3,289
Ground	12,696
Second	13,529
Third	14,332
Fourth	13,801
Fifth	<u>7,661</u>
Total -	76,179 sq.m.

Estimated remaining economic life is 45 years.

Central Bloc Corporate Center Tower 1 and 2 are on top of this mall, however as per client request these should be presented on a separate report, these are under CAI File Nos. 12-2025-1327-033A and 034A.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php337,405,231 considering vacancy and bad debts, and including dues-net. And the average lease rates are Php233/sq.m./mo. for retails;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 12.64% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast

Discounted Cash Flow Analysis (in PhP)														
AYALA MALLS CENTRAL BLOC & GARDEN ROW														
STATISTICS														
Land Area -														
Central Bloc	21,658	sq.m.												
Garden Row	7,013	sq.m.												
Total -	28,671	sq.m.												
Gross Leasable Area -	70,956	sq.m.												
Discount Rate			8.28%											
Average Growth Rate			2.50%											
Terminal Capitalization Rate			5.78%											
Present Worth Factor				0.92354	0.85293	0.78772	0.72749	0.67187	0.62050	0.57305	0.52924	0.48878	0.45140	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES			Escalation	-	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Office Spaces			-	-	-	-	-	-	-	-	-	-	-	
Parking Slots			-	-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)		- of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				337,405,231	345,840,361	354,486,370	363,348,530	372,432,243	381,743,049	391,286,625	401,068,791	411,095,510	421,372,898	3,780,079,608
<i>PLUS: Dues - Net</i>				-	-	-	-	-	-	-	-	-	-	-
Total Effective Gross Revenues (EGR)				337,405,231	345,840,361	354,486,370	363,348,530	372,432,243	381,743,049	391,286,625	401,068,791	411,095,510	421,372,898	3,780,079,608
LESS: DIRECT OPERATING EXPENSES		PhP(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(44,356,674)	(44,910,783)	(45,465,412)	(45,998,888)	(46,508,000)	(47,670,700)	(48,862,467)	(50,084,029)	(51,336,130)	(52,619,533)	(477,812,615)
General Administrative Expenses				-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures				-	-	-	-	-	-	-	-	-	-	-
Total				(44,356,674)	(44,910,783)	(45,465,412)	(45,998,888)	(46,508,000)	(47,670,700)	(48,862,467)	(50,084,029)	(51,336,130)	(52,619,533)	(477,812,615)
NET INCOME				293,048,557	300,929,578	309,020,958	317,349,642	325,924,243	334,072,349	342,424,158	350,984,762	359,759,381	368,753,365	3,302,266,993
ADD: Reversion Value (Resale Value)														6,540,669,335
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														6,540,669,335
Present Worth Factor @	8.28%	discount rate		0.92354	0.85293	0.78772	0.72749	0.67187	0.62050	0.57305	0.52924	0.48878	0.45140	0.45140
Present Worth of Net Income				270,642,597	256,671,713	243,420,770	230,868,285	218,977,501	207,290,752	196,227,720	185,755,118	175,841,436	166,456,842	2,152,152,734
Present Worth of Net Reversion Value														2,952,486,043
Total Present Value of Net Income														2,152,152,734
Present Worth of Net Reversion Value														2,952,486,043
Total														5,104,638,777
Market Value of Property (building and its facilities)			PhP											5,104,638,777
Rounded to			PhP											5,104,639,000

On the basis of the foregoing, the market value of the property **AYALA MALLS CENTRAL BLOC & GARDEN ROW** (buildings and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php5,104,639,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

AYALA NORTH POINT – TECHNOHUB

Located at
Barangay XVIII, Zone 15
Talisay City, Negros Occidental

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 27 January 2026. Our Independent Valuation Report was prepared on a fair and unbiased basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu and Davao offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-010A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us as by the **AREIT, INC.** for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **AYALA NORTH POINT TECHNOHUB (building and its facilities)** located **along Bacolod North Road (National Highway), within Barangay XVIII, Zone 15, Talisay City, Negros Occidental**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property and investigated local market condition, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **TWO HUNDRED SEVENTY-EIGHT MILLION FIVE HUNDRED THIRTY THOUSAND (Php278,530,000) PESOS**.

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-010A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-010A

VALUATION REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Barangay XVIII, Zone 15, Talisay City, Negros Occidental. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the property is **The District – North Point (Ayala Malls)**, located **on the east side of Bacolod North Road (National Highway), within Barangay XVIII, Zone 15, Talisay City, Negros Occidental**.

The property is located across Phoenix Gas Service Station; approximately 380 meters northeast from DPWH 1st Engineering District Office; 550 meters northeast of Wilcon Depot-Talisay; 680 meters northeast from Ford Negros; and about 1.60 kilometers north from New Ceres North Terminal.

Bacolod North Road (National Highway) is 40 meters wide concrete-paved and provided with concrete curbs and gutters, center island, and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed use, specifically residential, institutional and commercial.

Generally, the roads in the neighborhood are designed to accommodate light to moderate vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 20 to 40 meters and lighted with street lamps.

Some of the important improvements in the vicinity are:

Ayala North Point Subdivision
Town and Country Subdivision
La Costa Brava Subdivision
New Ceres North Terminal
Pepsi Cola Plant - Bacolod
Trafalgar Square

The subject property and Talisay Public Market serve as the shopping and marketing needs of the residents in the area. These are accessible from Bacolod North Road (National Highway) by public transportation. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Talisay City is available along Bacolod North Road (National Highway) where the subject property fronts. Road lights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. AYALA NORTH POINT TECHNOHUB

Ayala North Point Technohub stands on 35,375-square meter land and the buildings thereon are described as follows:

Ayala North Point Technohub is a two-story PEZA- certified Technohub located beside the Ayala North Point development in the City of Smiles, Bacolod City. Building amenities include large floor plates of approximately 2,596 square meters, a roomy density ratio of 5 square meters per person, and round-the- clock utilities and building services ideal for the needs of BPO firms and employees. The campus has a Gross Leasable Area of 4,183 square meters, with more amenities that include 100% back up power, two major telecommunication lines, and easily accessible retail stores. Highly secured and easily accessible through public transport, the structure will be registered with PEZA and is now ready for occupancy.

Estimated remaining economic life is 26 years.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office and commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php34,890,233 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php479 /sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 65.08% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 6.31% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of the **Ayala North Point Technohub** (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php278,530,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

BACOLOD CAPITOL CORPORATE CENTER

Located in
Barangay 8, Bacolod City
Negros Occidental

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-011A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a real certain property exhibited to us as by the **AREIT, INC..** for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **Bacolod Capitol Corporate Center (building and its facilities)**, located in **Barangay 8, Bacolod City, Negros Occidental**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market condition, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **THREE HUNDRED FIFTY-EIGHT MILLION TWO HUNDRED SEVENTY-FOUR THOUSAND (Php358,274,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVS:atv

CAI File No. 12-2025-1327-011A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-011A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located at the corner of Ayala Avenue and Salcedo Street, within Legaspi Village, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 12-2024-1132-011, the property is the **Bacolod Capitol Corporate Center**, located **on a block bounded by Gatuslao and San Juan Streets, and North and South Capitol Roads, within Barangay 8, Bacolod City, Negros Occidental**.

The site of Ayala Malls Capitol Central Bacolod is located on the northwest side of Gatuslao Street across Negros Occidental Provincial Capital approximately 60 meters north Negros Museum; 180 meters north of Land Bank-Bacolod; 320 meters north from 888 Chinatown Square Mall; 800 meters northeast from Bacolod Public Plaza and about 1.20 kilometers northeast from SM City Bacolod.

Gatuslao and San Juan Streets are 12 meters wide, while North and South Capitol Roads are both 15 meters wide. These are all concrete-paved and provided with concrete curbs and gutters, and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed use, specifically residential, institutional and commercial.

Generally, the roads in the neighborhood are designed to accommodate light to moderate vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 20 to 40 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Negros Occidental Provincial Capitol
The Negros Museum
Hall of Justice – Bacolod City
Seda Hotel Bacolod
Capitol Park and Lagoon
Amaia Steps Capitol Central

The subject property, SM City Bacolod, 888 Chinatown Square Mall and Robinson's Mall Bacolod serve as the shopping and commercial centers in the area. These malls are accessible from Gatuslao Street and Lacson Street (National Highway) by public transportation. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfares.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Bacolod City is available along Lacson Street (National Highway) which is approximately 260 meters from the subject property. Road lights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. BACOLOD CAPITOL CORPORATE CENTER

This is a six (6)-storey, reinforced concrete-framed building with roof deck parking, having reinforced concrete slab roof with water proofing membrane and partly pre-painted rib type long span iron sheet roof on steel frames; acoustic board on aluminum T-runner frame, fibered cement board, steel panel and exposed slab ceilings; cement plastered concrete hollow blocks, glass on powder coated aluminum frame, and clear glass view walls; cement plastered concrete hollow blocks partitions; metal exits, steel plate, wood panel, glass on powder coated aluminum frame, automatic frameless glass, swing glass, steel roll-up, and steel doors; iron grill and stainless steel railings; granite tile finish floor to walls at comfort rooms; and granite tile and ceramic tile finished concrete floors.

The building features retail shops of bare condition having concrete slab floor, fibered cement board on metal furring ceilings; cement plastered concrete hollow block walls; cement plastered concrete hollow block and gypsum board partitions; clear glass on aluminum frame windows; automatic frameless glass, wood panel and glass on aluminum frame doors; laminated wood plank, granite/glazed, ceramic tiles and epoxy paint finished concrete floors; and granite tile wall to floor at comfort rooms.

This is painted and provided with firefighting and alarm system, centralized air conditioning, cctv cameras, water supply system, underground cistern, air wells, escalators, five (5) elevators, electrical, plumbing and telecommunication facilities. Total floor area is approximately 151,990 square meters, allocated as follows:

Floor Level	Area (sq.m.)
Ground	20,405
First	23,018
Second	24,062
Third	22,592
Fourth	22,083
Fifth	18,669
Sixth	11,662
Roofdeck / Parking	9,500
Total - 151,990 sq. m.	

Estimated remaining economic life is 37 years.

This building stands on a 33,845 square meters lot.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office/commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate of Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the assumptions/estimates shown on the next page:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php51,973,771 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php500/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 73.59% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 6.42% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitalization rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of the **Bacolod Capitol Corporate Center (building and its facilities)** using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php358,274,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

CENTRAL BLOC CORPORATE CENTER TOWER 1

Located in
Cebu IT Park
Barangay Apas, Cebu City

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), which represent accepted or best practices in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao, and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-033A**
Market Value Appraisal of Property

Gentlemen :

As requested, we conducted an appraisal of a certain real property exhibited to us by the **AREIT, INC.** for the purpose of expressing an opinion on the market value of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **Central Bloc Corporate center Tower 1 (building and its facilities)**, located **at the corner of Jose Maria del Mar and I. Villa Streets, within Cebu IT Park, Barangay Apas, Cebu City.**

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset or any associated taxes.

We investigated local market condition and gave consideration to the –

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **TWO BILLION ONE HUNDRED TWENTY-THREE MILLION SEVEN HUNDRED THIRTY-ONE THOUSAND (Php2,123,731,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVS:atv

CAI File No. 12-2025-1327-033A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-033A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located at the corner of Jose Maria del Mar and I. Villa Streets, within Cebu IT Park, Barangay Apas, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal under 11-2024-1019-001, the appraised property is the **Central Bloc Corporate Center Tower 1** located **at the corner of Jose Maria del Mar and I. Villa Streets within Cebu IT Park, Barangay Apas, Cebu City**.

The Central Bloc Corporate Center Tower 1 is built on top of the northeast corner of Ayala Mall Central Bloc. It is bounded by I. Villa Street to the northeast and Jose Maria del Mar to the southeast. It is located approximately 450 meters northeast from the intersection of Jose Maria del Mar Street and Salinas Drive; 1.8 kilometers northeast from Cebu Business Park; 6.1 kilometers northeast from Cebu City Hall; and about 12.0 kilometers northwest from Mactan – Cebu International Airport.

Jose Maria del Mar and I. Villa Streets are both 30 meters wide, concrete-paved provided with concrete sidewalks, concrete curbs and gutters, and underground drainage.

III. NEIGHBORHOOD DATA

The Cebu IT Park (formerly known as Asia town IT Park) is a 27-hectare mixed use business park envisioned to attract locators in the information technology services. It is developed by Cebu Property Ventures and Development Corporation, a subsidiary of Cebu Holdings, Inc.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concrete, with widths ranging from 10 to 30 meters and lighted with streetlamps.

Some of the important improvements in Cebu IT Park are:

- Ayala Malls Central Bloc
- Avida Towers Riala
- Skyrise Buildings (1 to 4)
- Calyx Center
- TGU Tower
- EBloc Towers (1 to 4)
- Park Centrale
- 38 Park Avenue
- Seda Central Bloc Cebu

Ayala Malls Central Bloc serves as the commercial and shopping center in the area. This is walking distance from the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are accessible from the property by public transportation.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Cebu City as well as to the other parts of Metro Cebu is available at Cebu IT Park Transport Terminal which is approximately 130 meters from the property. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

No copy of the title or any ownership documents was provided to us by the client. However, as measured on Google Map, Central Bloc Corporate Center Tower 1 stands on 2,470-square meter lot.

Attached is the location plan of the property.

No title verification was conducted to confirm the existence of the owner's original copy of the title supposedly on file with the Registry of Deeds since it is not included in the assignment.

VI. DESCRIPTION OF THE BUILDING

Central Bloc Corporate Center Tower 1

This is a fifteen (15)-storey, reinforced concrete-framed office building on top of five storey with basement parking podium which is the Ayala Malls of Central Bloc. The Central Bloc Corporate Center Tower 2 is also on top of this podium. This tower have reinforced concrete slab roof deck with parapet walls; gypsum board on metal furring and concrete slab soffit ceilings; cement plastered concrete hollow block walls with aluminum composite panel cladding on the exterior; cement plastered partly ceramic tile finish concrete hollow block partitions; glass on powder coated aluminum frame windows; tempered glass and steel doors; and ceramic and non-skid tile, epoxy paint and plain cement floor finishes.

This is painted and provided with electrical lighting, plumbing and telecommunication facilities. The total floor area is approximately 38,394 square meters.

The estimated remaining economic life of this building is 45 years.

As per client request, Central Bloc Corporate Tower 2 and Ayala Malls Central Bloc should be presented in a separate report these are under CAI File Nos. 12-2025-1327-0034A and 12-2025-1327-0032A.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office/commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property.

The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php173,443,949 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php614/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.00% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 39.04% of the effective gross revenues;

5. General and administrative expenses over 10-year projection are estimated at an average of 1.50% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.0% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)														
CENTRAL BLOC CORPORATE CENTER TOWER 1														
STATISTICS														
Gross Floor Area	38,894	sq.m.												
Gross Leasable Area	28,483	sq.m.												
Discount Rate		9.42%												
Average Growth Rate		2.00%												
Terminal Capitalization Rate		7.42%												
Present Worth Factor			0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES			Escalation	-	20.40%	15.48%	24.88%	0.11%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Office Spaces			-	-	-	-	-	-	-	-	-	-	-	
Parking Slots			-	-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	-	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			140,286,692	168,901,356	195,047,516	243,579,661	243,837,855	248,714,612	253,688,905	258,762,683	263,937,936	269,216,695	2,285,973,910	274,601,029
<i>PLUS: Dues - Net</i>			33,157,257	35,298,352	37,580,812	39,672,298	41,830,741	42,667,355	43,520,703	44,391,117	45,278,939	46,184,518	409,582,091	47,108,208
Total Effective Gross Revenues (EGR)			173,443,949	204,199,708	232,628,328	283,251,959	285,668,596	291,381,968	297,209,607	303,153,799	309,216,875	315,401,213	2,695,556,002	321,709,237
LESS: DIRECT OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(79,962,743)	(83,115,030)	(85,189,775)	(88,088,392)	(89,460,768)	(91,249,983)	(93,074,983)	(94,936,482)	(96,835,212)	(98,771,916)	(900,685,283)	(100,747,355)
General Administrative Expenses			(3,037,438)	(3,128,561)	(3,222,418)	(3,319,091)	(3,418,663)	(3,487,037)	(3,556,777)	(3,627,913)	(3,700,471)	(3,774,481)	(34,272,851)	(3,849,970)
Capital Expenditures			(5,611,468)	(6,756,054)	(7,801,901)	(9,743,186)	(9,753,514)	(9,948,584)	(10,147,556)	(10,350,507)	(10,557,517)	(10,768,668)	(91,438,956)	(10,984,041)
Total			(88,611,649)	(92,999,645)	(96,214,094)	(101,150,669)	(102,632,945)	(104,685,604)	(106,779,316)	(108,914,903)	(111,093,201)	(113,315,065)	(1,026,397,090)	(115,581,366)
NET INCOME			84,832,300	111,200,063	136,414,234	182,101,290	183,035,650	186,696,364	190,430,291	194,238,897	198,123,675	202,086,148	1,669,158,911	206,127,871
ADD: Reversion Value (Resale Value)														2,779,603,797
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														2,779,603,797
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income			77,532,089	92,884,986	104,140,682	127,055,654	116,717,750	108,807,121	101,432,642	94,557,973	88,149,239	82,174,862	993,452,999	
Present Worth of Net Reversion Value														1,130,278,154
Total Present Value of Net Income														993,452,999
Present Worth of Net Reversion Value														1,130,278,154
Total														2,123,731,153
Market Value of Property (building and its facilities)														2,123,731,153
Rounded to														2,123,731,000

On the basis of the foregoing, the market value of the property, the **CENTRAL BLOC CORPORATE CENTER TOWER 1** (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php2,123,731,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

CENTRAL BLOC CORPORATE CENTER TOWER 2

Located in
Cebu IT Park
Barangay Apas, Cebu City

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), which represent accepted or best practices in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao, and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-034A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.** for the purpose of expressing an opinion on the market value of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **Central Bloc Corporate Tower 2 (building and its facilities)**, located **at the corner of W. Geonzon and I. Villa Streets, within Cebu IT Park, Barangay Apas, Cebu City**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset or any associated taxes.

We investigated local market condition and gave consideration to the –

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **TWO BILLION EIGHT HUNDRED FORTY-ONE MILLION EIGHT HUNDRED SEVENTEEN THOUSAND (Php2,841,817,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-034A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-034A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located at the corner of W. Geonzon and I. Villa Streets, within Cebu IT Park, Barangay Apas, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 11-2024-1019-002, the appraised property is the **Central Bloc Corporate Center Tower 2** located **at the corner of W. Geonzon and I. Villa Streets within Cebu IT Park, Barangay Apas, Cebu City**.

The Central Bloc Corporate Center Tower 2 is built on top of the northwest corner of Ayala Mall Central Bloc. It is bounded by I. Villa Street to the northeast and W. Geonzon Street to the northwest. It is located approximately 450 meters northeast from the intersection of W. Geonzon Street and Salinas Drive; 1.8 kilometers northeast from Cebu Business Park; 6.1 kilometers northeast from Cebu City Hall; and about 12.0 kilometers northwest from Mactan – Cebu International Airport.

W. Geonzon and I. Villa Streets are both 30 meters wide, concrete-paved provided with concrete sidewalks, concrete curbs and gutters, traffic islands, and underground drainage.

III. NEIGHBORHOOD DATA

The Cebu IT Park (formerly known as Asia town IT Park) is a 27-hectare mixed use business park envisioned to attract locators in the information technology services.

It is developed by Cebu Property Ventures and Development Corporation, a subsidiary of Cebu Holdings, Inc.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concrete, with widths ranging from 10 to 30 meters and lighted with streetlamps.

Some of the important improvements in Cebu IT Park are:

- Ayala Malls Central Bloc
- Avida Towers Riala
- Skyrise Buildings (1 to 4)
- Calyx Center
- TGU Tower
- EBloc Towers (1 to 4)
- Park Centrale
- 38 Park Avenue
- Seda Central Bloc Cebu
- Cebu IT Park Transport Terminal

Ayala Malls Central Bloc serves as the commercial and shopping centers in the area. This is accessible from the property by foot. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are accessible from the property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Cebu City as well as to the other parts of Metro Cebu is available in the Cebu IT Park Transport Terminal, which is located across from the subject property. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

No copy of the title or any ownership documents was provided to us by the client. However, as measured on Google Map, Central Bloc Corporate Center Tower 1 stands on 2,400-square meter lot.

Attached is the location plan of the property.

No title verification was conducted to confirm the existence of the owner's original copy of the title supposedly on file with the Registry of Deeds since it is not included in the assignment.

VI. DESCRIPTION OF THE BUILDING

Central Bloc Corporate Center Tower 2

This is a twenty (20)-storey, reinforced concrete-framed office building on top of five storey with basement parking podium which is the Ayala Malls of Central Bloc. The Central Bloc Corporate Center Tower 1 is also on top of this podium.

This tower reinforced concrete framed building having reinforced concrete slab roof deck with parapet wall; gypsum board on metal furring and concrete slab soffit ceilings; cement plastered concrete hollow block walls with aluminum composite panel cladding on the exterior; cement plastered partly ceramic tile finish concrete hollow block partitions; glass on powder coated aluminum frame windows; tempered glass and steel doors; and ceramic and non-skid tile, epoxy paint and plain cement floor finishes.

This is painted and provided with electrical lighting, plumbing and telecommunication facilities. Total floor area is approximately 51,669 square meters.

The estimated remaining economic life of this building is 45 years.

As per client request, Central Bloc Corporate Tower 1 and Ayala Malls Central Bloc should be presented in a separate report these are under CAI File Nos. 12-2025-1327-033A and 12-2025-1327-032A.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office/commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis.

All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php335,535,028 considering vacancy and bad debts, and including dues-net. And the average lease rates are Php496/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;

4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 44.11% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.01% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.0% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in PhP)															
CENTRAL BLOC CORPORATE CENTER TOWER 2															
STATISTICS															
Land Area -			Gross Floor Area -	51,669.00	sq.m.		Ave. Lease Rate								
Central Bloc	21,658	sq.m.	s Leasable Area -	38,636.00	sq.m.		Php496/sq.m./mo.								
Garden Row	7,013	sq.m.													
Total -	28,671	sq.m.													
Discount Rate		9.42%													
Average Growth Rate		2.00%													
Terminal Capitalization Rate		7.42%													
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		
			Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES			Escalation	-	4.92%	1.76%	-4.60%	4.20%	2.00%	2.00%	2.00%	2.00%	2.00%		2.00%
Office Spaces				-	-	-	-	-	-	-	-	-	-		
Parking Slots				-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-	-
LESS:															
Vacancy Rate (incl. bad debts)	-	of gross revenues		-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				253,591,169	266,055,828	270,751,313	258,291,367	269,131,112	274,513,734	280,004,009	285,604,089	291,316,171	297,142,494	2,746,401,288	303,085,344
PLUS: Dues - Net				81,943,859	83,336,314	84,749,225	86,182,779	87,637,162	89,389,906	91,177,704	93,001,258	94,861,283	96,758,509	889,037,998	98,693,679
Total Effective Gross Revenues (EGR)				335,535,028	349,392,142	355,500,538	344,474,147	356,768,275	363,903,640	371,181,713	378,605,347	386,177,454	393,901,003	3,635,439,286	401,779,023
LESS: DIRECT OPERATING EXPENSES			Php(000)												
Direct Operating Expenses															
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(111,680,150)	(114,725,813)	(116,580,721)	(116,324,593)	(119,246,100)	(121,631,022)	(124,063,642)	(126,544,915)	(129,075,814)	(131,657,330)	(1,211,530,101)	(134,290,477)
General Administrative Expenses				(15,000)	(15,450)	(15,914)	(16,391)	(16,883)	(17,220)	(17,565)	(17,916)	(18,274)	(18,640)	(169,252)	(19,013)
Capital Expenditures				(10,143,647)	(10,642,233)	(10,830,053)	(10,331,655)	(10,765,244)	(10,980,549)	(11,200,160)	(11,424,164)	(11,652,647)	(11,885,700)	(109,856,052)	(12,123,414)
Total				(121,838,797)	(125,383,496)	(127,426,687)	(126,672,639)	(130,028,227)	(132,628,792)	(135,281,368)	(137,986,995)	(140,746,735)	(143,561,669)	(1,321,555,405)	(146,432,903)
NET INCOME				213,696,231	224,008,646	228,073,851	217,801,508	226,740,047	231,274,848	235,900,345	240,618,352	245,430,719	250,339,334	2,313,883,881	255,346,120
ADD: Reversion Value (Resale Value)															3,443,304,596
LESS: Marketing Cost	0.00%	of Resale Value													0
Net Reversion Value															3,443,304,596
Present Worth Factor @	9.42%	discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income				195,306,684	187,113,563	174,115,016	151,964,399	144,587,068	134,787,577	125,652,254	117,136,083	109,197,102	101,796,191	1,441,655,937	
Present Worth of Net Reversion Value															1,400,160,687
Total Present Value of Net Income				1,441,655,937											
Present Worth of Net Reversion Value				1,400,160,687											
Total				2,841,816,624											
Market Value of Property (building and its facilities)				PhP 2,841,816,624											
Rounded to				PhP 2,841,817,000											
On the basis of the foregoing, the market value of the property CENTRAL BLOC CORPORATE CENTER TOWER 2 (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of Php2,841,817,000.															

On the basis of the foregoing, the market value of the property **CENTRAL BLOC CORPORATE CENTER TOWER 2** (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php2,841,817,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

(Centrio Mall and Centrio BPO Building)

Located in
Barangay 24, Cagayan De Oro City

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data, and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Iloilo, and Davao offices, has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-037A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of **Centrio Mall and BPO (buildings and its facilities)**, located **along Recto Avenue, Captain Vicente Roa Road and Corrales Avenue, within Barangay 24, Cagayan De Oro City**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions, and gave consideration to the –

Income Approach is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease / Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented as under:

Property Name	Market Value (Php) Discounted Cash Flow
<i>Centrio Mall</i>	<i>5,689,640,000</i>
<i>Centrio BPO</i>	<i>492,687,000</i>

We made no investigation of and assume no responsibility for titles to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-037A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-037A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain property located within Barangay 24, Cagayan De Oro City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free, and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power, and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

The appraised property is the site of **Centrio Mall**, bounded on the northeast by **C.M. Recto Avenue**; on the southeast by **Captain Vicente Roa Street**; and on the northwest by **Corrales Avenue**, within **Barangay 24, Cagayan De Oro City**.

The property is located across Gaisano Mall, approximately 260 meters southeast from A. Velez Street; 290 meters northwest from SM CDO Downtown Premier; 850 meters northeast from J. Borje Street; 980 meters northwest from Limketkai Center; and about 1.5 kilometers northeast from Cagayan De Oro City Hall.

C.M. Recto Avenue is 25 meters wide; Corrales Avenue is 15 meters wide, and Captain Vicente Road Street is 10 meters wide. All are concrete paved and provided with underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed use, specifically commercial, institutional and residential.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 30 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Gaisano Mall
 SM CDO Downtown Premier
 Northern Mindanao Medical Center
 Provincial Health Office
 Department of Trade and Industry
 Cagayan De Oro Water District
 Jesus Nazareno Parish Church
 Red Planet Hotel

The subject property, Gaisano Mall, SM CDO Downtown Premier and Limketkai Mall serve as the commercial and shopping center of the residents in the area. These are all accessible from C.M. Recto Avenue by public transportation. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available on the subject property.

Public transportation connecting to various sections of Cagayan De Oro City and its neighboring cities and municipalities is available along C.M. Recto Avenue where the subject property fronts. Road lights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

The land consists of five (5) contiguous lots, containing a total area of 32,703 square meters, technically identified as follows:

Lot/Survey Nos.	TCT Nos.	Area (sq.m.)
694-A-1-A/PSD-426166	137-2012002341	14,814
694-B-1/PSD-10-004148	137-2011002700	9,903
847-B-2/PSD-10-059794	137-2011002697	3,978
847-A-2-B/PSD-10-059813	137-2011002698	1,106
693	137-2011002696	<u>2,902</u>
		Total - 32,703 sq.m.

The above certificates of title were all issued by the Registry of Deeds for Cagayan De Oro City in favor of the **CAGAYAN DE ORO GATEWAY CORPORATION.**

The land, in its entirety, is bounded by the following properties:

Northeast	-	C.M. Recto Avenue
Southeast	-	Captain Vicente Road Street
Southwest	-	Lots 694-A-1-B, 690 and 692
Northwest	-	Corrales Avenue

Attached is a plan of the property as plotted based on the technical descriptions appearing in the titles furnished to us by the client. As shown, the land is irregular in shape with frontages of 167.54 meters on C.M. Recto Avenue, 255.41 meters on Corrales Avenue, and 185.07 meters on Captain Vicente Roa Street.

The terrain of the land is flat. Its elevation is uniform and at grade with the fronting street and avenues.

No title verification was conducted to confirm the existence of the owner's original copy of the titles supposedly on file with the Registry of Deeds since it is not included in the assignment.

Government Assessment

BIR Zonal Value of Real Property within Barangay 24, Cagayan De Oro City as per Department Order No. 032-2023, effective 20 July 2023:

Street Names	Classification	4th Revision Zonal Value (Php/sq.m.)
Corrales Avenue	Commercial Regular	61,300
C.M. Recto Avenue	Commercial Regular	58,900
Captain V. Roa Street	Commercial Regular	55,100

VI. DESCRIPTION OF THE BUILDINGS

The land is improved with buildings described as under:

Centro Mall/BPO Building

This is a lofty seven (7)-storey with basement, reinforced concrete-framed building, having pre-painted rib type long span iron sheet roof on steel trusses and frame and concrete slab partly with ACI insulation roofing; acoustic board on aluminum T-runner frame, suspended acoustic board on T-runner; fiber cement board, gypsum board on metal frame exposed concrete slab and colored T&G PVC panel ceilings; cement plastered concrete hollow blocks, glass on powder coated aluminum frame, and clear glass view partly with laminate wood and ceramic tile and aluminum composite panel cladding walls; cement plastered concrete hollow blocks and double walled plywood partitions;

metal exits, steel plate, wood panel, glass on powder coated aluminum frame, glass on aluminum frame, swing glass, steel roll-up, plain steel flush, and steel doors; and ceramic tile, pebble washout, plain cement with epoxy paint finished and carpeted floor at office concrete floors.

The building features retail shops of having concrete slab floor, fiber cement board on metal furring acoustic board on T-runner ceilings; cement plastered concrete hollow block on walls and partitions; clear glass on powder coated aluminum frame windows; swing glass, wood panel and glass on aluminum frame doors; ceramic tiles and epoxy paint finished concrete floors; and granite tile wall to floor at comfort rooms.

The building is painted and provided with firefighting and alarm system, centralized air conditioning, CCTV cameras, water supply system, underground cistern, air wells, escalators, elevators, electrical lighting, plumbing, and telecommunication facilities.

The total floor area is approximately 75,842 square meters, allocated as follows:

Floor Levels	Gross Floor Area (sq.m.)	Leasable Floor Area (sq.m.)
Basement	10,126	
Ground	19,388	15,138
Second	18,141	14,605
Third	17,435	12,321
Fourth	2,648	2,131
Fifth	2,686	2,375
Sixth	2,709	2,399
Seventh	<u>2,709</u>	<u>2,399</u>
Total -	75,842 sq.m.	51,368 sq.m.

The estimated remaining economic life is 34 years.

Covered Walkway (along C.M. Recto Avenue)

This is an open-walled structure of steel tubular frame bolted on reinforced concrete footing having rib-type sheet partly fiber glass on steel frame roof, and ceramic tile floor.

The floor area is approximately 158 square meters.

The estimated remaining economic life is 19 years.

Covered Walkway (along Corrales Avenue)

This is an open walled structure of steel tubular frame having rib-type partly fiber glass sheet on steel frame roof, and ceramic tile floor.

The floor area is approximately 105 square meters.

The estimated remaining economic life is 19 years.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

The **Income Approach** is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization, and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

Centrio Mall

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php376,619,736 considering vacancy and bad debts, and including dues-net.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 12.77% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

Discounted Cash Flow Analysis (in PhP)														
CENTRIO MALL														
STATISTICS														
Discount Rate		8.28%												
Average Growth Rate		2.50%												
Terminal Capitalization Rate		5.78%												
Present Worth Factor			0.92354	0.85293	0.78772	0.72749	0.67187	0.62050	0.57305	0.52924	0.48878	0.45140		
		Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES		Escalation	-	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%		2.50%
Office Spaces			-	-	-	-	-	-	-	-	-	-		
Parking Slots			-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	-	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			376,619,736	386,035,230	395,686,111	405,578,263	415,717,720	426,110,663	436,763,430	447,682,515	458,874,578	470,346,443	4,219,414,689	482,105,104
PLUS: Dues - Net			-	-	-	-	-	-	-	-	-	-	-	-
Total Effective Gross Revenues (EGR)			376,619,736	386,035,230	395,686,111	405,578,263	415,717,720	426,110,663	436,763,430	447,682,515	458,874,578	470,346,443	4,219,414,689	482,105,104
LESS: DIRECT OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(50,208,269)	(50,785,723)	(51,352,941)	(51,894,173)	(52,405,985)	(53,716,135)	(55,059,038)	(56,435,514)	(57,846,402)	(59,292,562)	(538,996,742)	(60,774,876)
General Administrative Expenses			-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures			-	-	-	-	-	-	-	-	-	-	-	-
Total			(50,208,269)	(50,785,723)	(51,352,941)	(51,894,173)	(52,405,985)	(53,716,135)	(55,059,038)	(56,435,514)	(57,846,402)	(59,292,562)	(538,996,742)	(60,774,876)
NET INCOME			326,411,467	335,249,506	344,333,170	353,684,091	363,311,735	372,394,528	381,704,391	391,247,001	401,028,176	411,053,881	3,680,417,947	421,330,228
ADD: Reversion Value (Resale Value)														7,290,964,001
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														7,290,964,001
Present Worth Factor @	8.28%	discount rate	0.92354	0.85293	0.78772	0.72749	0.67187	0.62050	0.57305	0.52924	0.48878	0.45140		0.45140
Present Worth of Net Income			301,454,641	285,944,192	271,236,767	257,301,186	244,096,895	231,069,533	218,737,436	207,063,499	196,012,596	185,551,475	2,398,468,221	
Present Worth of Net Reversion Value														3,291,172,256
Total Present Value of Net Income														2,398,468,221
Present Worth of Net Reversion Value														3,291,172,256
Total														5,689,640,477
Market Value of Property (building and its facilities)		PhP												5,689,640,477
Rounded to		PhP												5,689,640,000

Centrio BPO Building

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php77,081,395 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 3.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 65.43% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.26% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.69% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

Discounted Cash Flow Analysis (in PhP)														
CENTRIO BPO														
STATISTICS														
Total Available GLA	9,053	sq.m.												
Leased Out GLA	9,053	sq.m.												
Occupied GLA	9,053	sq.m.												
Discount Rate		9.42%												
Average Growth Rate		3.00%												
Terminal Capitalization Rate		6.42%												
Present Worth Factor			0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES		Escalation	-	1.73%	1.25%	1.73%	1.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Office Spaces			-	-	-	-	-	-	-	-	-	-	-	
Parking Slots			-	-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	0%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			60,160,906	61,200,781	61,965,727	63,036,652	63,824,683	65,739,423	67,711,606	69,742,954	71,835,243	73,990,300	659,208,274	76,210,009
PLUS: Dues - Net			16,920,489	15,967,200	16,446,542	16,231,998	16,719,295	17,220,874	17,737,500	18,269,625	18,817,714	19,382,245	173,713,482	19,963,713
Total Effective Gross Revenues (EGR)			77,081,395	77,167,981	78,412,269	79,268,650	80,543,978	82,960,297	85,449,106	88,012,579	90,652,956	93,372,545	832,921,756	96,173,721
LESS: DIRECT OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(36,310,410)	(37,136,209)	(38,343,892)	(40,145,245)	(43,188,489)	(44,484,144)	(45,818,668)	(47,193,228)	(48,609,025)	(50,067,296)	(431,296,607)	(51,569,315)
General Administrative Expenses			(148,320)	(152,770)	(157,353)	(162,073)	(166,935)	(171,944)	(177,102)	(182,415)	(187,887)	(193,524)	(1,700,323)	(199,330)
Capital Expenditures			(6,973,837)	(2,448,031)	(2,478,629)	(2,521,466)	(2,552,987)	(2,629,577)	(2,708,464)	(2,789,718)	(2,873,410)	(2,959,612)	(30,935,731)	(3,048,400)
Total			(43,432,567)	(39,737,010)	(40,979,874)	(42,828,784)	(45,908,412)	(47,285,664)	(48,704,234)	(50,165,361)	(51,670,322)	(53,220,432)	(463,932,661)	(54,817,045)
NET INCOME			33,648,828	37,430,971	37,432,396	36,439,866	34,635,565	35,674,632	36,744,871	37,847,217	38,982,634	40,152,113	368,989,095	41,356,676
ADD: Reversion Value (Resale Value)														644,613,880
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														644,613,880
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income			30,753,191	31,265,946	28,576,455	25,424,812	22,086,327	20,791,268	19,572,146	18,424,508	17,344,164	16,327,167	230,565,985	
Present Worth of Net Reversion Value														262,121,165
Total Present Value of Net Income														230,565,985
Present Worth of Net Reversion Value														262,121,165
Total														492,687,150
Market Value of Property (building and its facilities)			PhP											492,687,150
Rounded to			PhP											492,687,000

On the basis of the foregoing, the market value of the property (buildings and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount as follows:

<i>Property Name</i>	Market Value (Php)
<i>Centrio Mall</i>	<u><i>Php5,689,640,000</i></u>
<i>Centrio BPO Building</i>	<u><i>Php492,687,000</i></u>

MARKET VALUE APPRAISAL

Property exhibited to us as owned by the
AREIT, INC.

EBLOC 1 – CEBU IT PARK

Located in
Cebu IT Park
Barangay Lahug, Cebu City

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

: **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

: **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-012A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **EBloc 1 Building (JP Morgan Chase & Company – Cebu IT Park)**, located **along Jose Maria del Mar Street, Cebu IT Park, Barangay Lahug, Cebu City**.

The term **Market Value**, as used herein is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property and investigated local market condition, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **TWO BILLION FIVE MILLION TWO HUNDRED NINE THOUSAND (Php2,005,209,000) PESOS**.

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-012A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-012A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Cebu IT Park, Barangay Lahug, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset and liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free, and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power, and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 12-2024-1132-012, the appraised property is the **eBloc 1 Tower (JP Morgan Chase & Company – Cebu IT Park)**, located **on the southeast side of Jose Maria del Mar Street, Cebu IT Park, Barangay Lahug, Cebu City**.

The site of JP Morgan Chase and Company is located across Eblock 4 and Avida Towers Riala, approximately 90 meters northwest from Governor M. Cuenco Avenue; and about 600 meters northeast from Salinas Drive.

Jose Maria del Mar Street is 25 meters wide, concrete-paved, and provided with concrete sidewalks, concrete curbs and gutters, center island, and underground drainage.

III. NEIGHBORHOOD DATA

Cebu IT Park (formerly known as Asiatown IT Park) is a 27-hectare mixed use business park envisioned to attract locators in the Information Technology Services. It is developed by Cebu Property Ventures and Development Corporation, a subsidiary of Cebu Holdings, Inc.

Generally, the roads in the neighborhood are designed to accommodate light to medium vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in Cebu IT Park are:

Avida Towers - Cebu
Skyrise 1 to 3
eBlock Towers 2 to 4
Park Centrale
Filinvest Cebu Cyberzone
Calyx Centre
TGU Tower
Ayala Central Block Mall

Ayala Central Block Mall – Cebu and SM City – Cebu serve the commercial, shopping and marketing needs of the residents in the area. These are accessible from the subject property by taxicabs and hired motorcycles (locally known as habal-habal). Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are accessible from the subject property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply, and telecommunication facilities are available at the site.

Public transportation connecting to various sections of Cebu City, as well as to other parts of Cebu Province, is available along Salinas Drive which is approximately 600 meters from the subject building. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. DESCRIPTION OF THE SUBJECT BUILDING

EBloc 1 Building (JP Morgan Chase & Company Building)

This is a 12-storey reinforced concrete-framed building with roof deck having reinforced concrete slab roof deck; reinforced concrete partly with aluminum composite panel and glass on anodized aluminum frame walls; fibered cement board on metal furring and concrete slab soffit ceilings; concrete hollow block, glass on anodized aluminum frame and fibered cement board on steel stud partitions; ceramic and granite tiles, carpet and plain cement floor finishes; awning glass on aluminum frame and glass panel on anodized aluminum frame windows; and full glass, glass on anodized aluminum frame, insulated steel plate, plywood and laminated wood doors.

The building is painted and provided with electrical lighting and plumbing facilities. Total floor area is approximately 20,841.90 square meters.

Reportedly, this building was built in the year 2008.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing office/commercial building utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php238,517,711 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php679/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 39.78% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.45% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 5.56% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)																
EBLOC 1 BUILDING																
STATISTICS																
					Ave. Lease Rate on Yr. 1											
Gross Leasable Area (GLA)	Office Spaces	20,841.90	sq.m.	Php624/sq.m./mo.												
Leased Out GLA	Office Spaces	20,436.73	sq.m.													
Discount Rate		9.42%														
Average Growth Rate		2.50%														
Terminal Capitalization Rate		6.92%														
Present Worth Factor			0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663				
		Year	1	2	3	4	5	6	7	8	9	10	Totals	11		
GROSS REVENUES	Escalation	-	4.75%	4.91%	-0.91%	-2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%				2.50%
Office Spaces		-	-	-	-	-	-	-	-	-	-	-				
		-	-	-	-	-	-	-	-	-	-	-				
		-	-	-	-	-	-	-	-	-	-	-				
Total Annual Revenues		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LESS:																
Vacancy Rate (incl. bad debts)	2% of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)		177,820,250	186,260,912	195,413,354	193,629,928	189,763,252	194,507,333	199,370,017	204,354,267	209,463,124	214,699,702	1,965,282,138	220,067,194			
PLUS: Dues - Net		60,697,461	64,317,496	68,740,962	62,417,055	42,292,121	43,349,424	44,433,159	45,543,988	46,682,588	47,849,653	526,323,906	49,045,894			
Total Effective Gross Revenues (EGR)		238,517,711	250,578,408	264,154,316	256,046,983	232,055,373	237,856,757	243,803,176	249,898,255	256,145,712	262,549,354	2,491,606,044	269,113,088			
LESS: DIRECT OPERATING EXPENSES	Php(000)															
Direct Operating Expenses																
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others		(71,734,276)	(73,362,107)	(75,723,559)	(76,324,811)	(75,883,546)	(77,780,634)	(79,725,150)	(81,718,279)	(83,761,236)	(85,855,267)	(781,868,864)	(88,001,648)			
General Administrative Expenses		(770,515)	(793,631)	(817,440)	(841,963)	(867,222)	(888,902)	(911,125)	(933,903)	(957,250)	(981,182)	(8,763,132)	(1,005,711)			
Capital Expenditures		(37,850,880)	(7,450,436)	(7,816,534)	(7,745,197)	(7,590,530)	(7,780,293)	(7,974,801)	(8,174,171)	(8,378,525)	(8,587,988)	(109,349,356)	(8,802,688)			
Total		(110,355,671)	(81,606,174)	(84,357,533)	(84,911,971)	(84,341,297)	(86,449,830)	(88,611,076)	(90,826,352)	(93,097,011)	(95,424,437)	(899,981,352)	(97,810,047)			
NET INCOME		128,162,040	168,972,234	179,796,783	171,135,012	147,714,075	151,406,927	155,192,100	159,071,903	163,048,700	167,124,918	1,591,624,693	171,303,041			
ADD: Reversion Value (Resale Value)													2,477,006,448			
LESS: Marketing Cost	0.00% of Resale Value												0			
Net Reversion Value													2,477,006,448			
Present Worth Factor @	9.42% discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	0.40663			
Present Worth of Net Income		117,133,105	141,141,859	137,259,575	119,404,266	94,193,969	88,240,347	82,663,029	77,438,231	72,543,672	67,958,478	997,976,532				
Present Worth of Net Reversion Value													1,007,232,138			
Total Present Value of Net Income													997,976,532			
Present Worth of Net Reversion Value													1,007,232,138			
Total													2,005,208,670			
Market Value of Property (building and its facilities)	PhP												2,005,208,670			
Rounded to	PhP												2,005,209,000			

On the Basis of the foregoing, the market value of the property (EBloc 1 Building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php2,005,209,000.**

MARKET VALUE APPRAISAL

Property exhibited to us as owned by the
AREIT, INC.

EBLOC 2 – CEBU IT PARK

Located in
Cebu IT Park
Barangay Lahug, Cebu City

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-013A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us as owned by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **EBloc 2 – Cebu IT Park (building and its facilities)**, located **along W. Geonzon Street and V. Padriga Street, Cebu IT Park, Barangay Lahug, Cebu City**.

The term **Market Value**, as used herein is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market condition, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **TWO BILLION FOUR HUNDRED EIGHTY-NINE MILLION THREE HUNDRED TWENTY-EIGHT THOUSAND (Php2,489,328,000) PESOS.**

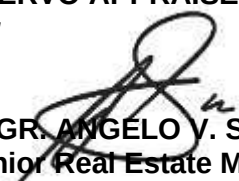
We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO

Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-013A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-013A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Cebu IT Park, Barangay Lahug, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset and liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 12-2024-1132-013, the appraised property is identified as the site of **EBloc 2 Building**, located **on the northwest side of W. Geonzon Street extending to the southwest side of V. Padriga Street, Cebu IT Park, Barangay Lahug, Cebu City**.

The property is located approximately 180 meters southwest from I. Villa Street, 200 meters northwest from J.M. del Mar Street; 350 meters northeast from Salinas Drive; and about 750 meters northwest from Governor M. Cuenco Avenue.

W. Geonzon Street is 25 meters wide, while Padriga Street is 20 meters wide. Both roads are concrete-paved and provided with concrete sidewalks, concrete curbs and gutters, center island and underground drainage.

III. NEIGHBORHOOD DATA

Cebu IT Park (formerly known as Asiatown IT Park) is a 27-hectare mixed use business park envisioned to attract locators in the information technology services. It is developed by Cebu Property Ventures and Development Corporation, a subsidiary of Cebu Holdings, Inc.

Generally, the roads in the neighborhood are designed to accommodate light to medium vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in Cebu IT Park are:

Avida Towers - Cebu
Skyrise 1 to 3
eBloc Towers 1 to 4
Park Centrale
Filinvest Cebu Cyberzone
Calyx Centre
TGU Tower
Ayala Central Block Mall

Ayala Central Block Mall – Cebu and SM City – Cebu serve the shopping and marketing needs of the residents in the area. These are accessible from the subject property by taxicabs and hired motorcycles (locally known as habal-habal). Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are accessible from the subject property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the site.

Public transportation connecting to various sections of Cebu City as well as to other parts of Cebu Province, is available along Salinas Drive which is approximately 350 meters from the subject property. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. DESCRIPTION OF THE SUBJECT BUILDING

EBloc 2 Building

This is an eighteen (18)-storey reinforced concrete-framed building with roof deck having reinforced concrete slab floors and roof deck; reinforced concrete partly with aluminum composite panel and glass on anodized aluminum frame walls; fibered cement board on metal furring, gypsum board and acoustic board on aluminum T-runner ceilings; concrete hollow block, glass on anodized aluminum frame and fibered cement board on steel stud partitions; ceramic and granite tiles, carpet and plain cement floor finishes; awning glass on aluminum frame and glass panel on anodized aluminum frame windows; and full glass, glass on anodized aluminum frame, insulated steel plate, plywood and laminated wood doors.

The building is painted and provided with electrical lighting and plumbing facilities. Total floor area including parking areas is approximately 34,762 square meters.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing office/commercial building utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php311,302,484 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php629/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 38.49% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.39% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.51% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of **EBLOC 2 BUILDING (building and its facilities)** using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php2,489,328,000**.

MARKET VALUE APPRAISAL

Property exhibited to us as owned by the
AREIT, INC.

EBLOC 3 – CEBU IT PARK

Located in
Cebu IT Park
Barangay Lahug, Cebu City

02 February 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:**
LIBERTY MANTIAGO-AÑO, IPA, MRICS*Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-014A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain property exhibited to us as owned by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**

The appraised property is the **EBloc 3 Building – Cebu IT Park (building and its facilities)**, located **along V. Padriga Street, Cebu IT Park, Barangay Lahug, Cebu City**.

The term **Market Value**, as used herein is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property and investigated local market condition, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION THREE HUNDRED THIRTY-THREE MILLION FORTY-SIX THOUSAND (Php1,333,046,000) PESOS**.

We made no investigation of and assume no responsibility for claims to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-014A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-014A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Cebu IT Park, Barangay Lahug, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset and liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is the **EBloc 3 Building – Cebu IT Park**, located **on the southwest side of V. Padriga Street, Cebu IT Park, Barangay Lahug, Cebu City**.

The property is located across eBloc 2, approximately 180 meters northwest from W. Geonzon Street; 360 meters southwest from I. Villa Street; 380 meters northwest from J.M. del Mar Street; and about 530 meters northeast from Salinas Drive.

V. Padriga Street is 20 meters wide, concrete-paved and provided with concrete sidewalks, concrete curbs and gutters, center island and underground drainage.

III. NEIGHBORHOOD DATA

Cebu IT Park (formerly known as Asiatown IT Park) is a 27-hectare mixed use business park envisioned to attract locators in the Information Technology Services. It is developed by Cebu Property Ventures and Development Corporation, a subsidiary of Cebu Holdings, Inc.

Generally, the roads in the neighborhood are designed to accommodate light to medium vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in Cebu IT Park are:

Avida Towers - Cebu	Skyrise 1 to 3
eBloc Towers 1 to 4	Park Centrale
Calyx Centre	Garden Bloc
Ayala Central Block Mall	TGU Tower
Filinvest Cebu Cyberzone	

Ayala Central Block Mall – Cebu and SM City – Cebu serve the shopping and marketing needs of the residents in the area. These are accessible from the subject property by taxicabs and hired motorcycles (locally known as habal-habal). Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are accessible from the subject property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the site.

Public transportation connecting to various sections of Cebu City as well as to other parts of Cebu Province is available along Salinas Drive which is approximately 530 meters from the subject property. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. DESCRIPTION OF THE SUBJECT BUILDING

EBloc 3 Building

This is a 13-storey reinforced concrete-framed building with roof deck having reinforced concrete slab roof deck; reinforced concrete partly with aluminum composite panel and glass on anodized aluminum frame walls; fibered cement board on metal furring, gypsum board and acoustic board on aluminum T-runner ceilings; concrete hollow block, glass on anodized aluminum frame and fibered cement board on steel stud partitions; ceramic and granite tiles, carpet and plain cement floor finishes; awning glass on aluminum frame and glass panel on anodized aluminum frame windows; and full glass, glass on anodized aluminum frame, insulated steel plate, plywood and laminated wood doors.

The building is painted and provided with electrical lighting and plumbing facilities. Total floor area including parking areas is 21,444-square meters.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that an **existing office/commercial building utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php156,782,832 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php653/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 47.14% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.64% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.11% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the Basis of the foregoing, the market value of **EBLOC 3 Building and its facilities** using the Discounted Cash Flow Analysis, is represented in the amount of **Php1,333,046,000**.

MARKET VALUE APPRAISAL

Property exhibited to us as owned by the
CEBU HOLDINGS, INC

EBLOC 4 – CEBU IT PARK

Located in
Cebu IT Park
Barangay Lahug, Cebu City

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-015A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain property exhibited to us as owned by the **CEBU HOLDINGS, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **EBloc 4 Building - Cebu IT Park (building and its facilities)**, located **along Jose Maria del Mar Street, Cebu IT Park, Barangay Lahug, Cebu City**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION SIX HUNDRED SIXTY-FOUR MILLION NINETEEN THOUSAND (Php1,664,019,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-015A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-015A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Cebu IT Park, Barangay Lahug, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset and liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is the **EBloc 4 Building – Cebu IT Park** located **on the southeast side of Jose Maria del Mar Street, Cebu IT Park, Barangay Lahug, Cebu City**.

The property is located across Ebloc 1 Building and Avida Tower Riala, approximately 90-meter northwest from Governor M. Cuenco Avenue; and about 620 meters northeast from Salinas Drive.

Jose Maria del Mar Street is 25 meters wide, concrete-paved and provided with concrete sidewalks, concrete curbs and gutters, center island and underground drainage.

III. NEIGHBORHOOD DATA

Cebu IT Park (formerly known as Asiatown IT Park) is a 27-hectare mixed use business park envisioned to attract locators in the Information Technology Services. It is developed by Cebu Property Ventures and Development Corporation, a subsidiary of Cebu Holdings, Inc.

Generally, the roads in the neighborhood are designed to accommodate light to medium vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in Cebu IT Park are:

Avida Towers - Cebu
Skyrise 1 to 3
eBlock Towers 2 to 4
Park Centrale
Filinvest Cebu Cyberzone
Calyx Centre
TGU Tower
Ayala Central Block Mall

Ayala Central Block Mall – Cebu and SM City – Cebu serve the shopping and marketing needs of the residents in the area. These are accessible from the subject property by taxicabs and hired motorcycles (locally known as habal-habal). Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are accessible from the subject property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply, and telecommunication facilities are available at the site.

Public transportation connecting to various sections of Cebu City, as well as to other parts of Cebu Province, is available along Salinas Drive which is approximately 620 meters from the subject property. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

The land is technically identified as Lot 1, (LRA) PCS-E2019000680, containing an area of 2,420 square meters, covered by Transfer Certificate of Title No. 107-2019004887 issued on 5th of November 2019 by the Registry of Deeds for the Cebu City in favor of the **CEBU HOLDINGS, INC.**

The land is bounded by the following properties:

Northeast	-	Lot 2, (LRA) PCS-E2019000680
Southeast	-	Lot 3, PSD-07-021172
Southwest	-	Lot 1, Block 9, PSD-07-037105
Northwest	-	Lot 4 (Road), (LRA) PCS-E2019000680) (Jose Maria del Mar Street)

Attached is a plan of the property as plotted based on the technical description appearing in the title furnished to us by the client. As shown, the land is nearly rectangular in shape with a frontage on Jose Maria del Mar Street.

The terrain of the land is flat. Its elevation is uniform and above the grade of the fronting street.

No title verification was conducted to confirm the existence of the owner's original copy of the title supposedly on file with the Registry of Deeds since it is not included in the assignment.

Government Assessment

BIR Zonal Value of Real Property within Barangay Lahug, Cebu City as per Department Order No. 054-2023, effective 06 October 2023.

Street Name	Vicinity	Classification	5 th Revision Zonal Value (Php/sq.m.)
Salinas Drive	IT Park	Commercial	135,000

VI. DESCRIPTION OF BUILDING

EBloc 4 Building

This is a twelve (12)-storey reinforced concrete-framed building with roof deck of reinforced concrete slab floors, fiber cement board on metal furring and concrete soffit slab ceilings; reinforced concrete, partly with aluminum composite panel and glass on anodized aluminum frame walls; concrete hollow block, glass on anodized aluminum frame and fiber cement board on steel stud partitions; glass on aluminum frame and glass panel on anodized aluminum frame windows; frameless glass, glass on anodized aluminum frame, insulated steel panel doors; and ceramic and granite tile, carpet and plain cement finished concrete floors.

The building is painted and provided with electrical and plumbing facilities. Total floor area including parking areas is 21,686 square meters.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing office/commercial building utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php185,022,343 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php737/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 46.98% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.56% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.20% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)															
EBLOC 4 KEYLAND															
STATISTICS															
					Ave. Lease Rate on Yr. 1										
Gross Leasable Area (GLA)	Office Spaces	15,835.11	sq.m.	Php724/sq.m./mo.											
Leased Out GLA	Office Spaces	13,549.27	sq.m.												
Discount Rate		9.42%													
Average Growth Rate		2.50%													
Terminal Capitalization Rate		6.92%													
Present Worth Factor			0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663			
		Year	1	2	3	4	5	6	7	8	9	10	Totals	11	
GROSS REVENUES	Escalation	-	-4.01%	4.37%	4.00%	5.81%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%			2.50%
Office Spaces		-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-	-			
Total Annual Revenues		-	-	-	-	-	-	-	-	-	-	-	-	-	-
LESS:															
Vacancy Rate (incl. bad debts)	14% of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)		141,044,056	135,388,113	141,306,916	146,965,390	155,507,245	159,394,926	163,379,799	167,464,294	171,650,901	175,942,174	1,558,043,811	180,340,728		
PLUS: Dues - Net		43,978,287	40,576,324	44,359,782	48,213,645	53,836,449	55,182,361	56,561,920	57,975,968	59,425,367	60,911,001	521,021,103	62,433,776		
Total Effective Gross Revenues (EGR)		185,022,343	175,964,437	185,666,698	195,179,034	209,343,694	214,577,286	219,941,718	225,440,261	231,076,268	236,853,175	2,079,064,914	242,774,504		
LESS: DIRECT OPERATING EXPENSES	Php														
Direct Operating Expenses															
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others		(64,974,019)	(65,745,176)	(67,722,124)	(69,862,558)	(72,587,566)	(74,402,255)	(76,262,311)	(78,168,869)	(80,123,091)	(82,126,168)	(731,974,137)	(84,179,322)		
General Administrative Expenses		(770,515)	(793,631)	(817,440)	(841,963)	(867,222)	(888,902)	(911,125)	(933,903)	(957,250)	(981,182)	(8,763,132)	(1,005,711)		
Capital Expenditures		(8,680,000)	(5,415,525)	(5,652,277)	(5,878,616)	(6,220,290)	(6,375,797)	(6,535,192)	(6,698,572)	(6,866,036)	(7,037,687)	(65,359,990)	(7,213,629)		
Total		(74,424,534)	(71,954,331)	(74,191,840)	(76,583,136)	(79,675,077)	(81,666,954)	(83,708,628)	(85,801,344)	(87,946,377)	(90,145,037)	(806,097,259)	(92,398,663)		
NET INCOME		110,597,809	104,010,106	111,474,858	118,595,899	129,668,617	132,910,332	136,233,090	139,638,917	143,129,890	146,708,138	1,272,967,655	150,375,841		
ADD: Reversion Value (Resale Value)													2,174,403,479		
LESS: Marketing Cost	0.00% of Resale Value												0		
Net Reversion Value													2,174,403,479		
Present Worth Factor @	9.42% discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663		
Present Worth of Net Income		101,080,357	86,879,243	85,101,587	82,746,693	82,686,783	77,460,484	72,564,518	67,978,006	63,681,390	59,656,345	779,835,405			
Present Worth of Net Reversion Value													884,183,837		
Total Present Value of Net Income													779,835,405		
Present Worth of Net Reversion Value													884,183,837		
Total													1,664,019,241		
Market Value of Property (building and its facilities)	PHP												1,664,019,241		
Rounded to	PHP												1,664,019,000		

On the Basis of the foregoing, the market value of EBLOC 4 BUILDING (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php1,664,019,000.**

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

ONE AND TWO EVOTECH BUILDINGS

Located in
Barangay Sto. Domingo
Sta. Rosa City, Laguna

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices, has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-009A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of **ONE AND TWO EVOTECH BUILDINGS (buildings and its facilities), bounded by Taal Street and Evozone Avenue, within Barangay Sto. Domingo, Sta. Rosa City, Laguna.**

The term **Market Value**, as used herein is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property using the income approach appraised as of **31 December 2025** is reasonably represented in the amount of **THREE BILLION ONE HUNDRED SIXTY-FOUR MILLION TWO HUNDRED ELEVEN THOUSAND (Php3,164,211,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,
CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-009A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-009A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Barangay Sto. Domingo, Sta. Rosa City, Laguna. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset and liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 12-2024-1132-009, the appraised property are the **One and Two Evotech Buildings, bounded by the Taal Street and Evozone Avenue**, located within Barangay Sto. Domingo, Sta. Rosa City, Laguna.

The property is located across Seda Nuvali Hotel and Solenad by Ayala Malls; approximately 400 meters southeast from Vista Mall – Sta. Rosa; 500 meters from The Sonoma; 960 meters southeast from the Paseo Outlets; and 1.80 kilometers northwest from the Sta. Elena Golf and Country Club.

Taal Street and Evozone Avenue are both 15 meters wide, respectively. Both are concrete paved and provided with concrete curbs and gutters, and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed residential and commercial use.

Generally, the streets in the neighborhood are designed to accommodate light to medium vehicular and pedestrian traffic loads. Major thoroughfares are asphalted, with widths ranging from 10 to 30 meters and lighted with streetlamps.

Some of the improvements in the vicinity are --

Santarosa Estates
Laguna Technopark
Laguna Bel Air
The Sonoma
Valenza Crown Asia

Vista Mall - Sta. Rosa, Paseo Outlets, Nuvali, Ayala Mall Solenad and Landmark Sta. Rosa serve as the shopping and commercial centers in the area. These malls are accessible from Santa Rosa – Tagaytay Road by public transportation. Other community centers like the post office, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject buildings.

Public transportation connecting to various sections of Sta. Rosa City and its nearby towns is available along Santa Rosa - Tagaytay Road, approximately 250 meters from the subject property. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. DESCRIPTION OF THE SUBJECT BUILDINGS

One Evotech Building

This is a four (4)-level reinforced concrete-framed building with roof deck, having rib-type long span iron sheet on steel frame and reinforced concrete slab roofing; gypsum board, fibered cement board, acoustic board on T-runner ceilings; cement plastered concrete hollow block walls; fibered cement board partitions; steel louver, frameless glass panel, steel grilles and glass on aluminum powder coated windows; ceramic tiles, glazed vinyl tiles, partly carpeted floor floors; and wood panel plywood flush, steel metal, frameless glass doors.

The building is painted and provided with electrical, plumbing and telecommunication facilities, two (2) passenger elevators and equipped with firefighting equipment. Total floor area is approximately 15,560 square meters, allocated as under:

Floor Levels	Area (sq.m.)
Ground	3,980
Second	3,980
Third	3,980
Fourth	<u>3,980</u>
Total	- 15,560 sq.m.

Two Evotech Building

This is a five (5)-storey reinforced concrete-framed building with roof deck, having rib-type long span iron sheet on steel frame and reinforced concrete slab roofing; gypsum board, fibered cement board, acoustic board on T-runner ceilings; cement plastered concrete hollow block walls; fibered cement board partitions; steel louver, frameless glass panel, steel grilles and glass on aluminum powder coated windows; ceramic tiles, glazed vinyl tiles, partly carpeted floor floors; and wood panel plywood flush, steel metal, frameless glass doors.

The building is painted and provided with electrical, plumbing and telecommunication facilities, two (2) passenger elevators and equipped with firefighting equipment. Total floor area is approximately 13,580 square meters, allocated as under:

Floor Levels	Area (sq.m.)
Ground	2,716
Second	2,716
Third	2,716
Fourth	2,716
Fifth	<u>2,716</u>
Total - 13,580 sq.m.	

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the assumptions/estimates shown on the next page:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php307,279,650 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php676/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 41.87% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.51% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 5.81% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitalization rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the foregoing, the market value of the property (building and its facilities), ONE AND TWO EVOTECH using the Discounted Cash Flow Analysis, is represented in the amount of **Php3,164,211,000.**

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

GREENBELT 3 AND 5

Located in
Barangay San Lorenzo
Makati City, Metro Manila

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data, and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices to undertake the work required. has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-028A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of **buildings and other land improvements of Greenbelt 3 and 5, including its facilities**, located in **Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised based on the income approach (Discounted Cash Flow) as of **31 December 2025** is reasonably represented in the amount of **SIX BILLION EIGHT HUNDRED EIGHTY-NINE MILLION FOUR HUNDRED NINETY-THREE THOUSAND (Php6,889,493,000) PESOS.**

We made no investigation of and assume no responsibility for titles to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO

Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:jpc

CAI File No. 12-2025-1327-028A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-028A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Barangay San Lorenzo, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is located **within Barangay San Lorenzo, Makati City, Metro Manila**.

Greenbelt is bounded by Dela Rosa Street on the northeast; Makati Avenue on the southeast; Esperanza Street on the southwest; Paseo de Roxas Avenue on the northwest; and Legaspi Street on the north; approximately 145 meters southwest from Ayala Avenue; 610 meters southwest from the corner of Makati Avenue and Paseo de Roxas Avenue; 980 meters southwest from the intersection of Makati and Sen Gil J. Puyat Avenues; and about 2.0 kilometers southwest from the intersection of Epifanio de los Santos and Sen. Gil J. Puyat Avenues.

Makati and Paseo de Roxas Avenues are 30 and 20 meters wide, respectively. Both are concrete paved with asphalted topping and provided with concrete curbs and gutters, concrete sidewalks, underground drainage, and center-island, while Esperanza and Legaspi Streets are 10 and 12 meters wide, respectively. Both are concrete paved and provided with concrete curbs and gutters, concrete sidewalks and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in Makati Central Business District (MCBD), a well-planned area developed and fully improved with multi-storey office residential condominiums strategically located near several first-class residential, commercial and light-industrial villages of Makati City.

Generally, the streets in the neighborhood are designed to accommodate light to heavy vehicular and pedestrian traffic loads. Major thoroughfares are asphalted, with widths ranging from 15 to 60 meters and lighted with streetlamps.

Some of the improvements in the vicinity are:

New World Hotel Makati City
The Residences Greenbelt
Fairmont Makati Hotel/Raffles Makati Hotel
The Landmark
Makati Shangri-La – Manila
SM Makati
Park Square
Park Terraces
Garden Towers
Asian Institute of Management

Ayala Center serves as the commercial and shopping center in the area. The property is located with Ayala Center. Other community centers like the post office, churches/chapels, hospitals/clinics, and private and public schools are accessible from Makati Avenue and Paseo de Roxas Avenue.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply, and telecommunication facilities are available at the site.

Public transportation connecting to various sections of Makati City, as well as to the other parts of Metro Manila, is available along Ayala Avenue which is about 300 meters from the subject property. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. DESCRIPTION OF IMPROVEMENTS

The land is improved with buildings and other land improvements described as follows:

A. Buildings

Greenbelt 3

This is a three (3)-storey reinforced concrete framed building of pre-painted ribbed type long span sheet roof; fiber cement board ceilings; cement plastered concrete hollow block walls; glass on aluminum frame windows; glass panel; flush type and glass panel with sensor sliding doors; and marble tiles, ceramic tiles, plain cement, and epoxy paint finished floor.

The building features cafe and restaurants, as well as fashion retailers on the ground floor; casual dining outlets and cafes on the second floor; cinemas ticket lobby, cafes, bars, and family entertainment center on the third and movie theaters on the third floors.

This is painted and provided with electrical, plumbing, telecommunication, and HVAC facilities. This also has elevators, escalators and firefighting equipment. Total floor area is approximately 36,659 square meters.

The estimated remaining economic life is 23 years.

Greenbelt 5

This is a four (4) and three (3)-storey reinforced concrete framed building with roof deck and basement of pre-painted ribbed type long span sheet roof; fiber cement board ceilings; cement plastered concrete hollow block walls; glass on aluminum frame windows; glass panel; flush type and glass panel with sensor sliding doors; and marble tiles, ceramic tiles, plain cement, and epoxy paint finished floor.

This is painted and provided with electrical, plumbing, telecommunication, and HVAC facilities. This also has elevators, escalators and firefighting equipment. Total floor area is approximately 57,370 square meters.

The estimated remaining economic life is 26 years.

**Note: Greenbelt Buildings 1 to 5 are interconnected.*

B. Other Land Improvements

These consist of driveways, walkways, and landscaping.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For the purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php420,233,362 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 2.5% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 5.28% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

[illegible]

On the basis of the foregoing, the market value of the property Greenbelt 3 & 5 (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php6,889,493,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

GLORIETTA 1 and 2 MALLS

Located in
Ayala Center
Makati City, Metro Manila

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

: **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made based on certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form, and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao, and Iloilo offices, has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

: **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-022A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraisal certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of **buildings of the Glorietta 1 and 2 Malls**, located in **Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market condition, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **FOUR BILLION SIX HUNDRED SEVENTEEN MILLION SIX HUNDRED NINETY THOUSAND (Php4,617,690,000) PESOS.**

We made no investigation of and assume no responsibility for titles to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest in the appraised property or in the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVS:atv

CAI File No. 12-2025-1327-022A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-022A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located in Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are property rights in fee simple, free, and clear. **Fee Simple** is defined as the absolute fee without limitation to any class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 12-2024-1132-022, the appraised property is the **Glorietta 1 & 2 Malls**, located in **Glorietta Shopping Mall Complex, Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

The site of Glorietta Shopping Mall Complex is bounded by Office Drive on the northeast; Courtyard Drive and East Street on the southeast; Palm Drive on the southwest; and West Street and Parkway Drive on the northwest. This complex is located approximately 120 meters northeast from Antonio S. Arnaiz Avenue; 300 meters southwest from Ayala Avenue; and about 600 meters northwest from the intersection of Epifanio de los Santos Avenue (EDSA) and Ayala Avenue.

Office Drive, Courtyard Drive, East Street, Palm Drive, West Street and Parkway Drive are 15 meters wide, concrete-paved with asphalt overlay and provided with concrete curbs and gutters, and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in The Ayala Center, a major commercial development operated by Ayala Land located in the Makati Central Business District in Makati.

Generally, the streets in the neighborhood are designed to accommodate light to heavy vehicular and pedestrian traffic loads. Major thoroughfares are asphalted, with widths ranging from 10 to 50 meters and lighted with streetlamps.

Some of the improvements in the vicinity are:

SM City - Makati
Pacific Plaza Condominium
The Landmark
Greenbelt
Pacific Plaza Condominium
Ritz Towers
Makati Shangri-La

Ayala Center serves the shopping needs of the residents in the area. This is accessible from Ayala Avenue by public transportation. Other community centers like the post office, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Makati City, as well as to the other parts of Metro Manila is available along Ayala Avenue which is 120 meters from the shopping mall complex. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

Based on previous appraisal report, and as per client information on the complex area, the whole shopping complex where the subject building lies has a total land area of 250,000 square meters, more or less.

Attached is a copy of the site development plan of the property as plotted based on the previous report. As shown, the site of the shopping mall complex is bounded by Office Drive on the northeast; Courtyard Drive and East Street on the southeast; Palm Drive on the southwest; and West Street and Parkway Drive on the northwest.

The terrain of the land is flat, and above the grade of the fronting avenues.

No title verification was conducted to confirm the existence of the owner's original copy of the titles supposedly on file with the Registry of Deeds, since it is not included in the assignment.

Government Assessment

BIR Zonal Value of Real Property within Barangay San Lorenzo (Legaspi Village), Makati City per Department Order No. 037-2021, effective 22 December 2021:

Street Name	Vicinity	Classification	7 th Revision Zonal Value (Php/sq.m.)
East Drive	Ayala Center	Commercial	750,000

VI. DESCRIPTION OF THE BUILDINGS

Glorietta Shopping Malls (Glorietta 1 to 5)

Glorietta 1, 2, 3 and 5 are three (3)-storey integrated malls, except for Glorietta 4 which is five (5)-storey mall, of reinforced concrete-framed building with basement parking and roof deck, having rib-type long span iron sheet on steel frame and reinforced concrete slab roofing with water proofing membrane; fibered cement board, steel panel, aluminum panel and acoustic board on aluminum T-runner ceilings; cement plastered concrete hollow block partly with granite tile finish partly gypsum board with aluminum composite panel cladding interior walls; cement plastered concrete hollow block and aluminum composite panel exterior walls; cement plastered concrete hollow block, fixed tempered glass and glass on aluminum frame partitions; glass on aluminum powder coated and steel louver windows; steel plate, wood panel, plywood flush, metal flush, frameless glass and glass on aluminum powder coated doors; granite, glazed, vinyl and ceramic tiles, and plain cement on epoxy paint finished concrete floors.

The building is painted and provided with electrical, plumbing and telecommunication facilities, elevators, escalators, firefighting equipment, standby generator set and centralized air conditioning.

Total floor area of Glorietta 1 to 5 Malls is approximately 199,648 square meters.

Note: Only Glorietta 1 and 2 were considered in the discounted cash flow analysis valuation.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, and discounted cash flow analysis. These methods are based on an analysis of a property's operating income.

Income Capitalization Approach

This is a comparative approach to value that considers income and expense data relating to the property being valued and estimate value through a capitalization process. Capitalization relates to income (usually net income) and a defined value type by converting an income amount into a value estimate.

Discounted Cash Flow (DCF) Analysis

This is a financial modeling technique based on explicit assumptions regarding the prospective cash flow to a property or business. As an acceptable methodology within the income approach valuation. DCF analysis involves the projection of a series cash flows either to an operating property, a development property or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property or business.

In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion terminal value/exit value, anticipated at the end of the projection period, is then discounted.

Considering these factors, we used a discounted cash flow analysis over a 9.25-year investment period. The discounted cash flow analysis to determine the market value by adapting the computed NPV of the property (based on its projected income) is contingent on the following assumptions:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php276,499,712 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 2.5% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 3.53% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;

7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of **Glorietta 1 and 2 Malls** (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php4,617,690,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

Glorietta 1 BPO

Located in
**Barangay San Lorenzo
Makati City, Metro Manila**

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made based on certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao, and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required. The company is accredited with the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC).

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-020A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of certain real property exhibited to us by the **AREIT INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate reference use as of **31 December 2025**.

The appraised property consists of a **building (Glorietta 1 BPO)**, located at the **5th to 10th floors of Glorietta 1, within Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value,

Discounted Cash Flow Analysis,

Lease / Rent rates of the property,

Extent, character, and utility of the property, and

Highest and best use of the property.

Premised on the foregoing, and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably presented in the amount of **FOUR BILLION TWO HUNDRED NINETY-THREE MILLION ONE HUNDRED SEVENTEEN THOUSAND (Php4,293,117,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest in the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRO Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:jpc

CAI File No. 12-2025-1327-020A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-020A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Barangay San Lorenzo, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances, and that fee simple ownership is transferable.

The rights appraised in this report are property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

The appraised property consists of **a building occupied by Glorietta 1 BPO**, located **at the 5th to 10th floor of Glorietta 1, along Ayala Avenue, within Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

Glorietta Commercial Complex is bounded by East Street on the southeast, Palm Drive on the southwest, Parkway Drive on the northwest and Ayala Avenue on the located on the north corner of Ayala Avenue on the northeast. It is located approximately 240 meters northwest from Epifanio de los Santos Avenue; 250 meters northeast from Palm Drive; 400 meters northeast from Arnaiz Avenue; 400 meters southeast from Makati Avenue; and about 800 meters southeast from Paseo de Roxas.

Palm Drive, Parkway Drive and East Street are 20 meters wide while Ayala Avenue is 30 meters wide, concreted with asphalt overlay and provided with concrete curbs and gutters, concrete sidewalks and underground drainage.

III. NEIGHBORHOOD DATA

The Ayala Center is a major commercial development operated by Ayala Land, located in the Makati Central Business District in Makati, Metro Manila.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concrete paved, with widths ranging from 15 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Rustan's Makati
Ritz Tower
Pacific Plaza Condominium
The Makati Tuscanny
Discovery Primea

SM Makati, Landmark and Greenbelt serve as the shopping, marketing, and commercial needs of the residents in the area. These are short distance from the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

III. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Makati City as well as to the other parts of Metro Manila is available along Epifanio de los Santos Avenue (EDSA) which is approximately 240 meters where the subject condominium building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. DESCRIPTION OF THE SUBJECT PORTION OF BUILDING

The property consists of six (6) levels occupied by Glorietta 1 BPO, located on the 5th to 10th of Glorietta 1, containing a total floor area of 18,769.87 square meters, more or less.

Glorietta 1 BPO is of a reinforced concrete frame on foundation, plaster cement finished concrete hollow block walls and partitions, exposed soffit slab, gypsum board on C-stud frame and acoustic fiber board on T-runner ceilings; cement plastered concrete hollow block walls; fiber cement board, laminated gypsum board, and glass panel partitions; glass on powder coated frame windows; PVC partly with glass, wood panel, metal and glass on aluminum frame doors; and ceramic tile, carpet tile, and epoxy paint finished concrete floors.

This is painted and provided with electrical, firefighting equipment, and plumbing facilities. Based on the list provided by the client, the gross leasable area is approximately 18,769.87 square meters, allocated on the next page:

Floor Level	Area (sq.m.)
5 th	3,016.40
6 th	3,159.37
7 th	3,150.63
8 th	3,143.47
9 th	3,149.70
10 th	<u>3,150.30</u>
Total - 18,769.87 sq.m.	

Estimated remaining economic life is 29 years.

VI. DESCRIPTION OF THE SUBJECT BUILDING

Glorietta 1

The vibrant convergence points of the Makati Central Business District. Strategically located near prestigious office addresses, premier hotels, and main transport terminals, Glorietta occupies a central space in the lives of those in the business district. With its wide selection of shopping, dining, and entertainment offerings organized into strategic zones, Glorietta caters to the various needs of office workers, students, friends, and families.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property.

These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php390,567,059 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php1,311/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 3.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 35.92% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.57% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.08% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capititation rate is estimated at 6.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.



Cuervo Appraisers, Inc.®
ASSET VALUATION SOLUTIONS

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

GLORIETTA 2 BPO

Located in
Barangay San Lorenzo
Makati City, Metro Manila

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

: **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made based on certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao, and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:**
LIBERTY SANTIAGO-AÑO, IPA, MRICS*Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

: **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-021A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of a **building of Glorietta 2 BPO**, located **on the 5th to 11th floors of Glorietta 2, within Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market conditions, and considered the –

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing, and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably presented in the amount of **THREE BILLION EIGHT HUNDRED ONE MILLION SEVEN HUNDRED FIVE THOUSAND (Php3,801,705,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest in the appraised property or in the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-021A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-021A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Barangay San Lorenzo, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances, and that fee simple ownership is transferable.

The rights appraised in this report are property rights in fee simple, free, and clear. **Fee Simple** is defined as the absolute fee without limitation to any class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 12-2024-1132-021, the appraised property is a **building**, located **on the 5th to 11th floors of Glorietta 2, along Ayala Avenue, within Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

Glorietta Commercial Complex is bounded by East Street on the southeast, Palm Drive on the southwest, Parkway Drive on the northwest and Ayala Avenue on the north corner of Ayala Avenue on the northeast. It is located approximately 240 meters northwest from Epifanio de los Santos Avenue; 250 meters northeast from Palm Drive; 400 meters northeast from Arnaiz Avenue; 400 meters southeast from Makati Avenue; and about 800 meters southeast from Paseo de Roxas.

Palm Drive, Parkway Drive and East Street are 20 meters wide while Ayala Avenue is 30 meters wide, concreted with asphalt overlay and provided with concrete curbs and gutters, concrete sidewalks, and underground drainage.

III. NEIGHBORHOOD DATA

The Ayala Center is a major commercial development operated by Ayala Land located in the Makati Central Business District in Makati, Metro Manila.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concrete-paved, with widths ranging from 15 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Rustan's Makati
The Makati Tuscanny
Pacific Plaza Condominium
Ritz Tower
Discovery Primea

SM Makati, Landmark and Greenbelt serve the shopping, marketing and commercial needs of the residents in the area. These are short distance from the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Makati City as well as to the other parts of Metro Manila is available along Ayala Avenue. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. DESCRIPTION OF THE SUBJECT PORTION OF BUILDING

The property is a building located on the 5th to 11th floors of Glorietta 2 - BPO, containing a total floor area of 21,256.23 square meters, more or less.

This portion of the building is being leased by BPOs, with interior finishes technically described as follows:

5th Floor

Interior finishes consist of exposed soffit slab ceiling, cement plastered concrete hollow block walls; double walled gypsum board on C-stud frame with decorative wood plank and brick tile finished partitions; fixed glass and glass on powder coated frame windows; PVC panel, glass panel and glass on frameless doors; and partly ceramic tile and mainly carpet tile finished concrete floor.

6th to 10th Floors

Interior finishes consist of gypsum board on C-stud frame and acoustic fiber board on T-runner ceilings; cement plastered concrete hollow block walls; double walled gypsum board on C-stud frame and fixed glass on wood and aluminum frame partitions; fixed glass and glass on powder coated frame windows; wood panel and frameless glass doors; and ceramic tile, laminated vinyl tile and partly carpet tile finished concrete floor.

11th Floor

Interior finishes consist of gypsum board on C-stud frame and acoustic fiber board on T-runner ceiling; cement plastered concrete hollow block walls; double walled gypsum board on c-stud frame and fixed glass on wood and aluminum frame partitions; fixed glass and glass on powder coated frame windows; wood panel and frameless glass doors; and ceramic tile, laminated vinyl tile and partly carpet tile finished concrete floor.

These units are painted and provided with electrical lighting, firefighting, and plumbing facilities. Total floor area is approximately 21,256.23 square meters, allocated as follows:

Floor Level	Area (sq.m.)
5 th	3,037.23
6 th	3,042.00
7 th	3,040.00
8 th	3,038.00
9 th	3,037.00
10 th	3,033.00
11 th	<u>3,029.00</u>
Total - 21,256.23 sq.m.	

Estimated remaining economic life is 29 years.

VI. DESCRIPTION OF THE BUILDING**Glorietta 2**

The vibrant convergence points of the Makati Central Business District. Strategically located near prestigious office addresses, premier hotels, and main transport terminals, Glorietta 2 occupies a central space in the lives of those in the business district. With its wide selection of shopping, dining, and entertainment offerings organized into strategic zones, Glorietta caters to the various needs of office workers, students, friends, and families.

VII. VALUATION

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, and discounted cash flow analysis. These methods are based on an analysis of a property's operating income.

Income Capitalization Approach

This is a comparative approach to value that considers income and expense data relating to the property being valued and estimates value through a capitalization process. Capitalization relates income (usually net income) and a defined value type by converting an income amount into a value estimate.

Discounted Cash Flow (DCF) Analysis

This is a financial modeling technique based on explicit assumptions regarding the prospective cash flow to a property or business. As an acceptable methodology within the income approach valuation, DCF analysis involves the projection of a series cash flows either to an operating property, a development property, or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property or business.

In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion terminal value/exit value, anticipated at the end of the projection period, is then discounted.

Considering these factors, we used a discounted cash flow analysis over a 9.25-year investment period. The discounted cash flow analysis to determine the market value adapting the computed NPV of the property (based on its projected income) is contingent on the following assumptions:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php352,556,283 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php1,292/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 3.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 34.76% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.23% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.12% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)														
GLORIETTA 2 BPO														
STATISTICS														
					Ave. Lease Rate on Yr. 1									
Gross Leasable Area	Office Space	21,256.23	sq.m.	Php1,314/sq.m./mo.										
Leased Out GLA	Office Space	15,190.00	sq.m.											
Occupied GLA	Office Space	15,190.00	sq.m.											
	Parking Slots	-	slots											
Discount Rate		9.42%												
Average Growth Rate		3.00%												
Terminal Capitalization Rate		6.42%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES			Escalation	-	-1.71%	5.64%	9.93%	4.69%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Office Spaces				-	-	-	-	-	-	-	-	-	-	
Parking Slots				-	-	-	-	-	-	-	-	-	-	
				-	-	-	-	-	-	-	-	-	-	
				-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	6%	of gross revenues		-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				318,405,741	312,976,118	330,636,982	363,479,605	380,523,126	391,938,819	403,696,984	415,807,893	428,282,130	441,130,594	3,786,877,994
PLUS: Dues - Net				34,150,542	35,868,155	37,671,952	39,566,251	41,555,585	45,236,864	46,593,970	47,991,789	49,431,543	50,914,489	428,981,142
Total Effective Gross Revenues (EGR)				352,556,283	348,844,274	368,308,935	403,045,856	422,078,711	437,175,684	450,290,954	463,799,683	477,713,673	492,045,083	4,215,859,136
LESS: DIRECT OPERATING EXPENSES		Php												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(109,847,953)	(120,485,736)	(125,802,187)	(134,248,305)	(139,325,932)	(129,325,932)	(133,205,710)	(137,201,882)	(141,317,938)	(145,557,476)	(1,316,319,051)
General Administrative Expenses				(755,889)	(778,566)	(801,923)	(825,980)	(850,760)	(850,760)	(876,283)	(902,571)	(929,648)	(957,538)	(8,529,916)
Capital Expenditures				(17,396,397)	(12,519,045)	(13,225,479)	(14,539,184)	(15,220,925)	(15,677,553)	(16,147,879)	(16,632,316)	(17,131,285)	(17,645,224)	(156,135,287)
Total				(128,000,239)	(133,783,346)	(139,829,589)	(149,613,470)	(155,397,617)	(145,854,245)	(150,229,872)	(154,736,768)	(159,378,871)	(164,160,237)	(1,480,984,254)
NET INCOME				224,556,045	215,060,928	228,479,346	253,432,386	266,681,094	291,321,439	300,061,082	309,062,915	318,334,802	327,884,846	2,734,874,882
ADD: Reversion Value (Resale Value)														5,263,960,147
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														5,263,960,147
Present Worth Factor @	9.42%	discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	0.40663
Present Worth of Net Income				205,231,961	179,639,568	174,424,577	176,824,764	170,056,582	169,782,885	159,827,452	150,455,769	141,633,607	133,328,742	1,661,205,907
Present Worth of Net Reversion Value														2,140,499,003
Total Present Value of Net Income					1,661,205,907									
Present Worth of Net Reversion Value					2,140,499,003									
Total					3,801,704,910									
Market Value of Property (building and its facilities)			Php		3,801,704,910									
Rounded to			Php		3,801,705,000									

On the basis of the foregoing, the market value of **Glorietta 2 BPO** (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php3,801,705,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

Holiday Inn & Suites Makati

Located in
**Ayala Center, Barangay San Lorenzo
Makati City, Metro Manila**

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) the Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices to undertake the work required. has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-029A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of a **building and its facilities, of the Holiday Inn and Suites Makati**, located **along Palm Drive within Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **THREE BILLION THREE HUNDRED FIFTY-FIVE MILLION TWO HUNDRED TWENTY-TWO THOUSAND (Php3,355,222,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Bacoor

AVS:mfm

CAI File No. 12-2025-1327-029A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-029A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Barangay San Lorenzo, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided by the clients, the appraised property is the **Holiday Inn & Suites Makati**, located **along Palm Drive, within Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

The site of Holiday Inn & Suites is located on the northeast side of Palm Drive, approximately 100-meters northwest from East Street; 125-meters southeast from West Street; and about 270-meters northwest from Epifanio de los Santos Avenue (EDSA) near Ayala MRT Station.

Ayala Avenue, East and West Streets are correspondingly 40, 15 and 15 meters wide. These are concrete paved with asphalt overlay, provided with concrete sidewalks, concrete curbs and gutters, and underground drainage, and a center island.

III. NEIGHBORHOOD DATA

The Ayala Center is a major commercial development operated by Ayala Land located in the Makati Central Business District Makati, Metro Manila.

The Ayala Center is a recreational, shopping, dining, and entertainment development located in the heart of Makati. It is bounded by Ayala Avenue, Dela Rosa Street, and Legazpi Street to the north, Epifanio de los Santos Avenue (EDSA) to the east, Arnaiz Avenue to the south, and to the west by Paseo de Roxas. The Ayala station of MRT Line 3 serves the area.

Today, the complex includes several malls, each with its own shopping and restaurant arcades and cinemas; three department stores, a number of hotels; and the Ayala Museum, showcasing exhibits on Philippine history and art.

To ensure traffic decongestion, most of the streets within Ayala Center are designed as one-way vehicular traffic. Pay parking along its principal streets is also being implemented.

Generally, the roads in the neighborhood follow a gridiron pattern designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 50 meters, and lighted with streetlights.

Some of the important improvements in the vicinity are:

Glorietta Malls
Dusit Thani Hotel
Park Square
Ayala Triangle Gardens
Ayala MRT Station
Assumption College San Lorenzo

Glorietta Malls, SM Makati, and The Landmark serve as the commercial and shopping centers in the area. These are short distance from the subject property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are accessible from Palm Drive by taxicab.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply, and telecommunication facilities are available in the subject hotel building.

Public transportation connecting to various sections of Makati City as well as to the other parts of Metro Manila is available in One Ayala Terminal which is approximately 500 meters from the subject hotel building. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are jointly maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. LAND DATA

No copy of the title or any ownership documents provided to us by the client. However, as measured on Google Map, Holiday Inn and Suites Makati stands on a 1,500-square meter lot.

Attached is the location plan of the property.

No title verification was conducted to confirm the existence of the owner's original copy of the title supposedly on file with the Registry of Deeds since it is not included in the assignment.

VI. DESCRIPTION OF THE IMPROVEMENTS

Holiday Inn & Suites Makati

This is a single tower building of sixteen (16)-storey with two (2)-level basements and roof deck sitting on top of the newly redeveloped Glorietta Mall. Building constructed to a 5-star hotel. The hotel houses 348 guest rooms which are comprised of standard rooms, junior suites, deluxe suites, and executive suites. A typical guest room floor has a footprint of about 1,240 square meters. Amenities include a lobby lounge, all-day dining, bar, function rooms, business center, executive lounge, health club, and fitness gym along Palm Drive.

This is a reinforced concrete frame, beams, columns, and foundation; reinforced concrete plain cement with ceramic, marble, granite, vinyl, carpeted, and automotive carbon black paint floor finish; gypsum board on aluminum T-runner, reinforced concrete, and suspended ceiling; cement plastered concrete hollow block walls, partially with floor to ceiling granite tile, wood cladding, stone strip tile and fixed glass on aluminum framed walls; cement plastered concrete hollow block, gypsum board, and low level with fabric cubicle wall partitions; reinforced concrete stairs, with steel handrail, wooden stair treads with glass and wood handrail; fixed glass on powder coated aluminum framed view and steel louver windows; steel canopy; wooden, flush type, glass on aluminum frame, frameless glass and steel panel doors.

This is equipped with 100% backup generators; high-speed designated to hotel specifications; provisions of two (2) data and Telecom Providers; independent integrated fire alarm and monitor sprinkler system; fully integrated security and access control systems as per hotel standards; fully integrated building management systems for monitoring the various support systems; and seismic device monitoring system among others. The total floor area is 27,391 square meters.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing utility, as hotel** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

By Income Approach

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation, and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php204,671,044 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 2.5% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 5.29% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of the **Holiday Inn and Suites Makati** (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php3,355,222,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

(Marquee Mall – Pampanga)

Located in
**Barangay Pulung Maragul
Angeles City, Pampanga**

28 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

: **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 28 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao, and Iloilo offices, has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

28 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

: **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-023A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as **31 December 2025**.

The appraised property is **building only (Marquee Mall – Pampanga)**, located within **Barangay Pulung Maragul, Angeles City, Pampanga**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market condition, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **TWO BILLION SEVEN HUNDRED FIFTY-SIX MILLION THREE HUNDRED TWENTY-SEVEN THOUSAND (Php2,756,327,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest in the appraised property or in the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:



ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVS:atv

CAI File No. 12-2025-1327-023A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-023A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Barangay Pulung Maragul, Angeles City, Pampanga. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are property rights in fee simple, free, and clear. **Fee Simple** is defined as the absolute fee without limitation to any class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 12-2024-1132-023, the appraised property is identified as the site of **Marquee Mall**, located **on the north corner of the North Luzon Expressway (NLEX) – Angeles Exit Road and Don Aniceto Gueco Avenue, Barangay Pulung Maragul, Angeles City, Pampanga**.

The property is across the Infinity Subdivision, Angeles City Hall Complex and Marquee Residences, approximately 100 meters southwest from the North Luzon Expressway (NLEX); 1.22 kilometers northeast from Jose P. Dizon Elementary School; 2.8 kilometers northeast from Puregold Pandan; 2.96 kilometers northeast from Saint Ignacio Subdivision; and about 3.75 kilometers northeast from the interchange of MacArthur Highway and Pandan Road.

NLEX-Angeles Exit Road and Don Aniceto Gueco Avenue are 30 and 20 meters wide, respectively. Both are concrete with asphalt overlay paved and provided with concrete curbs and gutters, concrete sidewalks, underground drainage, and center-island.

The configuration of the site, as inspected, appears to conform to the lot plan as plotted based on the technical description appearing in the title.

III. NEIGHBORHOOD DATA

The property is in an area where land development is of mixed residential and commercial use.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are asphalt paved, with widths ranging from 15 to 60 meters and lighted with streetlamps.

Some of the improvements in the vicinity are:

Angeles City Hall Complex
 Marquee Residences
 The Infinity Subdivision
 Pulong Maragul Barangay Hall
 Toyota – Angeles Pampanga, Inc.
 Marquee Place Club House
 Marquee Place Subdivision
 Santa Maria Village 2
 Angeles City National High School
 Forest Park Homes North
 Santa Teresita Elementary School

Puregold Pandan, SM City – Clark, Savers Mall and Robinsons Place Angeles serve the shopping needs of the residents in the area. These are accessible from Pandan Road by public transportation. Other community centers like the post office, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power and water supply facilities are available at the site.

Public transportation connecting to various sections of Angeles City and nearby towns is available along Pandan Road. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

Based on the said appraisal report, the land consists of two (2) adjoining lots, containing an aggregate area of 54,862 square meters, technically identified as follows:

Lot Nos.	Survey Nos.	TCT Nos.	Area (sq.m.)
1-A	Psd-03-170696	174000	12,395
1-C	Psd-03-170696	174001	<u>42,467</u>
			Total - 54,862 sq.m.

The above certificates of title were issued by the Registry of Deeds for Angeles City in favor of the **NORTHBEACON COMMERCIAL CORPORATION**.

The land, in its entirety, is bounded by the following properties:

Northeast	-	Lots 2, Pcs-03-014540 and 2-C, Psd-03-126460
Southeast	-	NLEX –Angeles Exit Road (Lot 5, Pcs-03-011411 and Lot 1-D)
Southwest	-	Don Anceto Gueco Avenue (Lot 5, Pcs-03-011411, Lot 1-B, and Lot 2-D, Psd-03-126460)
Northwest	-	Lots 1-A and 1-B

Attached is a plan of the property as plotted based on technical description appearing in the titles furnished to us by the client. As shown, the land is irregular in shape.

The terrain of the land is flat, uniform and at grade with the fronting roads.

No title verification was conducted to confirm the existence of the owner's original copy of the titles supposedly on file with the Registry of Deeds since it is not included in the assignment.

VI. DESCRIPTION OF IMPROVEMENT

The land is improved with a building described as under:

Marquee Mall Building

This is three (3)-storey of reinforced concrete frame and foundation, floors and stairs, and partly roof deck, of pre painted ribbed type long span metal sheet on steel frame and reinforced concrete slab roof with water proofing membrane; fiber cement board, aluminum spandrel and acoustic board on aluminum T-runner ceilings; concrete hollow block with plastered cement, stone deco, partly with granite tile and partly gypsum board with aluminum composite panel cladding interior and plastered cement and aluminum composite panel exterior finished walls; cement plastered concrete hollow block and glass panel partitions; glass on powder coated aluminum frame and concrete and steel louver type windows; steel and wood panel, plywood, PVC panel and metal flush, frameless glass and glass on powder coated aluminum panel doors; and homogenous tile, granite tile, vinyl tile, ceramic tile, carpet, steel plate, plain cement and rubberized epoxy paint finished floors.

The building is painted and complete with machinery and equipment as described in a separate cost approach valuation report. Total floor area is approximately 64,888 square meters, allocated as follows:

Floor Level	Area (sq.m.)
Ground	29,120
Second	22,880
Third	<u>12,888</u>
Total	- 64,888 sq.m.

Estimated remaining economic life is 29 years.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, and discounted cash flow analysis. These methods are based on an analysis of a property's operating income.

Income Capitalization Approach

This is a comparative approach to value that considers income and expense data relating to the property being valued and estimates value through a capitalization process. Capitalization relates income (usually net income) and a defined value type by converting an income amount into a value estimate.

Discounted Cash Flow (DCF) Analysis

This is a financial modeling technique based on explicit assumptions regarding the prospective cash flow to a property or business. As an acceptable methodology within the income approach valuation, DCF analysis involves the projection of a series cash flows either to an operating property, a development property, or a business. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the property or business.

In the case of operating real properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion terminal value/exit value, anticipated at the end of the projection period, is then discounted.

Considering these factors, we used a discounted cash flow analysis over a 9.25-year investment period. The discounted cash flow analysis to determine the market value adapting the computed NPV of the property (based on its projected income) is contingent on the following assumptions:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php176,191,194 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 2.5% per year;

4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 9.64% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of **Marquee Mall – Pampanga** (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php2,756,327,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

MCKINLEY EXCHANGE CORPORATE CENTER

Located at the corner of
EDSA and McKinley Road
Barangay Dasmariñas, Makati City, Metro Manila

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 27 January 2025. Our Independent Valuation Report was prepared on a fair and unbiased basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2022 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu and Davao offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:**
LIBERTY SANTIAGO-AÑO, IPA, MRICS*Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-005A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain property exhibited to us as by the **AREIT, INC.** for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is **McKinley Exchange Corporate Center (MECC) (building and its facilities)**, located at the corner of Epifanio de los Santos Avenue and McKinley Road, Barangay Dasmariñas, Makati City, Metro Manila.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property and investigated local market condition, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** using is reasonably represented in the amount of **ONE BILLION SEVEN HUNDRED NINE MILLION SIX HUNDRED SEVENTY-SEVEN THOUSAND (Php1,709,677,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest in the appraised property or in the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-005A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-005A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located in Barangay Dasmariñas, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

The appraised property is the **McKinley Exchange Corporate Center**, located on the southeast corner of Epifanio de los Santos Avenue (EDSA) and McKinley Road, Barangay Dasmariñas, Makati City, Metro Manila.

This is an office built to fit the unique requirements of IT and Business Process Outsourcing firms with an approximate Gross Leasable Area of 10,687.50 square meters. Companies can take advantage of this site's proximity to the Central Business District of Makati with direct access to major public transportation systems such as the MRT Station, bus and jeepney stops, taxi stands and shuttle terminals. Its choice of location gives your business excellent visibility to over 300,000 vehicles traversing EDSA daily.

Gross Leasable Area	No. of Floor	Typical Floor Plate	<u>Project Details</u>			
			Density	Parking	Elevators	Certification
10,687.50	5	2,500 sq.m.	5 sq.m.	1 slot per 70 sq.m.	3 Passenger 1 Service	PEZA

McKinley Exchange Corporate Center Building is approximately 240 meters southeast from the intersection of East Street and Ayala Avenue; 330 meters northwest from the intersection of McKinley Road and Bayanan Street; and about 360 meters northeast from the intersection of Antonio S. Arnaiz Avenue Extension and Epifanio de los Santos Avenue (EDSA).

EDSA and McKinley Road are 50 and 15 meters wide, respectively, asphalt-paved and provided with concrete curbs and gutters, and underground drainage system. Along the centerline of EDSA is the MRT Line 3.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed use, specifically residential, institutional and commercial.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 50 meters and lighted with mercury arc lamps.

Some of the important improvements in the vicinity are:

MRT Ayala Station
Santuario de San Antonio Parish
Shell Service Station
Forbes Park Subdivision
Dasmariñas Village

The various commercial establishments within nearby Ayala Center such as Glorietta, SM City-Makati and Greenbelt Center serve as the commercial and shopping centers in the area. These are short distances from the property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are accessible from the property by public transportation.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Makati City as well as to other parts of Metro Manila is available along Epifanio de los Santos Avenue where the property fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metro Manila Development Authority (MMDA).

V. MCKINLEY EXCHANGE CORPORATE CENTER

This is a five (5)-storey reinforced concrete framed building having reinforced concrete slab roof deck; rib type galvanized iron sheet roof; fiber heat insulation, fiber cement board, and soffit slab ceilings; cement plastered concrete hollow block walls; fixed glass windows; glass on aluminum frame main entrance doors; plain cement and ceramic tile finished floors.

The building features TELUS Philippines Inc. in in the 2nd to the 5th Floor, commercial tenants on the ground floor, 120 parking slots in the basement upper, basement lower and basement 2 levels, respectively.

The improvements made by the tenants in their respective leased spaces were not included in this description. Reportedly, the building was constructed sometime in November 2014.

Total Floor Area is approximately 17,706.22 square meters, allocated as under:

Floor Level	Area (sq.m.)
Basement	6,228.63
Ground	2,085.35
2 nd	2,348.06
3 rd	2,348.06
4 th	2,348.06
5 th	<u>2,348.06</u>
Total –	17,706.22 sq.m.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office and commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php182,310,879 considering vacancy and bad debts, and including dues-net. And the average lease rate for offices is Php1,136/sq.m./mo. and P964/sq.m./mo. for retails;
3. The growth rate of the gross revenue is estimated at 3.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 51.45% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.03% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 5.09% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)														
MCKINLEY EXCHANGE CORPORATE CENTER														
STATISTICS														
Gross Floor Area			17,706.22	sq.m.										
Gross Leasable Area	Office Space		9,633.32	sq.m.										
	Retails		1,054.18	sq.m.	Ave. Lease Rate on Yr. 1									
			10,687.50	sq.m.	Php1,146/sq.m./mo.	(based on EGR and total floor area)								
	Parking Slots		120	slots	-									
Discount Rate		9.42%												
Average Growth Rate		3.00%												
Terminal Capitalization Rate		6.42%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
GROSS REVENUES			Year	1	2	3	4	5	6	7	8	9	10	Totals
	Escalation		-	5.78%	5.00%	7.51%	7.74%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Office Spaces			-	-	-	-	-	-	-	-	-	-	-	
Retails			-	-	-	-	-	-	-	-	-	-	-	
Parking Slots			-	-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	4%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			146,957,100	155,449,910	163,226,487	175,487,092	189,068,204	194,740,250	200,582,457	206,599,931	212,797,929	219,181,867	1,864,091,226	225,757,323
PLUS: Dues - Net			35,353,879	37,315,049	39,081,914	40,938,905	42,889,452	44,176,135	45,501,419	46,866,462	48,272,456	49,720,630	430,116,302	51,212,249
Total Effective Gross Revenues (EGR)			182,310,979	192,764,959	202,308,401	216,425,997	231,957,656	238,916,385	246,083,877	253,466,393	261,070,385	268,902,496	2,294,207,528	276,969,571
LESS: OPERATING EXPENSES														
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(80,228,924)	(83,488,710)	(86,739,502)	(90,268,098)	(93,980,389)	(97,868,256)	(101,926,182)	(104,983,967)	(108,133,486)	(111,377,491)	(958,995,006)	(114,718,815)
General Administrative Expenses			(56,822)	(58,526)	(60,282)	(62,091)	(63,953)	(65,872)	(67,848)	(69,884)	(71,980)	(74,140)	(651,398)	(76,364)
Capital Expenditures			(9,106,459)	(7,772,495)	(8,161,324)	(8,774,355)	(9,453,410)	(9,737,012)	(10,029,123)	(10,329,997)	(10,639,896)	(10,959,093)	(94,963,165)	(11,287,866)
Total			(89,392,205)	(91,319,732)	(94,961,108)	(99,104,543)	(103,497,753)	(107,671,141)	(112,023,153)	(115,383,847)	(118,845,363)	(122,410,724)	(1,054,609,569)	(126,083,045)
NET INCOME			92,918,774	101,445,227	107,347,293	117,321,454	128,459,903	131,245,245	134,060,724	138,082,546	142,225,022	146,491,773	1,239,597,959	150,886,526
ADD: Reversion Value (Resale Value)														2,351,822,182
LESS: Marketing Cost			0.00%	of Resale Value										0
Net Reversion Value														2,351,822,182
Present Worth Factor @			9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663
Present Worth of Net Income					84,922,685	84,736,809	81,950,542	81,857,487	81,916,013	76,490,067	71,407,408	67,220,345	63,278,795	59,568,364
Present Worth of Net Reversion Value														753,348,514
Total Present Value of Net Income														956,328,106
Present Worth of Net Reversion Value														1,709,676,620
Total														1,709,676,620
Market Value of Property (building and its facilities)														1,709,677,000
Rounded to														1,709,677,000

On the basis of the foregoing, the market value of McKinley Exchange Corporate Center (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php1,709,677,000.**

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

BPI-PHILAM MAKATI

Located at
**No. 130 Dela Rosa Street
Legaspi Village, Makati City
Metro Manila**

28 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

: **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 28 January 2026. Our Independent Valuation Report was prepared on a fair and unbiased basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

28 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

: **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-024A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **BPI-PHILAM MAKATI (building and its facilities)**, located **along Ayala Avenue and Valero Access Road, within Barangay Bel-Air, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market condition, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **EIGHTEEN MILLION NINETY-NINE THOUSAND (Php18,099,000) PESOS**.

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO

Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-024A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-024A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Barangay Bel-Air, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property consists of **eight (8) office units and twenty-four (24) allocated parking slots**, located **within BPI-Philam Makati (formerly Ayala Life-FGU Center), Ayala Avenue and Valero Access Road, within Barangay Bel-Air, Makati City, Metro Manila**.

The particulars of the office and parking slots are as follows:

Unit No.	Floor Levels	Allocated Parking Slots	Parking Levels	CCT Nos.	Area (sq.m.)
17-A	17 th	271, 272 and 273	7 th	80862	315
17-B	17 th	232, 233 and 234	6 th	80863	291
17-C	17 th	229, 230 and 231	6 th	80864	291
17-D	17 th	226, 227 and 228	6 th	80865	315
18-A	18 th	223, 224 and 225	6 th	80866	315
18-B	18 th	220, 221 and 222	6 th	80867	291
18-C	18 th	217, 218 and 219	6 th	80868	291
18-D	18 th	214, 215 and 216	6 th	80869	315
					Total - 2,424 sq.m.

The site of BPI-Philam Makati is located approximately 250 meters southeast from the intersection of Ayala Avenue and Sen. Gil Puyat Avenue; 600 meters northwest from the intersection of Ayala Avenue and Paseo de Roxas Avenue; and about 1.70 kilometers from the intersection of Ayala Avenue - Epifanio de los Santos Avenue (EDSA) – McKinley Road.

Ayala Avenue is 30 meters wide, with center island while Valero Access Road is 8 meters wide. All are concrete-paved and provided with concrete curbs and gutters, concrete sidewalks, and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in Makati Central Business District, a mixed-use development mainly multi-storey commercial – office/residential condominiums.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular and pedestrian traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 30 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Makati Medical Center
RCBC Plaza
FEU – Far Eastern University Makati Capus
CEU – Centro Escolar University Makati Campus
Makati Central Post Office
Makati Central Fire Station

SM Jazz Mall, Glorietta Mall, Ayala Center Makati, SM Makati and Greenbelt Mall serve the shopping and marketing needs of the residents in the area. These are accessible from Ayala Avenue and Sen. Gil Puyat Avenue by public transportation. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfares.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject units.

Public transportation connecting to various sections of Metro Manila is available along Ayala Avenue where the subject building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. BPI-PHILAM MAKATI

BPI-Philam Makati

This is a thirty two (32)-storey with two (2)-level basement and six (6) podium parking of reinforced concrete framed building of concrete slab roof; gypsum board acoustic board on T-runner ceilings; clad with curtain wall of silver reflective glass bronzed aluminum and granite; glass on aluminum frame view walls; cement plastered concrete hollow block walls and partitions; steel louver and glass awning windows; granite tile, homogeneous tile, vinyl, carpet flooring and plain cement finish concrete floors; and plywood flush, glass on aluminum frame and tempered glass panel doors.

The building is painted and provided with a helipad on roof deck, electrical, plumbing, firefighting and alarm, security, standby power generator and telecommunication facilities.

The facility is serviced by four (4) high-rise, five (5) low-rise and one (1) passenger elevator.

Total floor area is approximately 27,343 square meters.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office and commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php6,744,715 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 104.53% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.64% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in PhP)														
BPI-PHILAM MAKATI														
STATISTICS														
					Ave. Lease Rate on Yr. 1									
Gross Leasable Area (GLA)	Office Space	1,072.02	sq.m.		Php567/sq.m./mo.									
Leased Out GLA	Office Space	660.00	sq.m.											
Discount Rate		9.42%												
Average Growth Rate		2.00%												
Terminal Capitalization Rate		7.42%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
			Escalation	-	-1.62%	2.61%	0.60%	4.08%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
GROSS REVENUES														
Office Spaces				-	-	-	-	-	-	-	-	-	-	
Parking Slots				-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	38%	of gross revenues		-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				5,157,998	5,074,413	5,206,684	5,238,006	5,451,808	5,560,844	5,672,061	5,785,502	5,901,213	6,019,237	55,067,766
PLUS: Dues - Net				1,586,717	1,634,301	1,683,275	1,648,389	1,754,700	1,789,794	1,825,590	1,862,102	1,899,344	1,937,331	17,621,544
Total Effective Gross Revenues (EGR)				6,744,715	6,708,714	6,889,959	6,886,395	7,206,508	7,350,639	7,497,651	7,647,604	7,800,557	7,956,568	72,689,310
LESS: DIRECT OPERATING EXPENSES		Php												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(5,116,241)	(5,241,022)	(5,402,210)	(5,572,296)	(5,743,328)	(5,858,194)	(5,975,358)	(6,094,865)	(6,216,763)	(6,341,098)	(57,561,375)
General Administrative Expenses				(31,200)	(32,136)	(33,100)	(34,093)	(35,116)	(35,818)	(36,535)	(37,265)	(38,011)	(38,771)	(352,044)
Capital Expenditures				-	-	-	-	-	-	-	-	-	-	-
Total				(5,147,441)	(5,273,158)	(5,435,310)	(5,606,389)	(5,778,444)	(5,894,012)	(6,011,893)	(6,132,131)	(6,254,773)	(6,379,869)	(57,913,419)
NET INCOME				1,597,274	1,435,556	1,454,649	1,280,006	1,428,065	1,456,626	1,485,759	1,515,474	1,545,783	1,576,699	14,775,891
ADD: Reversion Value (Resale Value)														21,686,784
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														21,686,784
Present Worth Factor @	9.42%	discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	0.40663
Present Worth of Net Income				1,459,821	1,199,114	1,110,501	893,085	910,645	848,925	791,389	737,752	687,750	641,138	9,280,122
Present Worth of Net Reversion Value														8,818,558
Total Present Value of Net Income					9,280,122									
Present Worth of Net Reversion Value					8,818,558									
Total					18,098,680									
Market Value of Property (building and its facilities)			PhP		18,098,680									
Rounded to			PhP		18,099,000									

On the basis of the foregoing, the market value of BPI PHILAM MAKATI (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **PhP18,099,000**

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

One Ayala East Tower

Located in
Barangay San Lorenzo
Makati City, Metro Manila

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made based on certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data, and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form, and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices to undertake the work required. has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-019A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of a **building (One Ayala East Tower)**, located on the **6th to 29th floors of One Ayala East Tower, Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing, and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably presented in the amount of **SIX BILLION NINE HUNDRED EIGHTEEN MILLION EIGHT HUNDRED FORTY-NINE THOUSAND (Php6,918,849,000) PESOS.**

We made no investigation of and assume no responsibility for titles to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest in the appraised property or in the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:jpc

CAI File No. 12-2025-1327-019A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-019A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Barangay San Lorenzo, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances, and that fee simple ownership is transferable.

The rights appraised in this report are property rights in fee simple, free, and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is located **on the 6th to 29th floor of One Ayala East Tower, along Ayala Avenue corner Epifanio de los Santos Avenue (EDSA), Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila.**

One Ayala is bounded by Courtyard Drive on the southwest, East Street on the northwest, Ayala Avenue on the northeast, and Epifanio de los Santos Avenue (EDSA) on the southeast. It is located approximately 280 meters northeast from the intersection of Antonio Arnaiz Avenue and Epifanio de los Santos Avenue; 500 meters southeast from the intersection of Ayala and Makati Avenues; 800 meters southwest from the intersection of Buendia Avenue and Epifanio de los Santos Avenue; and about 950 meters southeast from the intersection of Ayala Avenue and Paseo de Roxas.

Epifanio de los Santos Avenue (EDSA) is 50 meters wide, asphalt paved and provided with concrete curbs and gutters, concrete sidewalks, underground drainage, and center island. Above the center line is the MRT Line carriageway.

Ayala Avenue is 40 meters wide, asphalt paved and provided with concrete curbs and gutters, concrete sidewalks, underground drainage, and center island. Above the center line is the Ayala Flyover.

Courtyard Drive and East Street are both 20 meters wide, concrete paved and provided with concrete curbs and gutters, concrete sidewalks and underground drainage.

III. NEIGHBORHOOD DATA

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concrete paved, with widths ranging from 15 to 50 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

SM City Makati
MRT – Ayala Station
Glorietta
Twin Towers
Pacific Plaza Condominium
The Ritz Towers
Rustan's Makati

The Ayala Center is a major commercial development operated by Ayala Land, located in the Makati Central Business District. The shopping and marketing needs of the residents in the area are available in the vicinity. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the site.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available within the subject building.

Public transportation connecting to various sections of Makati City as well as to the other parts of Metro Manila is available along Epifanio de los Santos Avenue (EDSA) where the subject building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. DESCRIPTION OF THE SUBJECT PROPERTY

The property is located at the 6th to 22nd of the One Ayala East Tower, containing a total floor area of 39,996.25 square meters, more or less.

This portion of the building is being leased. The leasable areas are technically identified as follows:

East Tower	Multi-Tenant					Zoning
	Total					
L6	1,727.26	490.46	354.58	430.52	451.70	LZ
L7	1,603.83	490.53	354.58	430.52	328.20	LZ
L8	1,691.64	464.50	354.58	430.52	442.04	LZ
L9	1,691.64	464.50	354.58	430.52	442.04	LZ
L10	1,691.64	464.50	354.58	430.52	442.04	LZ
L11	1,691.64	464.50	354.58	430.52	442.04	LZ
L12	1,691.64	464.50	354.58	430.52	442.04	LZ
L14	1,691.64	464.50	354.58	430.52	442.04	LZ
L15	1,691.64	464.50	354.58	430.52	442.04	MZ

East Tower	Multi-Tenant					Zoning
	Total					
L16	1,657.62	414.53	370.53	430.52	442.04	MZ
L17	1,744.52	414.53	457.43	430.52	442.04	MZ
L18	1,744.52	414.53	457.43	430.52	442.04	MZ
L19	1,744.52	414.53	457.43	430.52	442.04	MZ
L20	1,744.52	414.53	457.43	430.52	442.04	MZ
L21	1,744.52	414.53	457.43	430.52	442.04	MZ
L22	1,744.52	414.53	457.43	430.52	442.04	MZ
L23	1,744.52	414.53	457.43	430.52	442.04	HZ
L24	1,752.92	521.21	332.93	430.52	468.26	HZ
L25	1,840.30	608.60	332.93	430.52	468.26	HZ
L26	1,840.30	608.60	332.93	430.52	468.26	HZ
L27	1,840.30	608.60	332.93	430.52	468.26	HZ
L28	1,840.30	608.60	332.93	430.52	468.26	HZ
L29	1,840.30	608.60	332.93	430.52	468.26	HZ
Total - 39,996.25						

VI. DESCRIPTION OF THE SUBJECT BUILDING

One Ayala East Tower

This is twenty-three (23)-level of reinforced concrete and steel frame on reinforced concrete foundation, with five (5) level podium and five (5)-level basement, and roof deck of reinforced concrete roof deck with waterproofing membrane; exposed concrete slab and gypsum board ceilings; curtain glass walls; cement plastered concrete hollow block walls and partitions; metal and steel louver doors; and plain cement concrete floors.

The common area is mostly constructed of gypsum board ceilings; cement plastered concrete hollow block walls and partitions; metal, steel and steel louver doors; ceramic tile finish on concrete floors; and ceramic tile wall to floor finish on comfort rooms. The lobby and reception area are located on the ground floor having gypsum board ceilings; glass panel and cement plastered concrete hollow block walls; cement plastered concrete hollow block partitions; frameless glass and metal doors; and granite and ceramic tile floors finishes on concrete floors.

The tower features office units (BPO) from the 6th to the 29th floors.

This is painted and provided with electrical lighting, plumbing, telecommunication facilities, CCTV, firefighting equipment, and 24-hour security and is serviced by eighteen (18) passenger elevators, and one (1) service elevator.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php841,969,732 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php1,389/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 40.96% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.02% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 3.07% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)															
ONE AYALA EAST TOWER															
STATISTICS															
Total Available GLA		Office Space	39,996.00	sq.m.	Ave. Lease Rate on Yr. 1										
Leased Out GLA		Office Space	41,968.12	sq.m.	Php1,389/sq.m./mo.										
Discount Rate		9.42%													
Average Growth Rate		2.00%													
Terminal Capitalization Rate		7.42%													
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		
			Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES			Escalation	-	2.06%	1.50%	0.59%	2.30%	2.00%	2.00%	2.00%	2.00%	2.00%		2.00%
Office Spaces				-	-	-	-	-	-	-	-	-	-		
				-	-	-	-	-	-	-	-	-	-		
				-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-	-
LESS:															
Vacancy Rate (incl. bad debts)		0% of gross revenues		-		-		-		-		-		-	-
Effective Gross Revenues (EGR)				748,249,651	763,683,149	775,106,406	779,646,334	797,612,005	813,564,245	829,835,530	846,432,240	863,360,885	880,628,103	8,098,118,548	898,240,665
PLUS: Dues - Net				93,720,081	97,663,663	101,770,832	106,048,306	110,503,079	112,713,140	114,967,403	117,266,751	119,612,086	122,004,328	1,096,269,671	124,444,415
Total Effective Gross Revenues (EGR)				841,969,732	861,346,813	876,877,238	885,694,641	908,115,084	926,277,385	944,802,933	963,698,992	982,972,971	1,002,632,431	9,194,388,219	1,022,685,079
LESS: DIRECT OPERATING EXPENSES		Php													
Direct Operating Expenses															
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(278,641,343)	(309,563,554)	(316,184,949)	(322,031,470)	(331,456,165)	(338,085,288)	(344,846,994)	(351,743,934)	(358,778,812)	(365,954,389)	(3,317,286,897)	(373,273,476)
General Administrative Expenses				(130,006)	(133,906)	(137,924)	(142,061)	(146,323)	(149,250)	(152,235)	(155,279)	(158,385)	(161,553)	(1,466,921)	(164,784)
Capital Expenditures				(18,220,912)	(25,141,188)	(25,659,754)	(26,043,575)	(26,196,117)	(24,406,927)	(24,895,066)	(25,392,967)	(25,900,827)	(26,418,843)	(248,276,177)	(26,947,220)
Total				(296,992,261)	(334,838,649)	(341,982,626)	(348,217,106)	(357,798,605)	(362,641,465)	(369,894,294)	(377,292,180)	(384,838,024)	(392,534,784)	(3,567,029,995)	(400,385,480)
NET INCOME				544,977,471	526,508,164	534,894,613	537,477,534	550,316,479	563,635,920	574,908,639	586,406,811	598,134,948	610,097,646	5,627,358,224	622,299,599
ADD: Reversion Value (Resale Value)															8,391,617,889
LESS: Marketing Cost		0.00% of Resale Value													0
Net Reversion Value															8,391,617,889
Present Worth Factor @		9.42% discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income				498,079,644	439,790,250	408,346,610	375,008,655	350,924,537	328,488,466	306,224,927	285,470,316	266,122,363	248,085,732	3,506,541,501	
Present Worth of Net Reversion Value															3,412,307,317
Total Present Value of Net Income					3,506,541,501	On the Basis of the foregoing, the market value of the One Ayala East Tower 2 using the Discounted Cash Flow Analysis, is represented in the amount of Php6,918,849,000.									
Present Worth of Net Reversion Value					3,412,307,317										
Total					6,918,848,818										
Market Value of Property (building and its facilities)				Php	6,918,848,818										
Rounded to				Php	6,918,849,000										

On the Basis of the foregoing, the market value of the One Ayala East Tower 2 using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php6,918,849,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

One Ayala West Tower

Located in
Barangay San Lorenzo
Makati City, Metro Manila

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made based on certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-018A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of a **building (One Ayala West Tower)**, located on the **6th to 22nd floors of One Ayala West Tower, Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing, and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably presented in the amount of **FIVE BILLION SIX HUNDRED NINETY-THREE MILLION TWO HUNDRED EIGHTEEN THOUSAND (Php5,693,218,000) PESOS.**

We made no investigation of and assume no responsibility for titles to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest in the appraised property or in the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:jpc

CAI File No. 12-2025-1327-018A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-018A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Barangay San Lorenzo, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances, and that fee simple ownership is transferable.

The rights appraised in this report are property rights in fee simple, free, and clear. **Fee Simple** is defined as the absolute fee without limitation to any class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is a **building**, located **on the 6th to 22nd floor of One Ayala West Tower, along Ayala Avenue corner Epifanio de los Santos Avenue (EDSA), within Ayala Center, Barangay San Lorenzo, Makati City, Metro Manila**.

One Ayala Avenue is bounded by Courtyard Drive on the southwest, East Street on the northwest, Ayala Avenue on the northeast, and Epifanio de los Santos Avenue (EDSA) on the southeast. It is located approximately 280 meters northeast from the intersection of Antonio Arnaiz Avenue and Epifanio de los Santos Avenue; 500 meters southeast from the intersection of Ayala and Makati Avenues; 800 meters southwest from the intersection of Buendia Avenue and Epifanio de los Santos Avenue; and about 950 meters southeast from the intersection of Ayala Avenue and Paseo de Roxas.

Epifanio de los Santos Avenue (EDSA) is 50 meters wide, asphalt paved, and provided with concrete curbs and gutters, concrete sidewalks, underground drainage and center island. Above the center line is the MRT Line carriageway.

Ayala Avenue is 40 meters wide, asphalt paved, and provided with concrete curbs and gutters, concrete sidewalks, underground drainage, and a center island. Above the center line is the Ayala Flyover.

Courtyard Drive and East Street are both 20 meters wide, concrete paved and provided with concrete curbs and gutters, concrete sidewalks and underground drainage.

III. NEIGHBORHOOD DATA

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concrete paved, with widths ranging from 15 to 50 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

SM City Makati
MRT – Ayala Station
Glorietta
Twin Towers
Pacific Plaza Condominium
The Ritz Towers
Rustan's Makati

The Ayala Center is a major commercial development operated by Ayala Land, located in the Makati Central Business District. The shopping and marketing needs of the residents in the area are available within the vicinity. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available in the subject building.

Public transportation connecting to various sections of Makati City, as well as to the other parts of Metro Manila, is available along Epifanio de los Santos Avenue (EDSA) where the subject building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. DESCRIPTION OF THE SUBJECT PROPERTY

Based on the list provided to us by the client, the appraised property is located on the 6th to 22nd of the One Ayala West Tower, containing a total floor area of 30,999.70 square meters, more or less.

This portion of the building is being leased. The leasable areas are technically identified as under:

West Tower	Multi-Tenant					Zoning
	Total					
L6	1,023.11	427.44	595.67	-	-	LZ
L7	1,881.57	395.42	595.75	377.67	512.73	LZ
L8	1,990.87	395.42	521.82	551.49	522.13	LZ
L9	1,990.87	395.42	521.82	551.49	522.13	LZ
L10	1,990.87	395.42	521.82	551.49	522.13	LZ
L11	1,990.87	395.42	521.82	551.49	522.13	LZ
L12	1,990.87	395.42	521.82	551.49	522.13	LZ

West Tower	Multi-Tenant					Zoning
	Total					
L14	1,990.87	395.42	521.82	551.49	522.13	LZ
L15	1,990.87	395.42	521.82	551.49	522.13	HZ
L16	1,929.94	395.42	478.78	533.60	522.13	HZ
L17	2,038.06	395.42	566.44	554.07	522.13	HZ
L18	2,038.06	395.42	566.44	554.07	522.13	HZ
L19	2,038.06	395.42	566.44	554.07	522.13	HZ
L20	2,038.06	395.42	566.44	554.07	522.13	HZ
L21	2,038.06	395.42	566.44	554.07	522.13	HZ
L22	2,038.06	395.42	566.44	554.07	522.13	HZ
Total -	30,999.07					

VI. DESCRIPTION OF THE SUBJECT BUILDING

One Ayala West Tower 1

The property is One Ayala West Tower, which is sixteen (16)-storey of reinforced concrete and steel frame on reinforced concrete foundation, with five (5) level podium and five (5)-level basement and roof deck, of reinforced concrete roof deck with waterproofing membrane; exposed concrete slab and gypsum board ceilings; curtain glass walls; cement plastered concrete hollow block walls and partitions; metal and steel louver doors; and plain cement concrete floors.

The common area is mostly constructed of gypsum board ceilings; cement plastered concrete hollow block walls and partitions; metal, steel and steel louver doors; ceramic tile finish on concrete floors; and ceramic tile wall to floor finish on comfort rooms. The lobby and reception area are located on the ground floor having gypsum board ceilings; glass panel and cement plastered concrete hollow block walls; cement plastered concrete hollow block partitions; frameless glass and metal doors; and granite and ceramic tile floor finishes on concrete floors.

This is painted and provided with electrical lighting, plumbing, telecommunication facilities, CCTV, firefighting equipment, and 24-hour security and is serviced by twelve (12) passengers and one (1) service elevator. The total gross floor area for West Tower is reportedly 41,082.96 square meters.

The building considered in this valuation is used as offices (BPO) from 6th to 22nd floors.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodelling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php683,685,072 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php1,421/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 43.90% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.14% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 3.12% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in PhP)														
ONE AYALA WEST TOWER														
STATISTICS														
					Ave. Lease Rate on Yr. 1									
Gross Leasable Area (GLA)	Office Space	30,999.07	sq.m.	Php1,421/sq.m./mo.										
Leased Out GLA	Office Space	32,785.40	sq.m.											
Discount Rate		9.42%												
Average Growth Rate		2.00%												
Terminal Capitalization Rate		7.42%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
	Year	1	2	3	4	5	6	7	8	9	10	Totals	11	
GROSS REVENUES	Escalation	-	2.88%	1.30%	4.72%	1.86%	2.00%	2.00%	2.00%	2.00%	2.00%			2.00%
Office Spaces		-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-	-	-	-			
Total Annual Revenues		-	-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	0%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			585,738,644	602,586,366	610,449,289	639,250,863	651,170,933	664,194,352	677,478,239	691,027,803	704,848,359	718,945,327	6,545,690,175	733,324,233
PLUS: Dues - Net			97,946,428	105,998,602	110,372,629	115,170,278	114,887,488	117,185,238	119,528,943	121,919,522	124,357,912	126,845,070	1,154,212,110	129,381,972
Total Effective Gross Revenues (EGR)			683,685,072	708,584,968	720,821,918	754,421,141	766,058,421	781,379,590	797,007,182	812,947,325	829,206,272	845,790,397	7,699,902,285	862,706,205
LESS: DIRECT OPERATING EXPENSES	Php(000)													
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(238,582,196)	(268,673,202)	(273,907,370)	(282,062,894)	(286,950,638)	(292,689,651)	(298,543,444)	(304,514,313)	(310,604,599)	(316,816,691)	(2,873,344,997)	(323,153,025)
General Administrative Expenses			(798,657)	(822,617)	(847,296)	(872,714)	(898,896)	(916,874)	(935,211)	(953,915)	(972,994)	(992,454)	(9,011,628)	(1,012,303)
Capital Expenditures			(18,789,668)	(19,680,818)	(20,246,902)	(20,511,096)	(21,478,829)	(19,925,831)	(20,324,347)	(20,730,834)	(21,145,451)	(21,568,360)	(204,402,136)	(21,999,727)
Total			(258,170,521)	(289,176,637)	(295,001,567)	(303,446,705)	(309,328,363)	(313,532,355)	(319,803,002)	(326,199,062)	(332,723,043)	(339,377,504)	(3,086,758,761)	(346,165,054)
NET INCOME			425,514,551	419,408,330	425,820,350	450,974,436	456,730,059	467,847,235	477,204,179	486,748,263	496,483,228	506,412,893	4,613,143,524	516,541,151
ADD: Reversion Value (Resale Value)														6,965,480,879
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														6,965,480,879
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income			388,897,059	350,330,170	325,077,674	314,653,741	291,246,566	272,662,573	254,182,674	236,955,264	220,895,453	205,924,107	2,860,825,281	
Present Worth of Net Reversion Value														2,832,393,191
Total Present Value of Net Income														2,860,825,281
Present Worth of Net Reversion Value														2,832,393,191
Total														5,693,218,472
Market Value of Property (building and its facilities)														5,693,218,472
Rounded to														5,693,218,000

On the basis of the foregoing, the market value of the One Ayala West Tower 1 using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php5,693,218,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

ZAMBALES PROPERTY

Located in
**Barangays Salaza and Bulawen
Palauig, Zambales**

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-031A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised certain real property exhibited to us by **AREIT, INC.** for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of **land only, the Zambales Property** located in **Barangay Salaza and Bulawen, both in Palauig, Zambales**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset or any associated taxes.

We investigated local market condition and gave consideration to the –

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property using income approach (Discounted Cash Flow) appraised as of **31 December 2025** is reasonably represented in the amount of **SIX BILLION EIGHT HUNDRED FIFTY-SIX MILLION NINE HUNDRED EIGHTY-FOUR THOUSAND (Php6,856,984,000) PESOS.**

We made no investigation of and assume no responsibility for titles to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:atv

CAI File No. 12-2025-1327-031A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-031A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located in Barangay Salaza and Bulawen, both in Palauig, Zambales. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the previous appraisal report under CAI File No. 11-2024-1132-031, the appraised property is designated as the **Zambales Property**, located **along Palauig-Tapulao Jump-Off Road in Barangays Salaza and Bulawen, both in Palauig, Zambales**.

The property is located on the southwest side of Palauig-Tapulao Jump-Off Road; approximately 78 meters southwest from Manggahan Elementary School; 220 meters southwest from Sparc Solar Power Plant; 2.14 kilometers southeast from Palauig Solar Farm; 3.3 kilometers southeast from the corner of Palauig-Tapulao Jump-Off Road and Olongapo-Bugallon Road; about 3.4 kilometers southeast from Zameco 1 Main Office.

The orientation of the site, as inspected, appears to conform to the lot plan as plotted based on the technical descriptions appearing in the titles.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed residential, agricultural and industrial use.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Manggahan Elementary School
Sparc Solar Power Plant
Dampay Elementary School
Palauig Solar Farm

Palauig Public Market serves the commercial, shopping and marketing needs of the residents in the area. This is accessible from Palauig-Tapulao Jump-Off Road by public transportation. Other community centers like the post office, public market, churches/chapels, hospital/clinics, and public and private schools are likewise accessible from the property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, telecommunication and water supply facilities are available at the site.

Public transportation connecting to various sections of Palauig, Zambales is available along Palauig-Tapulao Jump-Off Road where the property fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the local government.

V. LAND DATA

The land consists of sixty-three (63) lots, containing a total area of 2,759,135 square meters, the particulars are as follows:

Lot No.	Block No.	Survey Plan	TCT No.	Area (sq.m.)	Registered Owner
1	1	Psd-341311	044-2023004093	50,054	BUENDIA CHRISTIANA HOLDINGS CORP.
2	1	(LRC) Psd-341311	044-2023002934	50,281	BUENDIA CHRISTIANA HOLDINGS CORP.
3	1	(LRC) Psd-341311	044-2023002930	48,927	BUENDIA CHRISTIANA HOLDINGS CORP.
4	1	(LRC) Psd-341311	044-2023002931	45,094	BUENDIA CHRISTIANA HOLDINGS CORP.
5	1	(LRC) Psd-341311	044-2023004327	65,840	BUENDIA CHRISTIANA HOLDINGS CORP.
6	1	(LRC) Psd-341311	044-2023002933	41,309	BUENDIA CHRISTIANA HOLDINGS CORP.
1	2	(LRC) Psd-341311	(T-36389) 044-2022003588	60,569	MACARENA L. OCA (MINOR), ET AL

2	2	(LRC) Psd-341311	(T-36390) 044-2022003589	41,114	MACARENA L. OCA (MINOR), ET AL
3	2	(LRC) Psd-341311	(T-36392) 044-2022003591	12,966	MA. NIEVES SAN DIEGO (MINOR)
4	2	(LRC) Psd-341311	(T-35183) 044-2022003559	56,667	TERESA MAGSAYSAY OCA, married to Antonio A. San Diego
5	2	(LRC) Psd-341311	(T-36391) 044-2022003590	68,439	ROBERTO OCA III (Minor), ET AL
6	2	(LRC) Psd-341311	044-2014000625	50,293	MARIA PILAR MAGSAYSAY HERNANDEZ, married to Mario C. Hernandez, ET AL
7	2	(LRC) Psd-341311	(T-36387) 044-2022003586	53,779	MANOLO D. MAGSAYSAY, married to Maria Rowena A. Magsaysay
8	2	(LRC) Psd-341311	(T-36388) 044-2022003587	53,777	MANOLO D. MAGSAYSAY, married to Maria Rowena A. Magsaysay
9	2	(LRC) Psd-341311	(T-35719) 044-2022003564	53,773	OFELIA MAGSAYSAY, married to Lauro Magsaysay
1	3	(LRC) Psd-341311	(T-36110) 044-2022003577	20,000	JOHN W. SPAKOWSKI, married to Ma. Pia M. Spakowski
2	3	(LRC) Psd-341311	(T-34881) 044-2022003554	20,000	JOSEFINA M. DE JESUS, married to Ricardo De Jesus
3	3	(LRC) Psd-341311	(T-34964) 044-2022003557	20,000	CLARITA CARBALLO, married to Numeriano Carballo
4	3	(LRC) Psd-341311	(T-34965) 044-2022003558	20,000	DULCE DE LEON, married to Silverio De Leon
5	3	(LRC) Psd-341311	(T-36020) 044-2022003573	20,000	AIDA MENDIOLA, married to Remigio Mendiola
6	3	(LRC) Psd-341311	(T-34882) 044-2022003555	20,000	ELIZABETH I. ORLINA, married to Dominador A. Orlina
7	3	(LRC) Psd-341311	044-2023004324	18,491	BUENDIA CHRISTIANA HOLDINGS CORP.
8	3	(LRC) Psd-341311	(T-34883) 044-2022003556	19,392	ERNESTO EVANGELISTA, married to Mercedita Evangelista
1	4	(LRC) Psd-341311	044-2023002932	20,001	BUENDIA CHRISTIANA HOLDINGS CORP.
3	4	(LRC) Psd-341311	044-2023004326	20,000	BUENDIA CHRISTIANA HOLDINGS CORP.
4	4	(LRC) Psd-341311	(T-34478) 044-2022003550	20,000	JOSEPHINE T. SALUD, married to Atty. Rodrigo Salud
5	4	(LRC) Psd-341311	(T-36021) 044-2022003574	27,341	SPOUSES MERCEDITA EVANGELISTA AND ERNESTO EVANGELISTA, SR.

6	4	(LRC) Psd-341311	044-2023004323	33,261	BUENDIA CHRISTIANA HOLDINGS CORP.
1	5	(LRC) Psd-341311	(T-36109) 044-2022003576	31,235	JOHNNY S. OCA, SR., married to Angelita Oca, ET AL
2	5	(LRC) Psd-341311	(T-34479) 044-2022003551	10,393	SPOUSES EMMANUEL M. BASABAS AND LIDUVINA VALDIVIA BASABAS
3	5	(LRC) Psd-341311	(T-36108) 044-2022003575	10,207	VIRGILIO C. MANGUERA, married to Consuelo Manguera
4	5	(LRC) Psd-341311	044-2023002935	10,025	BUENDIA CHRISTIANA HOLDINGS CORP.
5	5	(LRC) Psd-341311	044-2023004014	9,840	BUENDIA CHRISTIANA HOLDINGS CORP.
6	5	(LRC) Psd-341311	044-2023004016	9,658	BUENDIA CHRISTIANA HOLDINGS CORP.
7	5	(LRC) Psd-341311	044-2023003984	10,308	BUENDIA CHRISTIANA HOLDINGS CORP.
9	5	(LRC) Psd-341311	044-2023004015	9,196	BUENDIA CHRISTIANA HOLDINGS CORP.
10	5	(LRC) Psd-341311	044-2023004098	9,544	BUENDIA CHRISTIANA HOLDINGS CORP.
11	5	(LRC) Psd-341311	(T-36015) 044-2022003568	10,375	IGUAL DEVELOPMENT CORPORATION
12	5	(LRC) Psd-341311	(T-36016) 044-2022003569	11,803	IGUAL DEVELOPMENT CORPORATION
13	5	(LRC) Psd-341311	(T-36017) 044-2022003570	10,261	IGUAL DEVELOPMENT CORPORATION
14	5	(LRC) Psd-341311	044-2023004094	10,351	BUENDIA CHRISTIANA HOLDINGS CORP.
15	5	(LRC) Psd-341311	044-2023004096	11,142	BUENDIA CHRISTIANA HOLDINGS CORP.
16	5	(LRC) Psd-341311	044-2023003841	11,243	BUENDIA CHRISTIANA HOLDINGS CORP.
17	5	(LRC) Psd-341311	044-2023003842	11,345	BUENDIA CHRISTIANA HOLDINGS CORP.
Road Lot 1		(LRC) Psd-341311	044-2023004333	15,508	BUENDIA CHRISTIANA HOLDINGS CORP.
Road Lot 2		(LRC) Psd-341311	(T-35716) 044-2022003561	5,159	CECILE O. LACSON, married to Jose Carlos Lacson
Road Lot 3		(LRC) Psd-341311	(T-35717) 044-2022003562	3,594	CECILE O. LACSON, married to Jose Carlos Lacson

Road Lot 4		(LRC) Psd-341311	(T-35718) 044-2022003563	8,564	CECILE O. LACSON, married to Jose Carlos Lacson
4		(LRC) Psd-341970	044-2023004325	121,399	BUENDIA CHRISTIANA HOLDINGS CORP.
4362-B		Csd-03-001403-D	P-7194	103,617	ANDRES A. DE LA ROSA
4464-B		Psd-03-098538	C-T-2875	25,089	MELCHOR B. DELA ROSA
4464-A		Psd-03-098538	C-T-2874	25,090	ROSENDO B. DELA ROSA
4349-A		Psd-03-098541	C-T-4789	24,874	MA. THERESA B. DELA ROSA
4466		Cad 364-D	C-O-3155	29,140	ESTRELLA R. DUMLAO
4348-C		Csd-03-001599-D	CLOA-T-1384	209,107	RICARDO DEL FIERRO, ET AL
4348-B		Csd-03-001599-D	CLOA-O-2400	237,345	DAN RODILLO, ET AL
4351		Csd-364-D	T-34763	108,800	DANTE RODILLO, ET AL
4639-A		Psd-03-098540	C-T-4787	24,079	BASILIO B. DELA ROSA
4639-B		Psd-03-098540	C-T-4788	24,080	EDWIN L. DELA ROSA
4348-A		Csd-03-001599-D	C-O-3199	236,179	JASMINE R. DELA ROSA, ET AL
4349-B		Psd-03-098541	C-T-4790	24,873	LUIS B. DELA ROSA
4468		Cad 364-D	C-T-2894	79,385	SHERWIN R. DUMLAO, ET AL
4362-A		Csd-03-001403-D	CLOA-T-1506	234,959	SAMUEL DELA ROSA, ET AL
Total Area -				2,759,135	sq.m.

The above certificates of titles were all issued by the Registry of Deeds for Iba, Zambales and Province of Zambales.

Attached is a reproduction copy of the plan of the property provided to us by the client.

The terrain of the land is flat, rolling and hilly. Its elevation is at grade with the fronting road.

No title verification was conducted to confirm the existence of the owner's original copy of the titles supposedly on file with the Registry of Deeds, since it is not included in the assignment.

Government Assessment

BIR Zonal Value of Real Property within Palauig, Zambales as per Department Order No. 0019-2022, effective 13 May 2022:

Barangay	Street Name	Vicinity	Classification	2nd Revision Zonal Value (Php/sq.m.)
Bulawen	All Lots	Along Barangay Road	Residential	800
Salaza	All Lots	Interior	Residential	500
		Along Barangay Road	Commercial	2,000
			Residential	1,500
-	-	Interior	Industrial	2,000
			Residential	1,000

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that an **industrial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

Income Approach – By Discounted Cash Flow

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For the purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php489,647,612 considering vacancy and bad debts. And the average lease rates Php15/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 1.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 5.08% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of the property (***land only, designated as the Zambales Property***) using the Discounted Cash Flow Analysis, is represented in the amount of **Php6,856,984,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

SEDA AYALA CENTER CEBU

Located in
Cebu Business Park
Barangay Hipodromo, Cebu City

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

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Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

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Representations

Cuervo Appraisers, Inc., through its Manila, Cebu and Davao offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:**

LIBERTY SANTIAGO-AÑO, IPA, MRICS
Vice President and General Manager
Real Estate Appraiser
PRC Registration Number: 0000167
Valid until: 07/17/2026
IPREA Membership No. 849
PTR No. 3975856
TIN No. 1628-289-697-000
05 January 2026
City of Pasig

30 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-030A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of a certain real property exhibited to us by the **AREIT FUND MANAGERS, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **Seda Ayala Center Cebu building and its facilities**, located **along Cardinal Rosales Avenue, Cebu Business Park, Barangay Hipodromo, Cebu City**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market condition, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised based on income approach (Discounted Cash Flow) as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION SEVEN HUNDRED FIFTY MILLION FOUR HUNDRED SIXTY THOUSAND (Php1,750,460,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:



ENGR. ANGELO V. SAN ANTONIO

Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-030A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-030A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Cebu Business Park, Barangay Hipodromo, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

The appraised property is the **SEDA HOTEL – Ayala Center Cebu**, located **along Cardinal Rosales Avenue within Cebu Business Park, Barangay Hipodromo, Cebu City**.

The site of Seda Hotel is located across Cebu Holdings, approximately 100-meter southwest from the intersection of Mindanao Avenue and Cardinal Rosales Avenue; 250-meters northeast from Luzon Avenue; 600-meters southeast from Archbishop Reyes Avenue; 3.60-kilometers northeast from Cebu City Hall; and about 12.20-kilometers east from Mactan – Cebu International Airport.

Cardinal Rosales Avenue is 35 meters, concrete paved, provided with center island, concrete sidewalks, concrete curbs and gutters, and an underground drainage.

III. NEIGHBORHOOD DATA

The Cebu Business Park (CBP) is a 50-hectare master planned development. Cebu Holdings, an affiliate of Ayala Land, is currently responsible for the development of Cebu Business Park. Integrating business, residential, sports, recreation and leisure facilities, the centerpiece of the business park is the 9-hectare Ayala Center Cebu shopping mall, which draws 60,000 shoppers daily.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 30 meters and lighted with streetlamps.

Some of the important improvements in Cebu Business Park are:

Ayala Center Cebu
WT Corporate Tower
Lexmark Plaza
Kepwealth Center Cebu (formerly Keppel Center)
Pioneer House Cebu
City Sports Club
Cebu Holdings Center

Ayala Center – Cebu and SM City – Cebu serve as the commercial and shopping centers in the area. These are accessible from the property by taxicab and motorcycle, locally known as habal-habal. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are accessible from the property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Cebu City as well as to the other parts of Metro Cebu is available along Cardinal Rosales Avenue where the subject property fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

No copy of the title or any ownership documents provided to us by the client. However, as measured on Google Map, Seda Hotel – Ayala Center Cebu stands on 5,600-square meter lot.

Attached is the location plan of the property.

No title verification was conducted to confirm the existence of the owner's original copy of the title supposedly on file with the Registry of Deeds since it is not included in the assignment.

VI. DESCRIPTION OF IMPROVEMENT

Seda Hotel (Ayala Center Cebu)

This is a four (4) star twelve (12)-storey reinforced concrete framed hotel building with basement and roof deck, features 301-guest room comprises of standard rooms, business twin king, club suite and presidential suite. Amenities include a lobby lounge, all day dining, bar, function rooms, business center, executive lounge, health club, fitness gym along Cardinal Rosales Avenue.

This has reinforced concrete frame, beams, columns and foundation; reinforced concrete floor slab with plain cement, ceramic, marble, granite and vinyl tiles, and wall to wall carpet finishes; gypsum board on aluminum T-runner, acoustic board on aluminum T-runner and suspended ceiling; cement plastered concrete hollow block partially with wood cladding, Deco Stone strip tile and fixed glass on aluminum framed walls; cement plastered concrete hollow block, tempered glass on aluminum frame, gypsum board, and laminated wood cubicle partitions; tempered fixed glass on powder coated aluminum framed view, awning tempered glass on powder coated aluminum frame and steel louver windows; wood panel, laminated wood, glass on aluminum frame, frameless glass and steel panel doors; and reinforced concrete stairs with steel handrail.

This is equipped with 100% back-up generators; high-speed designated to hotel specifications; provisions of two (2) data and Telecom Providers; independent integrated fire alarm and monitor sprinkler system; fully integrated security and access control systems as per hotel standards; fully integrated building management systems for monitoring the various support systems; and seismic device monitoring system among others. The total floor area is 13,579-square meters.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing utility, as hotel** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property.

The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php106,961,741 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 5.45% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0.0% per year of effective gross revenue;

7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of the **Seda Hotel Ayala Center Cebu** (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php1,750,460,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

Seda Central Boc Hotel

Located in
Cebu I.T. Park
Barangay Apas, Cebu City

02 February 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-035A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of a certain real property exhibited to us by the **AREIT, INC.** for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **Seda Central Bloc Hotel (building and its facilities)**, located **on the corner of V. Padriga Street and W. Geonzon, within Cebu I.T. Park, Barangay Apas, Cebu City**.

The term **Market Value**, as used herein is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION SIX HUNDRED TWENTY MILLION EIGHT HUNDRED FORTY-NINE THOUSAND (Php1,620,849,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-035A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-035A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located on the corner of V. Padriga and W. Geonzon Streets within Cebu I.T. Park, Barangay Apas, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is the site of **SEDA Central Bloc Hotel** located **on the corner of V. Padriga and W. Geonzon Streets within Cebu I.T. Park, Barangay Apas, Cebu City**.

The site of Seda Central Bloc Hotel is located approximately 430-meter northeast from Salinas Drive; 620-meter northwest from Gov. M. Cuenco Avenue; 1.10-kilometer northwest from Ayala Center Cebu; 5.0-kilometer northeast from Cebu City Hall; and about 14.0-kilometer northwest from Mactan – Cebu International Airport.

V. Padriga and W. Geonzon Streets are approximately 20 meters wide. Both are concrete paved provided with center island, concrete sidewalks, concrete curbs and gutters, and underground drainage.

III. NEIGHBORHOOD DATA

The Cebu IT Park (formerly known as Asia town IT Park) is a 27-hectare mixed use business park envisioned to attract locators in the information technology services. It is developed by Cebu Property Ventures and Development Corporation, a subsidiary of Cebu Holdings, Inc.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in Cebu IT Park are:

- Avida Towers - Cebu
- Skyrise 1 to 3
- eBloc Towers 1 to 3
- Park Centrale
- Filinvest Cebu Cyberzone
- Calyx Centre
- TGU Tower

Ayala Mall Central Bloc serves as the commercial and shopping center in the area. This is adjacent to the property. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are accessible from the property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Cebu City as well as to the other parts of Metro Cebu is available in the Cebu IT Park Transport Terminal which is across from the subject property. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

No copy of the title or any ownership documents provided to us by the client. However, as measured on Google Map, Seda Central Bloc Hotel stands on 3,500-square meter lot.

Attached is the location plan of the property.

No title verification was conducted to confirm the existence of the owner's original copy of the title supposedly on file with the Registry of Deeds since it is not included in the assignment.

VI. DESCRIPTION OF THE IMPROVEMENTS

Seda (Central Bloc Hotel)

This is a seventeen (17)-storey with roof deck and basement, reinforced concrete frame, beams, columns and foundation; reinforced concrete plain cement with ceramic, marble, granite, vinyl, carpeted floor finish; gypsum board on aluminum T-runner, acoustic board on T-runner, and suspended ceiling; cement plastered concrete hollow block walls, partially wood cladding, stone strip tile and fixed glass on aluminum frame walls; cement plastered concrete hollow block, tempered glass on aluminum frame, gypsum board, and laminated wood cubicle wall partitions; tempered fixed glass on powder coated aluminum frame view, awning tempered glass on powder coated aluminum frame and steel louver windows; wooden, flush type, glass on aluminum frame, frameless glass and steel panel doors; and reinforced concrete stairs with steel handrail.

The building is painted and provided with electrical and plumbing facilities. Total floor area is approximately 19,967.49 square meters.

The estimated remaining economic life is 45 years.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing utility, as hotel** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

By Income Approach

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI

estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php106,447,793 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php491/sq.m./mo;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 12.08% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;

6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Fair Value of the Property.

On the basis of the foregoing, the market value of the property **SEDA CENTRAL BLOC HOTEL** (land, building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php1,620,849,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

SEDA LIO HOTEL

Located in
**Lio Tourism Estates
Barangay Villa Libertad
El Nido, Palawan**

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu and Davao offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-039A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised certain property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate as of **31 December 2025**.

The appraised property consists of **buildings and related facilities of Seda Lio Hotel**, located in **Lio Tourism Estates, Barangay Villa Libertad, El Nido, Palawan**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset or any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such

We personally inspected the property and investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property using income approach appraised as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION ONE HUNDRED FORTY-ONE MILLION NINE HUNDRED TWO THOUSAND (Php1,141,902,000) PESOS**.

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:jpc

CAI File No. 12-2025-1327-039A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-039A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Lio Tourism Estates, Barangay Villa Libertad, El Nido, Palawan. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the property is identified as the **Seda Lio Hotel**, located in **Lio Tourism Estates, Barangay Villa Libertad, El Nido, Palawan**.

The site of Seda Lio Hotel is located on the northwest side of Kalye Kantino extending westward to El Nido Bay, approximately 1.20 kilometers on the northeast side of El Nido Airport; 1.50 kilometers northwest of National Highway; 2.30 kilometers northwest of Villa Libertad Barangay Hall; and about 7.50 kilometers north of the town center of El Nido.

Kalye Kantino is 6.0 meters wide, concrete paved and provided with concrete curbs and gutters and underground drainage.

III. NEIGHBORHOOD DATA

Seda Lio Hotel is located in El Nido, a 1st class municipality in the province of Palawan. It is about 420 kilometers south-west of Manila, and 269 kilometers north-east of Puerto Princesa City, capital of Palawan. A managed resource protected area, it is known for its white-sand beaches, coral reefs, and limestone cliffs, as well as for being the gateway to the Bacuit Archipelago.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 6 to 12 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Lio Beach
Kalye Artisano
Isla Amara Boutique Resort
Balai Adlao
El Nido Airport
Lio Wetland
Villa Libertad Barangay Hall

The commercial establishments in Barangay Suerte serve as the shopping, commercial and marketing needs of the residents in the area. These are accessible along the National Highway by public transportation. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Palawan is available along the National Highway which is approximately 1.50 kilometers from the subject building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

No copy of any documents pertaining to land was provided to us.

No title verification was conducted to confirm the existence of the owner's original copy of the title supposedly on file with the Registry of Deeds, since it is not included in the assignment.

VI. DESCRIPTION OF IMPROVEMENTS

The land is improved with buildings describe as on the next page:

Building

Seda Lio Hotel (Buildings A to D)

These are three (3)-storey, reinforced concrete-framed buildings with roof deck, having reinforced concrete stainless steel, reinforced concrete with water proofing membrane and pre-painted rib type long span iron sheet roof on steel frame roofing; abaca attached on gypsum board and fibered cement board tray ceilings; cement plastered and rough cement finish concrete hollow block and glass on powder coated aluminum frame walls; cement plastered concrete hollow blocks partitions; double leaf emergency doors, laminated wood panel, glass on powder coated aluminum frame, swing glass and steel doors; iron grill and stainless steel railings; sand blast floor finishes on stairs; non-slip homogenous tile finish floor to walls at comfort rooms; wooden plank, marble, granite tile and ceramic tile finished concrete floors.

These are painted and provided with firefighting and alarm systems, centralized air conditioning, CCTV cameras, water supply system, electrical, plumbing and telecommunication facilities. Total floor area is approximately 17,680 square meters.

The buildings are built in year 2018.

Estimated remaining economic life is 43 years.

Note: The estimated remaining economic life of the building is based on 50-year total life of the building less 5-year actual age.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization, and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For the purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php99,413,668 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php469/sq.m./mo;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 33.91% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 8.28% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 5.78% (discount rate less growth rate).

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Fair Value of the Property.

Discounted Cash Flow Analysis (in Php)														
SEDA LIO HOTEL														
STATISTICS														
					Ave. Lease Rate on Yr. 1									
Total Available GLA	17,680	sq.m.			Php469/sq.m./mo.									
Leased Out GLA	17,680	sq.m.												
Occupied GLA	17,680	sq.m.												
Discount Rate			8.28%											
Average Growth Rate			2.50%											
Terminal Capitalization Rate			5.78%											
Present Worth Factor				0.92354	0.85293	0.78772	0.72749	0.67187	0.62050	0.57305	0.52924	0.48878	0.45140	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES			Escalation	-	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Hotel Rooms				-	-	-	-	-	-	-	-	-	-	
				-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	0%	of gross revenues		-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				99,413,668	101,899,009	104,446,485	107,057,647	109,734,088	112,477,440	115,289,376	118,171,610	121,125,901	124,154,048	1,113,769,271
PLUS: Dues - Net				-	-	-	-	-	-	-	-	-	-	-
Total Effective Gross Revenues (EGR)				99,413,668	101,899,009	104,446,485	107,057,647	109,734,088	112,477,440	115,289,376	118,171,610	121,125,901	124,154,048	1,113,769,271
LESS: DIRECT OPERATING EXPENSES			Php(000)											
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(35,875,593)	(36,039,823)	(36,200,271)	(36,356,144)	(36,506,567)	(37,419,231)	(38,354,711)	(39,313,579)	(40,296,419)	(41,303,829)	(377,666,167)
General Administrative Expenses				-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures				-	-	-	-	-	-	-	-	-	-	-
Total				(35,875,593)	(36,039,823)	(36,200,271)	(36,356,144)	(36,506,567)	(37,419,231)	(38,354,711)	(39,313,579)	(40,296,419)	(41,303,829)	(377,666,167)
NET INCOME				63,538,075	65,859,186	68,246,213	70,701,502	73,227,521	75,058,209	76,934,665	78,858,031	80,829,482	82,850,219	736,103,104
ADD: Reversion Value (Resale Value)														1,469,534,756
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														1,469,534,756
Present Worth Factor @	8.28%	discount rate		0.92354	0.85293	0.78772	0.72749	0.67187	0.62050	0.57305	0.52924	0.48878	0.45140	0.45140
Present Worth of Net Income				58,680,069	56,173,242	53,758,638	51,434,545	49,199,101	46,573,363	44,087,759	41,734,812	39,507,440	37,398,942	478,547,911
Present Worth of Net Reversion Value														663,354,258
Total Present Value of Net Income				478,547,911										
Present Worth of Net Reversion Value				663,354,258										
Total				1,141,902,170										
Market Value of Property (building and its facilities)				1,141,902,170										
Rounded to				1,141,902,000										

On the basis of the foregoing, the market value of the Seda Lio Hotel (building and related facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php1,141,902,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

SOLARIS ONE

Located at
**No. 130, Dela Rosa Street
Legaspi Village, Makati City
Metro Manila**

27 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Avenue, Ayala Triangle
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 27 January 2026. Our Independent Valuation Report was prepared on a fair and unbiased basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

27 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Avenue, Ayala Triangle
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **SOLARIS ONE (building and its facilities)**, located at **No. 130, Dela Rosa Street, Legaspi Village, Makati City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property and investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Discounting and capitalization rates;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **SEVEN BILLION TWO HUNDRED SIXTY-SIX MILLION EIGHT HUNDRED TWENTY-FIVE THOUSAND (Php7,266,825,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVS:jpc

CAI File No. 12-2025-1327A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal a certain real property located within Legaspi Village, Makati City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

The appraised property is the **SOLARIS ONE**, located **at No. 130, Dela Rosa Street, within Legaspi Village, Makati City, Metro Manila**.

The site of Solaris One is located approximately 100-meter northwest from Herrera Street; 270 meters southwest from Ayala Avenue near PBCOM Tower; 560 meters northwest from the corner of Paseo de Roxas and Ayala Avenue near Tower One and Exchange Plaza; 950 meters northwest from Makati Avenue; and about 1.70 kilometers northwest from Epifanio Delos Santos Avenue near Ayala MRT Station.

Dela Rosa Street is 12 meters wide, concrete paved with asphalt overlay, provided concrete sidewalks, concrete curbs and gutters, and an underground drainage.

III. NEIGHBORHOOD DATA

The property is located in Legaspi Village, one of the fifteen (15) classified areas representing the Makati Central Business District (MCBD). Legaspi Village is a well-planned area developed and fully improved with multi-storey office/residential and commercial condominiums strategically located near several first-class residential, commercial, and light-industrial villages of Makati City.

Since the early 80's Legaspi Village has already by-word for choice office/residential sites that cater to multi-national and big local companies, and the elite populace as well. Its easy accessibility to different business/commercial centers of Makati somehow adds premium to its property value. The presence of Asian Institute of Management has firmly established its reputation as one of the best regulated real estate sites in Metro Manila.

To ensure traffic decongestion, most of the streets of Legaspi Village are designed as one-way vehicular traffic. Pay parking along its principal streets is also being implemented.

Generally, the roads in the neighborhood follow a gridiron pattern designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

- Makati Medical Center
- Asian Institute of Management
- Ayala North Exchange Plaza
- RCBC Plaza – Yuchengco Tower
- GT Tower
- LKG Tower
- PBCOM Tower

Glorieta, SM City – Makati, Greenbelt Center and Landmark serve as the commercial and shopping centers in the area. These are accessible from Ayala Avenue by public transportation. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject office building.

Public transportation connecting to various sections of Makati City as well as to the other parts of Metro Manila is available along Ayala Avenue which is approximately 270 meters from the subject office building. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are jointly maintained by the city government, Makati Central Estate Association Inc. (MACEA) and the Metropolitan Manila Development Authority (MMDA).

V. SOLARIS ONE

This is a 24-storey reinforced concrete framed building having reinforced concrete slab roof deck; pre-cast concrete partly with aluminum composite panel and glass on anodized aluminum frame walls; fibered cement board on metal furring and concrete slab soffit ceilings; concrete hollow block, glass on anodized aluminum frame and fibered cement board on steel stud partitions; ceramic and granite tiles, carpet and plain cement floor finishes; glass panel on anodized aluminum frame windows; and full glass, glass on anodized aluminum frame, insulated steel plate, plywood and laminated wood doors.

This is a state-of-the-art 24-story PEZA-accredited building developed to meet Grade "A" specifications, Solaris One is built on 3,612 square meters of prime property along Dela Rosa Street in the Makati Central Business District. Business Process Outsourcing (BPO)-ready, the building offers a total Gross Leasable Area of 46,768 square meters, features large efficient floor plates approximately 2,800 square meters in size and provides a conducive working environment for employees with its high-end facilities. It is equipped with 100% back-up generators; a centralized chilled water system; 671 secured above-ground parking slots; high-speed, large-capacity elevators; multiple telecommunication providers; and an energy-efficient building management system, among other features. Solaris One also has a mini park and is in the vicinity of retail shops and dining establishments at People Support Center and Convergys One.

Other Building Information

Location of Property:	Central
Type of Property:	Office- BPO
Total Number of Storeys:	24
Building Height (m) :	119.7
Number of Carpark Storeys (upper levels):	7
Total Number of Parking Slots:	671
Gross Floor Area (sqm):	73,322.00
Milestones	
Construction Date	
Start:	10/1/2006
End:	10/1/2008
Date Operational:	2008

The estimated remaining economic life is 33 years.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that an **existing mixed-use, office and commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php635,334,682 considering vacancy and bad debts, and including dues-net. And the average lease rates are Php2,086/sq.m./mo. for retails and Php907/sq.m./mo. for offices;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 31.01% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 6.32% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to the obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)														
SOLARIS ONE														
STATISTICS														
Estimated Leasable Area					Ave. Lease Rate on Yr. 1									
Ground and Mezzanine Floors	Retails	741.00	sq.m.		Php2,249/sq.m./mo.									
9th to 25th Floors	Office Space	46,027.00	sq.m.		Php1,075/sq.m./mo.									
		46,027.00	sq.m.											
2nd to 8th Floors	Parking Slots	671	slots		Php3,657/slot/mo.									
Discount Rate		9.42%												
Average Growth Rate		2.50%												
Terminal Capitalization Rate		6.92%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
	Year	1	2	3	4	5	6	7	8	9	10	Totals	11	
GROSS REVENUES	Escalation	-	14.98%	4.54%	4.78%	-0.17%	2.50%	2.50%	2.50%	2.50%	2.50%			2.50%
Office Spaces		-	-	-	-	-	-	-	-	-	-	-	-	-
Retails		-	-	-	-	-	-	-	-	-	-	-	-	-
Parking Slots		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Annual Revenues		-	-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	6%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)		508,227,626	584,375,587	610,908,212	640,099,010	639,033,212	655,009,042	671,384,268	688,168,875	705,373,097	723,007,424	6,425,586,354	741,082,610	
PLUS: Dues - Net		127,107,056	138,363,343	145,239,668	152,461,585	155,506,227	159,393,883	163,378,730	167,463,198	171,649,778	175,941,022	1,556,504,490	180,339,548	
Total Effective Gross Revenues (EGR)		635,334,682	722,738,930	756,147,880	792,560,595	794,539,439	814,402,925	834,762,998	855,632,073	877,022,875	898,948,447	7,982,090,844	921,422,158	
LESS: DIRECT OPERATING EXPENSES	Php(000)													
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others		(170,828,800)	(183,413,531)	(188,890,880)	(194,386,780)	(196,480,567)	(201,392,581)	(206,427,396)	(211,588,081)	(216,877,783)	(222,299,727)	(1,992,586,127)	(227,857,221)	
General Administrative Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures		(99,179,500)	(38,363,847)	(32,725,033)	(32,004,951)	(31,951,661)	(32,750,452)	(33,569,213)	(34,408,444)	(35,268,655)	(36,150,371)	(406,372,126)	(37,054,130)	
Total		(270,008,300)	(221,777,378)	(221,615,913)	(226,391,731)	(228,432,228)	(234,143,033)	(239,996,609)	(245,996,525)	(252,146,438)	(258,450,099)	(2,398,958,254)	(264,911,351)	
NET INCOME		365,326,382	500,961,552	534,531,967	566,168,865	566,107,211	580,259,891	594,766,389	609,635,549	624,876,437	640,498,348	5,583,132,590	656,510,807	
ADD: Reversion Value (Resale Value)													9,493,010,127	
LESS: Marketing Cost	0.00%	of Resale Value											0	
Net Reversion Value													9,493,010,127	
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	0.40663	
Present Worth of Net Income		333,888,360	418,451,263	408,069,761	395,027,161	360,993,935	338,176,959	316,802,153	296,778,362	278,020,194	260,447,655	3,406,655,803		
Present Worth of Net Reversion Value													3,860,169,558	
Total Present Value of Net Income													3,406,655,803	
Present Worth of Net Reversion Value													3,860,169,558	
Total													7,266,825,361	
Market Value of Property (building and its facilities)	PhP												7,266,825,361	
Rounded to	PhP												7,266,825,000	

On the basis of the foregoing, the market value of Solaris One (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **PhP7,266,825,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

TECH TOWER

Located in
Cebu Business Park
Barangay Hipodromo, Cebu City

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 30 January 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

30 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-017A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property is **building only (Tech Tower)**, located **on the corner of Sumilon and Camiguin Roads, within Cebu Business Park, Barangay Hipodromo, Cebu City**.

The term **Market Value**, as used herein is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item, therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions, and gave consideration to the –

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property using the income approach appraised as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION THIRTY-NINE MILLION FOUR HUNDRED EIGHT THOUSAND (Php1,039,408,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO

Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:jpc

CAI File No. 12-2025-1327-017A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-017A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Cebu Business Park, Barangay Hipodromo, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free, and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power, and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is identified as the site of **TechTower–Cebu Business Park**, located **on the corner of Sumilon and Camiguin Roads, within Cebu Business Park, Barangay Hipodromo, Cebu City**.

The site of Tech Tower is bounded by Sumilon Road on the west, Camiguin Road on the south and east. It is located approximately 200-meters southeast from the intersection of Sumilon Road and Cardinal Rosales Avenue; 500-meters southeast from Gorordo Avenue; 550-meters southeast from Ayala Center Cebu; 3.9-kilometers northeast from Cebu City Hall; and about 14.0-kilometers east from Mactan – Cebu International Airport.

Sumilon and Camiguin Roads are 15 and 10 meters wide, respectively, both are concrete-paved and provided with concrete sidewalks, concrete curbs and gutters and underground drainage.

III. NEIGHBORHOOD DATA

The Cebu Business Park (CBP) is a 50-hectare masterplanned development. Cebu Holdings, an affiliate of Ayala Land, is currently responsible for the development of Cebu Business Park. Integrating business, residential, sports, recreation, and leisure facilities, the centerpiece of the business park is the 9-hectare Ayala Center Cebu shopping mall, which draws 60,000 shoppers daily.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 30 meters, and lighted with streetlamps.

Some of the important improvements in Cebu Business Park are:

Ayala Center Cebu
WT Corporate Tower
Seda Ayala Center Cebu (formerly Marriot Hotel)
Lexmark Plaza
Kepwealth Center Cebu (formerly Keppel Center)
Pioneer House Cebu
City Sports Club

The Ayala Center–Cebu and SM City–Cebu serve as the commercial and shopping centers in the area. These are accessible from the subject property by taxicab and motorcycle, locally known as habal-habal. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are likewise accessible from the subject property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply, and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Cebu City as well as to other parts of Metro Cebu, is available along Gorordo Avenue which is about 500 meters where the subject building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. DESCRIPTION OF THE BUILDING

Tech Tower

This is a twelve (12)-storey reinforced concrete-framed building; having reinforced concrete slab roof deck with parapet wall; tempered glass, cement plastered and EIFS finish concrete hollow block and reinforced concrete walls; fibered cement board on metal furring and concrete slab soffit ceilings; cement plastered partly ceramic tile finish concrete hollow block partitions and fibered cement board on steel stud partitions; glass panel on powder coated aluminum frame windows; and full glass, metal louver, glass on powder coated aluminum frame, fire rated, roll-up and laminated wood doors; ceramic and non-skid tiles, epoxy paint and plain cement finished concrete floors.

The building is painted and provided with electrical and plumbing facilities. Total floor area is 32,623.49 square meters and leasable floor area is 16,273 square meters.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php126,812,442 considering vacancy and bad debts, and including dues-net. And the average lease rate is Php551/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 44.11% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.82% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4.00% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)														
TECH TOWER														
STATISTICS														
					Ave. Lease Rate on Yr. 1									
Gross Leasable Area (GLA)		Office Space	16,269.83	sq.m.	Php551/sq.m./mo.									
Leased Out GLA		Office Space	12,849.80	sq.m.										
Discount Rate		9.42%												
Average Growth Rate		2.00%												
Terminal Capitalization Rate		7.42%												
Present Worth Factor				0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES			Escalation	-	6.69%	-0.66%	2.00%	3.87%	2.00%	2.00%	2.00%	2.00%	2.00%	11
														2.00%
Office Spaces				-	-	-	-	-	-	-	-	-	-	
				-	-	-	-	-	-	-	-	-	-	
				-	-	-	-	-	-	-	-	-	-	
				-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-
LESS:														-
Vacancy Rate (incl. bad debts)	21%	of gross revenues		-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				107,813,074	115,026,219	114,261,949	116,549,312	121,062,404	123,483,652	125,953,325	128,472,391	131,041,839	133,662,676	1,217,326,841
PLUS: Dues - Net				18,999,368	20,796,895	21,372,501	21,605,698	21,983,859	22,423,536	22,872,007	23,329,447	23,796,036	24,271,957	221,451,303
Total Effective Gross Revenues (EGR)				126,812,442	135,823,113	135,634,450	138,155,010	143,046,263	145,907,188	148,825,332	151,801,838	154,837,875	157,934,633	1,438,778,144
														161,093,325
LESS: DIRECT OPERATING EXPENSES		Php												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others				(47,281,180)	(49,524,068)	(50,459,921)	(51,814,061)	(53,568,974)	(54,640,354)	(55,733,161)	(56,847,824)	(57,984,780)	(59,144,476)	(536,998,799)
														(60,327,366)
General Administrative Expenses				(889,920)	(916,618)	(944,116)	(972,440)	(1,001,613)	(1,021,645)	(1,042,078)	(1,062,920)	(1,084,178)	(1,105,861)	(10,041,388)
Capital Expenditures				(4,312,523)	(4,601,049)	(4,570,478)	(4,661,972)	(4,842,496)	(4,939,346)	(5,038,133)	(5,138,896)	(5,241,674)	(5,346,507)	(48,693,074)
Total				(52,483,623)	(55,041,734)	(55,974,515)	(57,448,473)	(59,413,083)	(60,601,345)	(61,813,372)	(63,049,639)	(64,310,632)	(65,596,845)	(595,733,261)
														(66,908,781)
NET INCOME				74,328,819	80,781,379	79,659,935	80,706,537	83,633,180	85,305,843	87,011,960	88,752,199	90,527,243	92,337,788	843,044,883
														94,184,544
ADD: Reversion Value (Resale Value)														1,270,064,618
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														1,270,064,618
Present Worth Factor @	9.42%	discount rate		0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	0.40663
Present Worth of Net Income				67,932,481	67,476,376	60,813,595	56,310,539	53,331,012	49,716,465	46,346,896	43,205,703	40,277,406	37,547,576	522,958,050
Present Worth of Net Reversion Value														516,449,968
Total Present Value of Net Income					522,958,050	On the basis of the foregoing, the market value of the Tech Tower (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of Php1,039,408,000.								
Present Worth of Net Reversion Value					516,449,968									
Total					1,039,408,018									
Market Value of Property (building and its facilities)			PhP		1,039,408,018									
Rounded to			PhP		1,039,408,000									

On the basis of the foregoing, the market value of the **Tech Tower** (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **PhP1,039,408,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

THE 30th CORPORATE CENTER

Located on
Meralco Avenue
Barangay Ugong, Pasig City
Metro Manila

27 January 2026

AREIT, INC.

Ayala Triangle, Ayala Avenue
28th Floor Tower One and Exchange Plaza
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 27 January 2026. Our Independent Valuation Report was prepared on a fair and unbiased basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

27 January 2026

AREIT, INC.

28th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-007A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the market value of the property intended for corporate use as of **31 December 2025**.

The appraised property is **The 30th Corporate Center (building and its facilities)**, located at **No. 30, Meralco Avenue, within Barangay Ugong, Pasig City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property and investigated local market condition, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **FOUR BILLION SEVEN HUNDRED SEVENTY-FOUR MILLION SEVEN HUNDRED TWENTY THOUSAND (Php4,774,720,000) PESOS.**

We made no investigation of and assume no responsibility for claims to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO J. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVS:jpc

CAI File No. 12-2025-1327-007A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-007A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain real property located within Barangay Ugong, Pasig City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is identified as **The 30th Corporate Center**, located at **No. 30, Meralco Avenue, Pasig City, Metro Manila**.

The property is located approximately 40 meters north from St. Paul Street; 350 meters south from Doña Julia Vargas Avenue; 700 meters northeast from Shaw Boulevard; and about 820 meters south from Ortigas Avenue.

Meralco Avenue is 25 meters wide, concrete-paved and provided with concrete curbs and gutters, center island and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed use, specifically residential, institutional and commercial.

Generally, the streets in the neighborhood are designed to accommodate light to heavy vehicular and pedestrian traffic loads. Major thoroughfares are asphalted, with widths ranging from 12 to 60 meters and lighted with streetlamps.

Some of the improvements in the vicinity are:

Department of Education (DEPED)
The Alexandra
St. Paul College - Pasig
CW Home Depot
Renaissance 3000
Valle Verde

The property itself serve as the shopping and commercial center in the area. This is accessible from Meralco Avenue by public transportation. Other community centers like the post office, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the subject property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Pasig City as well as to the other parts of Metro Manila is available along Meralco Avenue where the subject building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. The 30th Corporate Center

This is a four (4) level reinforced concrete-framed building with three (3) basement parking, having rib-type long span iron sheet on steel frame and reinforced concrete slab roofing with water proofing membrane; fibered cement board, steel panel, aluminum panel and acoustic board on aluminum T-runner ceilings; cement plastered concrete hollow block partly with granite tile finish partly gypsum board with aluminum composite panel cladding interior walls; cement plastered concrete hollow block and aluminum composite panel exterior walls; cement plastered concrete hollow block and glass panel partitions; glass on aluminum powder coated windows; steel plate, wood panel, plywood flush, metal flush, frameless glass and glass on aluminum powder coated doors; granite, glazed, vinyl and ceramic tiles, and plain cement on epoxy paint finished concrete floors.

The building is painted and provided with electrical, plumbing and telecommunication facilities and equipped with one (1) passenger and two (2) elevators and firefighting equipment. Total floor area is approximately 69,273 square meters, allocated on the next page:

Floor Level	Area (sq.m.)
Basement 3	12,086
Basement 2	11,178
Basement 1	13,011
Lower Ground	10,434
Upper Ground	12,352
Second	6,596
Third	<u>3,616</u>
Total - 69,273 sq.m.	

Estimated remaining economic life is 32 years.

This mall stands on 20,000 square meters land.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office and commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI).

The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property.

These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php598,615,024 considering vacancy and bad debts, and including dues-net. And the average lease rate for offices is Php773/sq.m./mo. while for retails it is Php91/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 47.43% of the effective gross revenues;

5. General and administrative expenses over 10-year projection are estimated at an average of 3.14% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 3.79% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in PHP)													
THE 30TH CORPORATE CENTER													
STATISTICS													
Gross Leasable Area													
Office	47,870.66	sq.m.											
Discount Rate	9.42%												
Average Growth Rate	2.00%												
Terminal Capitalization Rate	7.42%												
Present Worth Factor			0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	
		Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES		Escalation	-	2.49%	2.50%	2.49%	3.43%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Office Spaces			-	-	-	-	-	-	-	-	-	-	-
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-
LESS:													
Vacancy Rate (incl. bad debts)	0%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			475,241,413	487,078,865	499,261,993	511,700,688	529,269,595	539,854,987	550,652,087	561,665,129	572,898,431	584,356,400	5,311,979,586
PLUS: Dues - Net			123,373,611	128,471,537	133,758,813	139,262,032	144,989,965	147,889,765	150,847,560	153,864,511	156,941,801	160,080,637	1,439,480,232
Total Effective Gross Revenues (EGR)			598,615,024	615,550,402	633,020,806	650,962,719	674,259,560	687,744,752	701,499,647	715,529,640	729,840,232	744,437,037	6,751,459,818
LESS: OPERATING EXPENSES		Php(000)											
Direct Operating Expenses													
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(215,808,369)	(230,770,921)	(236,317,379)	(243,834,855)	(252,451,074)	(257,500,096)	(262,650,098)	(267,903,100)	(273,261,162)	(278,726,385)	(2,519,223,438)
General Administrative Expenses			(16,281,704)	(16,103,941)	(16,136,470)	(16,169,974)	(16,204,483)	(16,528,573)	(16,859,145)	(17,196,327)	(17,540,254)	(17,891,059)	(166,911,930)
Capital Expenditures			(18,183,115)	(18,718,329)	(18,920,528)	(19,572,686)	(20,613,283)	(20,259,663)	(20,664,856)	(21,078,153)	(21,499,716)	(21,929,711)	(201,440,041)
Total			(250,273,188)	(265,593,191)	(271,374,377)	(279,577,514)	(289,268,841)	(294,288,332)	(300,174,099)	(306,177,581)	(312,301,132)	(318,547,155)	(2,887,575,409)
NET INCOME			348,341,836	349,957,210	361,646,429	371,385,205	384,990,719	393,456,420	401,325,548	409,352,059	417,539,100	425,889,882	3,863,884,410
ADD: Reversion Value (Resale Value)													434,407,680
LESS: Marketing Cost	0.00%	of Resale Value											5,857,923,196
Net Reversion Value													0
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663	5,857,923,196
Present Worth of Net Income			318,365,413	292,317,916	276,086,336	259,122,767	245,499,990	229,307,415	213,765,942	199,277,804	185,771,610	173,180,807	2,392,696,001
Present Worth of Net Reversion Value													0.40663
													2,382,023,877
Total Present Value of Net Income													2,392,696,001
Present Worth of Net Reversion Value													2,382,023,877
Total													4,774,719,878
Market Value of Property (building and its facilities)													4,774,719,878
Rounded to													4,774,720,000

On the basis of the foregoing, the market value of The 30th Corporate Center (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php4,774,720,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

LAGUNA TECHNOPARK

Located in
Barangay Biñan
Biñan City, Province of Laguna

27 January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Avenue, Ayala Triangle
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 27 January 2026. Our Independent Valuation Report was prepared on a fair and unbiased basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu and Davao offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

27January 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Avenue, Ayala Triangle
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-026A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised properties consist of **land only**, located **within Laguna Technopark, Barangay Biñan, Biñan City, Province of Laguna**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

We personally inspected the property and investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** is reasonably represented in the amount of **ONE BILLION THREE HUNDRED THIRTY EIGHTY MILLION SEVEN HUNDRED EIGHTEEN THOUSAND (Php1,338,718,000) PESOS.**

We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 4524263
08 January 2026
City of Malolos

AVS:mfm

CAI File No. 12-2025-1327-026A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-026A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Laguna Technopark, Barangay Biñan, Biñan City, Laguna. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

The appraised properties consist of two (2) Sites, both are identified as the site of **Integrated Micro-Electronics, Inc.-Global Manufacturing**, located within **Laguna Technopark, Barangay Binan, Binan City, Province of Laguna**.

For purposes of definitive valuation, the property is defined as under:

Site 1 –is a parcel of lot, located on the southwest side corner of Trade Avenue and Technology Avenue; approximately 200 meters southeast of East Main Avenue corner Trade Avenue; 300 meters northwest from East Science Avenue corner Trade Avenue; and about 1.2 kilometers southeast from Gate 3 of Laguna Technopark.

Technology and Trade Avenues are both about 15 meters wide, both are concrete paved and provided with concrete curbs and gutters, concrete sidewalks, and an underground drainage.

Site 2 - consists of three (3) contiguous parcels of lot, located on the northwest side of North Science Avenue, approximately 330 meters northeast of Laguna Technopark Gate 2; 400 meters southeast from the intersection of Technology Avenue and North Science Avenue; and about 640 meters southeast from the intersection of Laguna Boulevard and Technology Avenue.

North Science Avenue is about 15 meters wide, concrete paved and provided with concrete curbs and gutters, concrete sidewalks, and an underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is for industrial use.

Generally, the roads in the neighborhood are designed to accommodate medium to heavy vehicular traffic loads. Major thoroughfares are either concreted or asphalted, with widths ranging from 15 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Deca Technologies
Goshi Philippines, Inc.
FCC Philippines Corporation
Yusen Logistics Philippines, Inc.
Honda Parts Manufacturing Corporation
Kawashima Textile Manufacturing Philippines

Paseo de Sta. Rosa, Vista Mall Sta. Rosa, and Ayala Malls Solenad serve the commercial and shopping needs of the residents in the area. These are accessible from Laguna Boulevard by public transportation. Other community centers like churches/chapels, hospital/clinic, and private and public schools are likewise accessible from the said thoroughfare.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power and water supply facilities are available at the site.

Public transportation connecting to various sections of Biñan City and its neighboring towns is available along Sta. Rosa–Tagaytay Road which is approximately 5.2 kilometers from the subject property. However, motorized tricycles are the immediate mode of transport plying in the area. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

The land subject for appraisal consists of two (2) Sites, technically identified as follows:

Site 1

The land is technically identified as Lot 1-B, containing an area of 11,929 square meters, more or less. It is covered by Transfer Certificate of Title No. 624096 issued by the Registry of Deeds for the Calamba City in favor of the **TECHNOPARK LAND, INC.**

Site 2

The land consists of three (3) contiguous lots, containing an aggregate area of 86,250 square meters, technically identified as under:

Lot Nos.	TCT Nos.	Area (sq.m.)
Lot 3/Blk 1	624093	31,402
Lot 4/Blk 1	624094	31,401
Lot 3	624095	<u>23,447</u>
		Total – 86,250 sq.m.

The above Transfer Certificates of Titles were all issued by the Registry of Deeds for Calamba City in favor of the **TECHNOPARK LAND, INC.**

No Transfer Certificate of Title, land data was based on the tax declaration provided to us by the client.

For both Sites, the terrain of the land is generally flat, elevations are at grade with the fronting avenues.

Government Assessment

BIR Zonal Value of Real Property within Barangay Biñan, Biñan City, Laguna as per Department Order No. 032-2019, effective 13 June 2019:

Vicinity	Classification	5 th Revision Zonal Value (Php/sq.m.)
Laguna Techno Park	Industrial	8,000

VI. ON IMPROVEMENTS

The subject lots are improved with buildings and other land improvement presently occupied by Integrated Micro-Electronics, Inc.-Global Manufacturing. However, as per appraisal agreement, these improvements shall not be included in the valuation. Hence, the land is appraised as if vacant.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that **anexisting mixed-use, office and commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php94,787,824 considering vacancy and bad debts, and including dues-net;
3. The growth rate of the gross revenue is estimated at 3.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 7.39% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 0% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

On the basis of the foregoing, the market value of **land only** using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php1,338,718,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

TELEPERFORMANCE CEBU

Located on
Inez Villa Street, Cebu IT Park
Barangay Apas, Cebu City

27 January 2026

AREIT, INC.

Ayala Avenue, Ayala Triangle
28th Floor, Tower One and Exchange Plaza
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 27 January 2026. Our Independent Valuation Report was prepared on a fair and unbiased basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

27 January 2026

AREIT, INC.

Ayala Avenue, Ayala Triangle
28th Floor, Tower One and Exchange Plaza
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Finance Officer

MS. BEVS ESPINA
Finance Manager

Subject : **CAI File No. 12-2025-1327-006A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain property exhibited to us by the **AREIT, INC..** for the purpose of expressing an opinion on the market value of the property intended for corporate use as of **31 December 2025**.

The appraised property is the **Teleperformance Cebu (building and its facilities)**, located **along Inez Villa Street, Cebu IT Park, Barangay Apas, Cebu City**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item therefore, partakes the nature of a fractional appraisal and is rendered as such.

We personally inspected the property and investigated local market condition, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **31 December 2025** using is reasonably represented in the amount of **ONE BILLION SEVEN HUNDRED NINETY-TWO MILLION NINE HUNDRED THIRTEEN THOUSAND (Php1,792,913,000) PESOS.**

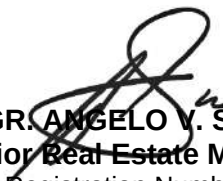
We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:jpc

CAI File No. 12-2025-1327-006A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-006A

VALUATION REPORT

I. GENERAL

This report covers an appraisal of a certain real property located along Inez Villa Street, within Cebu IT Park, Barangay Apas, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or a liability should exchange on valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the clients and as shown by the client's representative, the appraised property is the **TELEPERFORMANCE CEBU (formerly known as Aegis Towers 1 and 2)**, located **along Inez Villa Street with Cebu IT Park, Barangay Apas, Cebu City**.

The site of Teleperformance is bounded by Inez Villa Street on the southwest, San Miguel Street on the northwest and India Street on the northeast. It is located approximately 530 meters northeast from Salinas Drive; 320 meters northwest from Gov. M. Cuenco Avenue; 1.20 kilometers northwest from Ayala Center Cebu; 5.0kilometers northeast from Cebu City Hall; and about 14.0 kilometers northwest from Mactan – Cebu International Airport.

Inez Villa, San Miguel and India Streets are correspondingly 25, 15 and 15 meters wide. These are concrete-paved and provided with concrete sidewalks, concrete curbs and gutters and underground drainage.

III. NEIGHBORHOOD DATA

The Cebu IT Park (formerly known as Asiatown IT Park) is a 27-hectare mixed use business park envisioned to attract locators in the information technology services. It is developed by Cebu Property Ventures and Development Corporation, a subsidiary of Cebu Holdings, Inc.

Generally, the roads in the neighborhood are designed to accommodate light to heavy vehicular traffic loads. Major thoroughfares are concreted, with widths ranging from 10 to 20 meters and lighted with streetlamps lamps.

Some of the important improvements in Cebu IT Park are:

Avida Towers - Cebu
Skyrise 1 to 3
eBlock Towers 1 to 3
Park Centrale
Filinvest Cebu Cyberzone
Calyx Centre
TGU Tower

Ayala Center – Cebu and SM City – Cebu serve as the commercial and shopping centers in the area. These are accessible from the subject property by taxicab and motorcycle, locally known as habal-habal. Other community centers like the post office, public market, churches/chapels, hospitals/clinics and private and public schools are accessible from the subject property.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Cebu City as well as to the other parts of Metro Cebu is available along Salinas Drive which is about 530 meters where the subject building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. TELEPERFORMANCE CEBU

This consists of two (2) towers, Tower 1 is 12-storey, while Tower 2 is 12-storey with penthouse. Ground to the 4th floor are common to both towers. This is reinforced concrete framed building of roof deck having reinforced concrete slab roof deck; reinforced concrete partly with aluminum composite panel and glass on anodized aluminum frame walls; fibered cement board on metal furring and concrete slab soffit ceilings; concrete hollow block, glass on anodized aluminum frame and fibered cement board on steel stud partitions; ceramic and granite tiles, carpet and plain cement floor finishes; glass panel on anodized aluminum frame windows; and full glass, glass on anodized aluminum frame, insulated steel plate, plywood and laminated wood doors.

The building is painted and provided with electrical lighting and plumbing facilities. Total floor area excluding parking areas is 18,108.16 square meters, allocated on the next page.

FLOOR	TOWER I	TOWER II	GADC	TOTAL
Ground	686.90	-	265.64	952.54
2nd	-	352.28	-	352.28
3rd	-	-	-	0.00
4th	-	-	-	0.00
5th	1,345.70	707.60	-	2,053.30
6th	1,345.70	707.60	-	2,053.30
7th	1,345.70	707.60	-	2,053.30
8th	1,345.70	707.60	-	2,053.30
9th	1,276.31	681.73	-	1,958.04
10th	1,316.30	738.46	-	2,054.76
11th	1,316.30	738.46	-	2,054.76
12th	1,279.72	680.76	-	1,960.48
Penthouse	-	401.90	-	401.90
Mezzanine	-	-	144.70	144.70
Al Fresco	-	-	15.50	15.50
TOTAL -	11,258.33	6,423.99	425.84	18,108.16
Parking Slots -	135	102		237

Reportedly, this building was built year 2010.

Estimated remaining economic life of this building is 35 years.

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that the **existing mixed-use, office and commercial** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

By Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties.

With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php223,030,559 considering vacancy and bad debts, and including dues-net. And the average lease rates are Php765/sq.m./mo. for offices and Php673/sq.m./mo. for retails;
3. The growth rate of the gross revenue is estimated at 2.50% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 42.47% of the effective gross revenues;

5. General and administrative expenses over 10-year projection are estimated at an average of 0.31% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 7.23% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 6.92% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in Php)														
TELEPERFORMANCE CEBU														
STATISTICS														
Gross Leasable Area														
Office	18,092.66	sq.m.												
Discount Rate	9.42%													
Average Growth Rate	2.50%													
Terminal Capitalization Rate	6.92%													
Present Worth Factor			0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		
		Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES		Escalation	-	2.70%	0.16%	2.02%	0.98%	2.50%	2.50%	2.50%	2.50%	2.50%		2.50%
Office Spaces			-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	0%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			195,456,512	200,733,984	201,049,593	205,115,416	207,122,443	212,300,504	217,608,017	223,048,218	228,624,423	234,340,034	2,125,399,144	240,198,534
PLUS: Dues - Net			27,574,047	28,633,390	29,357,892	30,359,996	31,522,768	32,310,837	33,118,608	33,946,574	34,795,238	35,665,119	317,284,470	36,556,747
Total Effective Gross Revenues (EGR)			223,030,559	229,367,374	230,407,485	235,475,412	238,645,212	244,611,342	250,726,626	256,994,791	263,419,661	270,005,152	2,442,683,614	276,755,281
LESS: OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(82,151,119)	(84,034,162)	(85,332,380)	(86,918,230)	(88,313,196)	(90,521,026)	(92,784,052)	(95,103,653)	(97,481,244)	(99,918,275)	(902,557,337)	(102,416,232)
General Administrative Expenses			(578,235)	(595,582)	(613,450)	(631,853)	(650,809)	(667,079)	(683,756)	(700,850)	(718,371)	(736,331)	(6,576,318)	(754,739)
Capital Expenditures			(48,272,000)	(22,960,000)	(8,756,553)	(8,927,446)	(8,994,589)	(10,615,025)	(10,880,401)	(11,152,411)	(11,431,221)	(11,717,002)	(153,706,648)	(12,009,927)
Total			(131,001,354)	(107,589,745)	(94,702,383)	(96,477,529)	(97,958,594)	(101,803,130)	(104,348,209)	(106,956,914)	(109,630,837)	(112,371,608)	(1,062,840,302)	(115,180,898)
NET INCOME			92,029,204	121,777,629	135,705,102	138,997,883	140,686,618	142,808,212	146,378,417	150,037,877	153,788,824	157,633,545	1,379,843,312	161,574,384
ADD: Reversion Value (Resale Value)														2,336,332,081
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														2,336,332,081
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income			84,109,667	101,720,387	103,599,321	96,981,559	89,712,716	83,228,994	77,968,423	73,040,353	68,423,765	64,098,974	842,884,159	
Present Worth of Net Reversion Value														950,029,322
Total Present Value of Net Income														842,884,159
Present Worth of Net Reversion Value														950,029,322
Total														1,792,913,480
Market Value of Property (building and its facilities)														1,792,913,480
Rounded to														1,792,913,000

On the basis of the foregoing, the market value of Teleperformance Cebu (building and its facilities) using the **Discounted Cash Flow Analysis**, is represented in the amount of **Php1,792,913,000**.

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT, INC.

Vertis North Towers 1, 2 and 3

Located in
Barangay Pag-Asa
Quezon City, Metro Manila

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 02 February 2026. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT, INC.**, as well as on our inspections, research, and analyses of market data which we have deemed reasonable, appropriate, and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data, and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices, has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.**By:****LIBERTY SANTIAGO-AÑO, IPA, MRICS***Vice President and General Manager*

Real Estate Appraiser

PRC Registration Number: 0000167

Valid until: 07/17/2026

IPREA Membership No. 849

PTR No. 3975856

TIN No. 1628-289-697-000

05 January 2026

City of Pasig

02 February 2026

AREIT, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Attention : **MS. MYRRA FAMY**
Chief Financial Officer

Thru : **MS. BEVS ESPINA**
Finance Manager

Subject : **CAI File No. 12-2025-1327-008A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised a certain real property exhibited to us by the **AREIT, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **31 December 2025**.

The appraised property consists of **buildings (Vertis North Towers 1, 2, and 3)**, located **within Barangay Pag-asa, Quezon City, Metro Manila**.

The term **Market Value**, as used herein is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of building and its facilities only, this report pertaining to the said item therefore, partakes the nature of a fractional appraisal and is rendered as such

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Capitalization Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character, and utility of the property;

Lease/Rent rate of similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property using the income approach appraised as of **31 December 2025** is reasonably represented in the amount as under:

Vertis North Tower 1	6,478,459,000
Vertis North Tower 2	4,600,652,000
Vertis North Tower 3	5,618,911,000

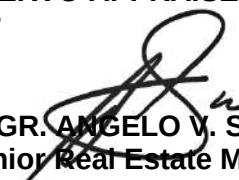
We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 4524263

08 January 2026

City of Malolos

AVS:jpc

CAI File No. 12-2025-1327-008A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 12-2025-1327-008A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Barangay Pag-asa, Quezon City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **31 December 2025**.

The term **Market Value** is defined as the estimated amount for which an asset and liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free, and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power, and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client, the appraised property is **identified as Vertis North Towers 1, 2, and 3**, located **along Luxe Drive, within Vertis North Complex, Barangay Pag-asa, Quezon City, Metro Manila**.

The property is located approximately 130 meters southwest from North Avenue; 150 meters northeast from Epifanio de los Santos Avenue (MRT 3 – North Avenue Station); and about 1.10 kilometers west from Quezon City Memorial Circle.

Luxe Drive is 15 meters wide, concrete and provided with concrete curbs and gutters, and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed use, specifically commercial, residential, and office condominiums.

Generally, the streets in the neighborhood are designed to accommodate light to heavy vehicular and pedestrian traffic loads. Major thoroughfares are asphalted, with widths ranging from 12 to 60 meters and lighted with streetlamps.

Some of the improvements in the vicinity are:

Trinoma
SM City North EDSA
Seda Hotel
Landmark
Vinia Residences
Eurotel – North EDSA

The Ayala Malls Vertis North serve as the shopping and commercial center in the area. Other community centers like the post office, churches/chapels, hospitals/clinics, and private and public schools are accessible from Epifanio de los Santos Avenue (EDSA) by public transportation.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply, and telecommunication facilities are available at the subject building.

Public transportation connecting to various sections of Quezon City as well as to the other parts of Metro Manila is available along Epifanio de los Santos Avenue (EDSA) which is approximately about 150 meters from the subject building fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. DESCRIPTION OF THE SUBJECT BUILDINGS

Vertis North Towers 1, 2 and 3

These are three (3) high-rise office buildings stacked on top of a retail mall, identified as Towers 1, 2, and 3.

Vertis North Towers 1, 2, and 3 offers grade-A office spaces. The building is painted and provided with electrical, plumbing, and telecommunication facilities, twelve (12) elevators and firefighting equipment. The total floor area is approximately 157,455 square meters, as follows:

Tower Name	No. of Storeys	Gross Leasable Area
Tower 1	19	43,156.16
Tower 2	20	42,351.85
Tower 3	20	39,636.46

VI. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VII. VALUATION

The estimate Market Value of a property is normally done by applying any one or a combination of the three (3) approaches to value, namely: Market Data (or Direct Sales Comparison) Approach, Income Approach, and the Cost Approach. However, based on our appraisal agreement, the value property should be determined by Income Approach.

Income Approach

The Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income. The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses. Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

Vertis North Tower 1

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php651,188,210 considering vacancy and bad debts, and including dues-net. And the average lease rate for offices is Php964/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 32.44% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.14% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

Discounted Cash Flow Analysis (in Php)														
VERTIS NORTH TOWER 1														
STATISTICS														
Gross Leasable Area														
Office	43,156.16	sq.m.												
Discount Rate	9.42%													
Average Growth Rate	2.00%													
Terminal Capitalization Rate	7.42%													
Present Worth Factor			0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		
		Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES		Escalation	-	-1.17%	3.05%	4.25%	4.66%	2.00%	2.00%	2.00%	2.00%	2.00%		2.00%
Office Spaces			-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	0%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			508,070,650	502,139,684	517,443,765	539,444,990	564,586,904	575,878,642	587,396,214	599,144,139	611,127,022	623,349,562	5,628,581,571	635,816,553
<i>PLUS: Dues - Net</i>			143,117,560	147,124,767	153,620,697	160,362,702	167,441,748	170,790,583	174,206,394	177,690,522	181,244,333	184,869,219	1,660,468,527	188,566,604
Total Effective Gross Revenues (EGR)			651,188,210	649,264,451	671,064,462	699,807,693	732,028,651	746,669,224	761,602,609	776,834,661	792,371,354	808,218,781	7,289,050,097	824,383,157
LESS: OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(158,202,031)	(165,739,129)	(170,945,408)	(176,566,887)	(182,998,401)	(186,658,369)	(190,391,536)	(194,199,367)	(198,083,354)	(202,045,021)	(1,825,829,503)	(206,085,922)
General Administrative Expenses			(703,793)	(724,907)	(746,654)	(769,054)	(792,125)	(807,968)	(824,127)	(840,610)	(857,422)	(874,571)	(7,941,232)	(892,062)
Capital Expenditures			(20,322,826)	(20,085,587)	(20,697,751)	(21,577,800)	(22,583,476)	(23,035,146)	(23,495,849)	(23,965,766)	(24,445,081)	(24,933,982)	(225,143,263)	(25,432,662)
Total			(179,228,651)	(186,549,623)	(192,389,813)	(198,913,741)	(206,374,002)	(210,501,482)	(214,711,512)	(219,005,742)	(223,385,857)	(227,853,574)	(2,058,913,998)	(232,410,646)
NET INCOME			471,959,560	462,714,827	478,674,649	500,893,952	525,654,649	536,167,742	546,891,097	557,828,919	568,985,497	580,365,207	5,230,136,100	591,972,511
ADD: Reversion Value (Resale Value)														7,982,661,599
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														7,982,661,599
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income			431,345,261	386,503,921	365,427,443	349,483,569	335,198,239	312,479,941	291,301,392	271,558,234	253,153,182	235,995,546	3,232,446,727	
Present Worth of Net Reversion Value														3,246,012,264
Total Present Value of Net Income														3,232,446,727
Present Worth of Net Reversion Value														3,246,012,264
Total														6,478,458,991
Market Value of Property (building and its facilities)														6,478,458,991
Rounded to														6,478,459,000

Vertis North Tower 2

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php463,756,600 considering vacancy and bad debts, and including dues-net. And the average lease rate for offices is Php679/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 36.55% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.16% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Note: These assumptions/estimates are in consideration of the existing lease contracts, and historical data provided to us by the client, considering prevailing market lease rates and forecast.

Discounted Cash Flow Analysis (in Php)														
VERTIS NORTH TOWER 2														
STATISTICS														
Gross Leasable Area														
Office	42,351.85	sq.m.												
Discount Rate	9.42%													
Average Growth Rate	2.00%													
Terminal Capitalization Rate	7.42%													
Present Worth Factor			0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		
		Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES		Escalation	-	5.19%	5.00%	1.23%	5.00%	2.00%	2.00%	2.00%	2.00%	2.00%		2.00%
Office Spaces			-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	0%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			357,040,642	375,568,491	394,349,031	399,200,716	419,159,873	427,543,071	436,093,932	444,815,811	453,712,127	462,786,370	4,170,270,064	472,042,097
PLUS: Dues - Net			106,715,958	111,821,950	117,178,395	119,006,029	124,703,387	127,197,455	129,741,404	132,336,232	134,982,957	137,682,616	1,241,366,384	140,436,268
Total Effective Gross Revenues (EGR)			463,756,600	487,390,441	511,527,426	518,206,746	543,863,260	554,740,526	565,835,336	577,152,043	588,695,084	600,468,985	5,411,636,448	612,478,365
LESS: OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(130,983,523)	(139,641,309)	(143,321,634)	(147,581,848)	(152,595,606)	(155,647,518)	(158,760,468)	(161,935,678)	(165,174,391)	(168,477,879)	(1,524,119,854)	(171,847,437)
General Administrative Expenses			(603,423)	(621,526)	(640,172)	(659,377)	(679,158)	(692,741)	(706,596)	(720,728)	(735,142)	(749,845)	(6,808,708)	(764,842)
Capital Expenditures			(14,281,626)	(15,022,740)	(15,773,961)	(15,968,029)	(16,766,395)	(17,101,723)	(17,443,757)	(17,792,632)	(18,148,485)	(18,511,455)	(166,810,803)	(18,881,684)
Total			(145,868,572)	(155,285,575)	(159,735,767)	(164,209,253)	(170,041,159)	(173,441,982)	(176,910,821)	(180,449,038)	(184,058,019)	(187,739,179)	(1,697,739,364)	(191,493,963)
NET INCOME			317,888,028	332,104,867	351,791,659	353,997,493	373,822,102	381,298,544	388,924,515	396,703,005	404,637,065	412,729,806	3,713,897,084	420,984,403
ADD: Reversion Value (Resale Value)														5,676,912,290
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														5,676,912,290
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income			290,532,296	277,405,921	268,563,056	246,991,019	238,378,012	222,221,773	207,160,535	193,120,083	180,031,233	167,829,489	2,292,233,417	
Present Worth of Net Reversion Value														2,308,418,901
Total Present Value of Net Income														
Present Worth of Net Reversion Value														
Total														
Market Value of Property (building and its facilities)		PhP												
Rounded to		PhP												

Vertis North Tower 3

1. Cash Flow is projected over a 10-year period;
2. The projected effective gross revenue on year 1 is estimated at Php616,945,750 considering vacancy and bad debts, and including dues-net. And the average lease rate for offices is Php921/sq.m./mo.;
3. The growth rate of the gross revenue is estimated at 2.0% per year;
4. Direct operating expenses include outside services, repairs and maintenance, miscellaneous, land lease, tax and licenses, management fees, insurance and others are estimated at an average of 41.90% of the effective gross revenues;
5. General and administrative expenses over 10-year projection are estimated at an average of 0.14% of the effective gross revenues;
6. The average capital expenditures over 10-year projection are estimated at 4% per year of effective gross revenue;
7. Discount rate is estimated at 9.42% using weighted average cost of capital (WACC); and
8. Terminal capitation rate is estimated at 7.42% (discount rate less growth rate).

Discounted Cash Flow Analysis (in PhP)														
VERTIS NORTH TOWER 3														
STATISTICS														
Gross Leasable Area														
Office	39,636.46	sq.m.												
Discount Rate	9.42%													
Average Growth Rate	2.00%													
Terminal Capitalization Rate	7.42%													
Present Worth Factor			0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		
		Year	1	2	3	4	5	6	7	8	9	10	Totals	11
GROSS REVENUES		Escalation	-	2.92%	2.11%	2.22%	1.49%	1.83%	1.83%	2.08%	1.83%	1.83%		2.00%
Office Spaces			-	-	-	-	-	-	-	-	-	-		
Total Annual Revenues			-	-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)	0%	of gross revenues	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)			489,099,917	503,385,981	513,997,965	525,403,316	533,210,316	542,942,206	552,868,734	564,392,267	574,719,826	585,253,937	5,385,274,466	596,959,016
PLUS: Dues - Net			127,845,833	138,056,375	147,836,648	158,522,015	169,631,059	173,023,680	176,484,154	180,013,837	183,614,114	187,286,396	1,642,314,113	191,032,124
Total Effective Gross Revenues (EGR)			616,945,750	641,442,356	661,834,613	683,925,332	702,841,375	715,965,887	729,352,888	744,406,104	758,333,940	772,540,333	7,027,588,579	787,991,140
LESS: OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Outside Services, Repairs and Maintenance, Miscellaneous, Land Lease, Taxes and Licences, Management Fees, Insurance and Others			(205,919,048)	(211,744,670)	(214,909,553)	(218,275,952)	(222,834,088)	(227,290,770)	(231,836,585)	(236,473,317)	(241,202,784)	(246,026,839)	(2,256,513,607)	(250,947,376)
General Administrative Expenses			(655,985)	(675,665)	(695,935)	(716,813)	(738,317)	(753,083)	(768,145)	(783,508)	(799,178)	(815,162)	(7,401,789)	(831,465)
Capital Expenditures			(19,563,997)	(20,135,439)	(20,559,919)	(21,016,133)	(21,328,413)	(21,717,688)	(22,114,749)	(22,575,691)	(22,988,793)	(23,410,157)	(215,410,979)	(23,878,361)
Total			(226,139,029)	(232,555,774)	(236,165,406)	(240,008,897)	(244,900,818)	(249,761,542)	(254,719,480)	(259,832,516)	(264,990,755)	(270,252,158)	(2,479,326,375)	(275,657,201)
NET INCOME			390,806,721	408,886,582	425,669,207	443,916,435	457,940,558	466,204,345	474,633,408	484,573,588	493,343,186	502,288,175	4,548,262,205	512,333,938
ADD: Reversion Value (Resale Value)														6,908,747,244
LESS: Marketing Cost	0.00%	of Resale Value												0
Net Reversion Value														6,908,747,244
Present Worth Factor @	9.42%	discount rate	0.91395	0.83530	0.76342	0.69772	0.63768	0.58280	0.53265	0.48681	0.44492	0.40663		0.40663
Present Worth of Net Income			357,175,999	341,541,394	324,962,289	309,729,234	292,018,474	271,705,093	252,813,354	235,896,604	219,498,384	204,246,861	2,809,587,687	
Present Worth of Net Reversion Value														2,809,323,432
Total Present Value of Net Income				2,809,587,687										
Present Worth of Net Reversion Value				2,809,323,432										
Total				5,618,911,119										
Market Value of Property (building and its facilities)		PhP		5,618,911,119										
Rounded to		PhP		5,618,911,000										

On the basis of the foregoing, the market value of the property (buildings and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount as follows:

	Market Value
<i>Vertis North Tower 1</i>	<i>6,478,459,000</i>
<i>Vertis North Tower 2</i>	<i>4,600,652,000</i>
<i>Vertis North Tower 3</i>	<i>5,618,911,000</i>

April 11, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 First Quarter Progress Report on the Disbursement of Proceeds from the Sale
of 75 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the First Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On December 12 2024, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 75 million AREIT Shares amounting to Two Billion Seven Hundred Fifty-Six Million Four Hundred Twenty-One Thousand and Three Hundred Seventy-Five (Php 2,756,421,375.00).

As of March 31, 2025, ALI has not yet disbursed any amount from the net proceeds from the sale of 75 million AREIT Shares.

The details of the disbursement for the First Quarter of 2025 are as follows:

Balance of Proceeds from sale of AREIT Shares as of December 12, 2024	Php 2,756,421,375.00
Less: Disbursements from January 1 to March 31, 2025	0
Balance of Proceeds from sale of AREIT Shares as of March 31, 2025	<u>Php 2,756,421,375.00</u>

Thank you.

Very truly yours,



Augusto D. Bengzon
Ayala Land, Inc.
Chief Finance Officer and Treasurer



Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this APR 11 2025 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Augusto D. Bengzon	Passport No. P4323352B	Issued 08 January 2020 / DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 10;
Page. No. 3;
Book No. 11;
Series of 2025, to Sec. 61 of the
TAEN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy



Katrina
KATRINA G. RIVERA
Notary Public - Makati City
Appt. No. M-172 until December 31, 2025
Roll of Attorneys No. 66011
IBP No. 496179 - 01/03/2025 - Makati City
PTR No. MKT10475700 - 01/09/2025 - Makati City
MCLE Compliance No. VIII-0023851 - 03/11/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines



Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the "Company") in connection with the Company's compliance with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company on the Quarterly Progress Report for the period from January 1 to March 31, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. ("AREIT") on December 12, 2024 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.



Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated April 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the "schedule") for the period from January 1 to March 31, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted. No disbursements have been made from January 1 to March 31, 2025.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from January 1 to March 31, 2025, to the supporting documents such as progress billings, statement of account, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from January 1 to March 31, 2025, based on the information we obtained from the Company. No disbursements have been made from January 1 to March 31, 2025.
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted. We have noted that the Sponsor Reinvestment Plan dated December 12, 2024, included the proceeds from the block sale of AREIT shares amounting to P2,756,421,375.00. Out of the total proceeds, no disbursements have been made from January 1 to March 31, 2025, based on the information we obtained from the Company as presented in Appendix A.



Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.

A handwritten signature in black ink, appearing to read "R. Danao", with a long, sweeping horizontal stroke extending to the right.

Roderick M. Danao

Partner

CPA Cert No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City

April 11, 2025



Appendix A

Summary of Quarterly Progress Report from January 1 to March 31, 2025 (Amounts are in PHP)

		Total disbursements from January 1 to March 31, 2025
Distributing Entity	Project name	
Ayala Land, Inc.	Metro Manila Property - Land 1	-
	Metro Manila Property - Land 2	-
	Metro Manila Property - Land 3	-
		-

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 15th day of April 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2025, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 167 :
Page No. 39 :
Book No. 1 :
Series of 2025.




Atty. Charilyn R. Caliwag

Notary Public for Makati
Until December 31, 2025
Appointment No. M-451
Roll No. 70019

PTR No. 10464061 01.24.25 / Makati City
IBP No. 5721821 01.07.25 / Makati City
MCLE Compliance No. VII- 002752
10G One Pacific Place Residences
106 H.V. Dela Costa St. Makati City

April 11, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 First Quarter Progress Report on the Disbursement of Proceeds from the Sale
of 75 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the First Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On September 24, 2024, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 75 million AREIT Shares amounting to Two Billion Six Hundred Ninety-Six Million Eight Hundred Twenty-Three Thousand Seventy-Five (Php 2,696,823,075.00).

As of March 31, 2025 the remaining balance of the net proceeds from the sale of 75 million AREIT Shares is One Billion Eight Hundred Sixty Million Eight Hundred Thirty-Nine Thousand Two Hundred Ninety-Three and 83/100 (Php 1,860,839,293.83).

The details of the disbursement for the First Quarter of 2025 are as follows:

Balance of Proceeds from sale of AREIT Shares as of December 31, 2024	Php 2,105,023,745.11
Less: Disbursements from January 1 to March 31, 2025 (Annex A)	244,184,451.28
Balance of Proceeds from sale of AREIT Shares as of March 31, 2025	<u>Php 1,860,839,293.83</u>

Thank you.

Very truly yours,



Augusto D. Bengzon
Ayala Land, Inc.
Chief Finance Officer and Treasurer



Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this APR 11 2025 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Augusto D. Bengzon	Passport No. P4323352B	Issued 08 January 2020 / DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 9;
Page. No. 3;
Book No. III;
Series of 2025.

Notarial DST pursuant to Sec. 41 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy



Katrina
KATRINA G. RIVERA
Notary Public - Makati City
Appt. No. M-172 until December 31, 2025
Roll of Attorneys No. 66011
IBP No. 496179 - 01/03/2025 - Makati City
PTR No. MKT10475700 - 01/09/2025 - Makati City
MCLE Compliance No. VIII -0023851 - 03/11/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

ANNEX A - Disbursements from January 1 to March 31, 2025

Project Name	Disbursing Entity	Amount (in PHP)
Arbor Lanes	Ayala Land, Inc.	201,130,912.42
Mandarin Oriental	Ayala Land, Inc.	43,053,538.86
Total		244,184,451.28



Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the "Company") in connection with the Company's compliance with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company on the Quarterly Progress Report for the period from January 1 to March 31, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. ("AREIT") on September 24, 2024 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.



Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated January 9, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the "schedule") for the period from January 1 to March 31, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from January 1 to March 31, 2025, to the supporting documents such as progress billings, statement of account, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from January 1 to March 31, 2025, based on the information we obtained from the Company.
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted. We have noted that the Sponsor Reinvestment Plan dated September 24, 2024, included the proceeds from the block sale of AREIT shares amounting to P2,696,823,075.00. Out of the total proceeds, P244,184,451.28 has been disbursed January 1 to March 31, 2025, based on the information we obtained from the Company as presented in Appendix A.



Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.

A handwritten signature in black ink, appearing to read "R. Danao", with a long, sweeping horizontal stroke extending to the right.

Roderick M. Danao

Partner

CPA Cert No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City

April 11, 2025



Appendix A

Summary of Quarterly Progress Report from January 1 to March 31, 2025 (Amounts are in PHP)

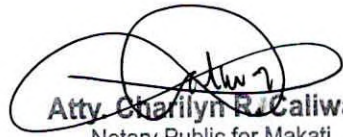
		Disbursements from
		January 1 to
Distributing Entity	Project name	March 31, 2025
Ayala Land, Inc.	Arbor Lanes	201,130,912.42
	Mandarin Oriental	43,053,538.86
		244,184,451.28

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 16th day of April 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2025, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 164 ;
Page No. 34 ;
Book No. 1 ;
Series of 2025.


Atty. Charilyn R. Caliwag

Notary Public for Makati
Until December 31, 2025
Appointment No. M-451
Roll No. 70019

PTR No. 110444061012425 / Makati City
IBP No. 572162 / 01-07-25 / Makati City
MCLE Compliance No. VII- 002752
10G One Pacific Place Residences
106 H.V. Dela Costa St. Makati City

July 11, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Second Quarter Progress Report on the Disbursement of Proceeds from the Sale of 75 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the Second Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On September 24, 2024, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 75 million AREIT Shares amounting to Two Billion Six Hundred Ninety-Six Million Eight Hundred Twenty-Three Thousand Seventy-Five (Php 2,696,823,075.00).

As of June 30, 2025, the remaining balance of the net proceeds from the sale of 75 million AREIT Shares is One Billion Six Hundred Fifty-Nine Million Four Hundred Fifty-One Thousand Two Hundred Fifteen and 5/100 (Php 1,659,451,215.05).

The details of the disbursement for the Second Quarter of 2025 are as follows:

Balance of Proceeds from sale of AREIT Shares as of March 31, 2025	Php 1,860,839,293.83
Less: Disbursements from April 1 to June 30, 2025 (Annex A)	201,388,078.78
Balance of Proceeds from sale of AREIT Shares as of June 30, 2025	<u>Php 1,659,451,215.05</u>

Thank you.

Very truly yours,



Augusto D. Bengzon
Ayala Land, Inc.
Chief Finance Officer and Treasurer



Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

JUL 11 2025

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Augusto D. Bengzon	Passport No. P4323352B	Issued 08 January 2020 / DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 130;
Page. No. 27;
Book No. IX;
Series of 2025.



[Signature]
MA. FELORA A. MANGAWANG
Notary Public - Makati City
Appt. No. M-158 until December 31, 2025
Roll of Attorneys No. 64804
Lifetime IBP No. 013749 - Makati City
PTR No. MKT10473034 - 01/06/2025 - Makati City
MCLE Compliance No. VIII - 00026828 - 04/10/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy

ANNEX A - Disbursements from April 1 to June 30, 2025

Project Name	Disbursing Entity	Amount (in PHP)
Mandarin Oriental	Ayala Land, Inc.	201,388,078.78

Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Quarterly Progress Report for the period from April 1 to June 30, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on September 24, 2024 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

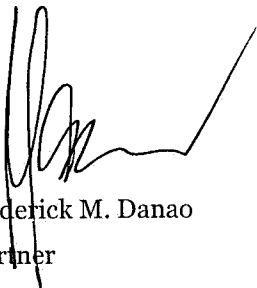
We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated January 9, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from April 1 to June 30, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from April 1 to June 30, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from April 1 to June 30, 2025, based on the information we obtained from the Company.

Procedures	Factual Findings
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted. We have noted that the Sponsor Reinvestment Plan dated September 24, 2024, included the proceeds from the block sale of AREIT shares amounting to P2,696,823,075.00. Out of the total proceeds, P201,388,078.78 has been disbursed from April 1 to June 30, 2025, based on the information we obtained from the Company as presented in Appendix A.

Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Roderick M. Danao
Partner

CPA Cert No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
July 11, 2025

Appendix A

Summary of Quarterly Progress Report from April 1 to June 30, 2025 (Amounts are in PHP).

		Total disbursements from
Distributing Entity	Project name	April 1 to June 30, 2025
Ayala Land, Inc.	Mandarin Oriental	201,388,078.78

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this JUL 11 2025 day of July 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2025, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 272 ;
Page No. 56 ;
Book No. 1 ;
Series of 2025.



Documentary Stamp Tax Paid
JUL 11 2025
Serial Number Date


ATTY. CHRISTA ANGELA C. ESTILO, CPA
Notary Public for and in the City of Makati
Appointment No. M-554 until December 31, 2025
Roll No. 79126
PTR No. 10471037, 01/6/2025, Makati City
IBP No. 499328, 01/06/2025, Manila III
MCLE Compliance No. VIII-0008158, 04/16/2024
29th floor, AIA Tower, 8767 Paseo de Roxas, Makati City 1226

July 11, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Second Quarter Progress Report on the Disbursement of Proceeds from the Sale of 75 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the Second Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On December 12 2024, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 75 million AREIT Shares amounting to Two Billion Seven Hundred Fifty-Six Million Four Hundred Twenty-One Thousand and Three Hundred Seventy-Five (Php 2,756,421,375.00).

As of June 30, 2025, ALI has not yet disbursed any amount from the net proceeds from the sale of 75 million AREIT Shares.

The details of the disbursement for the Second Quarter of 2025 are as follows:

Balance of Proceeds from sale of AREIT Shares as of March 31, 2025	Php 2,756,421,375.00
Less: Disbursements from April 1 to June 30, 2025	0
Balance of Proceeds from sale of AREIT Shares as of June 30, 2025	<u>Php 2,756,421,375.00</u>

Thank you.

Very truly yours,



Augusto D. Bengzon
Ayala Land, Inc.
Chief Finance Officer and Treasurer



Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

JUL 11 2025

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Augusto D. Bengzon	Passport No. P4323352B	Issued 08 January 2020 / DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 131;
Page. No. 28;
Book No. 1A;
Series of 2025.



Notarial DST pursuant to Sec. 61 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy

MA. FELORA A. MANGAWANG
Notary Public – Makati City
Appt. No. M-158 until December 31, 2025
Roll of Attorneys No. 64804
Lifetime IBP No. 013749 – Makati City
PTR No. MKT10473034 – 01/06/2025 - Makati City
MCLE Compliance No. VIII -00026828 – 04/10/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Quarterly Progress Report for the period from April 1 to June 30, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on December 12, 2024 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

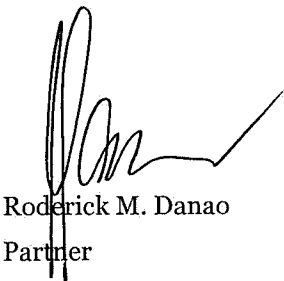
We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated April 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from April 1 to June 30, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted. No disbursements have been made from April 1 to June 30, 2025.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from April 1 to June 30, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from April 1 to June 30, 2025, based on the information we obtained from the Company. No disbursements have been made from April 1 to June 30, 2025.

Procedures	Factual Findings
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted. We have noted that the Sponsor Reinvestment Plan dated December 12, 2024, included the proceeds from the block sale of AREIT shares amounting to P2,756,421,375.00. Out of the total proceeds, no disbursements have been made from April 1 to June 30, 2025, based on the information we obtained from the Company as presented in Appendix A.

Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Roderick M. Danao
Partner

CPA Cert No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
July 11, 2025

Appendix A

Summary of Quarterly Progress Report from April 1 to June 30, 2025 (Amounts are in PHP).

		Total disbursements from
Distributing Entity	Project name	April 1 to June 30, 2025
Ayala Land, Inc.	Metro Manila Property - Land 1	-
	Metro Manila Property - Land 2	-
	Metro Manila Property - Land 3	-
		-

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this JUL 11 2025 day of July 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2025, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 271 ;
Page No. 56 ;
Book No. 1 ;
Series of 2025.




ATTY. CHRISTA ANGELA C. ESTILO, CPA
Notary Public for and in the City of Makati
Appointment No. M-554 until December 31, 2025
Roll No. 79126
PTR No. 10471037, 01/6/2025, Makati City
IBP No. 499328, 01/06/2025, Manila III
MCLE Compliance No. VIII-0008158, 04/16/2024
29th floor, AIA Tower, 8767 Paseo de Roxas, Makati City 1226

September 24, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Final Report on the Disbursement of Proceeds from the Sale of 75 million
AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Final Report on the Application of Proceeds for 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On September 24, 2024, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 75 million AREIT Shares amounting to Two Billion Six Hundred Ninety-Six Million Eight Hundred Twenty-Three Thousand Seventy-Five (Php 2,696,823,075.00).

As of September 24, 2025, ALI already disbursed the total net proceeds from the sale of 75 million AREIT Shares.

The details of the disbursement are as follows:

Balance of Proceeds from sale of AREIT Shares as of September 24, 2024	Php	2,696,823,075.00
Less: Disbursements from September 24, 2024 to September 24, 2025 (Annex A)		2,696,823,075.00
Balance of Proceeds from sale of AREIT Shares as of September 24, 2025	Php	0

Thank you.

Very truly yours,


Ma. Divina Y. Lopez
Ayala Land, Inc.
Comptroller


Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

SEP 24 2025

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Ma. Divina Y. Lopez	Passport No. P4368305B	Issued 11 January 2020/DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 280;
Page. No. 57;
Book No. IX;
Series of 2025.

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy



MA. FELORA A. MANGAWANG
Notary Public – Makati City
Appt. No. M-158 until December 31, 2025
Roll of Attorneys No. 64804
Lifetime IBP No. 013749 – Makati City
PTR No. MKT10473034 – 01/06/2025 - Makati City
MCLE Compliance No. VIII – 00026828 – 04/10/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

ANNEX A - Disbursements from September 24, 2024 to September 24, 2025

Project Name	Disbursing Entity	Amount (in PHP)
New World Hotel	Ayala Land, Inc.	1,438,200,000.00
Arbor Lanes	Ayala Land, Inc.	699,206,629.41
Mandarin Oriental	Ayala Land, Inc.	559,416,445.59
Total		2,696,823,075.00

Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Final Progress Report for the period from September 24, 2024 to September 24, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on September 24, 2024 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Isla Lipana & Co., 29th Floor, ALA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

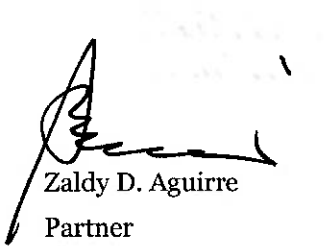
We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated January 9, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Final Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from September 24, 2024 to September 24, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from September 24, 2024 to September 24, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from September 24, 2024 to September 24, 2025, based on the information we obtained from the Company.

Procedures	Factual Findings
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted. We have noted that the Sponsor Reinvestment Plan dated September 24, 2024, included the proceeds from the block sale of AREIT shares amounting to P2,696,823,075.00. Such proceeds have been disbursed from September 24, 2024 to September 24, 2025, based on the information we obtained from the Company as presented in Appendix A.

Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 3, 2025, Makati City

TIN 221-755-698

BIR A.N. 08-000745-077-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City

September 24, 2025

Appendix A

Summary of Final Progress Report from September 24, 2024 to September 24, 2025 (Amounts are in PHP).

Distributing Entity	Project name	Disbursements from September 24 to December 31, 2024	Disbursements from January 1 to March 31, 2025	Disbursements from April 1 to June 30, 2025	Disbursements from July 1 to September 24, 2025	Total
Ayala Land, Inc.	New World Hotel	-	-	-	1,438,200,000.00	1,438,200,000.00
	Arbor Lanes	276,824,501.94	201,130,912.42	-	221,251,215.05	699,206,629.41
	Mandarin Oriental	314,974,827.95	43,053,538.86	201,388,078.78	-	559,416,445.59
		591,799,329.89	244,184,451.28	201,388,078.78	1,659,451,215.05	2,696,823,075.00

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 24 day of September 2025, by ZALDY D. AGUIRRE who presented to me his CPA License ID No. 0105660 issued by the Professional Regulation Commission in the City of Manila and valid until June 17, 2028, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 34;
Page No. 8;
Book No. 90;
Series of 2025.


ATTY. EUGENIO GAMAL FERRER
Notary Public for and in Makati City
Until Dec 31, 2026 (2025-2026), Appt. No. M-033
Roll No 85695, TIN 208286514
Rm. 412, 4th Flr VGP Center, Ayala, Makati City
PTR No. 10465769, 01/02/2025, Makati City
IBP No 482449, 12/11/2024, Makati City
MCLE Compliance No VIII-0009020

October 14, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Third Quarter Progress Report on the Disbursement of Proceeds from the Sale of 75 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the Third Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On December 12 2024, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 75 million AREIT Shares amounting to Two Billion Seven Hundred Fifty-Six Million Four Hundred Twenty-One Thousand and Three Hundred Seventy-Five (Php 2,756,421,375.00).

As of September 30, 2025, the remaining balance of the net proceeds from the sale of 75 million AREIT Shares is Two Billion Fifteen Million Five Hundred Seven Thousand and Two Hundred Twenty-Nine (Php 2,015,507,229.00).

The details of the disbursement for period of 2025 are as follows:

Proceeds from sale of AREIT Shares	Php	2,756,421,375.00
Less: Disbursements from January 1 to September 30, 2025 (Annex A)		740,914,146.00
Balance of Proceeds from sale of AREIT Shares as of September 30, 2025	Php	<u>2,015,507,229.00</u>

Thank you.

Very truly yours,


Jose Eduardo A. Quimpo II
Ayala Land, Inc.
Chief Finance Officer and Treasurer


Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

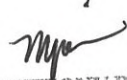
OCT 14 2025

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Jose Eduardo A. Quimpo II	Passport No. P9272745B	Issued 22 March 2022 / DFA Manila
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 380;
Page. No. 77;
Book No. 1;
Series of 2025.




MARK ANTHONY B. RIVAS
Notary Public – Makati City
Appt. No. M-173 until December 31, 2025
Roll of Attorneys No. 75005
IBP No. 489503 – 12/30/2024 - Makati City
PTR No. MKT10473035 – 01/-06/2025 - Makati City
MCLE Compliance No. VIII –0030051 – 04/25/2025
28th Floor, Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City, Philippines

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy

ANNEX A - Disbursements from January 1 to September 30, 2025

Project Name	Disbursing Entity	Amount (in PHP)
Park Central Towers North & South	Ayala Land, Inc.	148,061,086.00
Vertis North BPOs 4&5	Ayala Land, Inc.	592,853,060.00
Total		740,914,146.00

Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Quarterly Progress Report for the period from July 1 to September 30, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on December 12, 2024 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

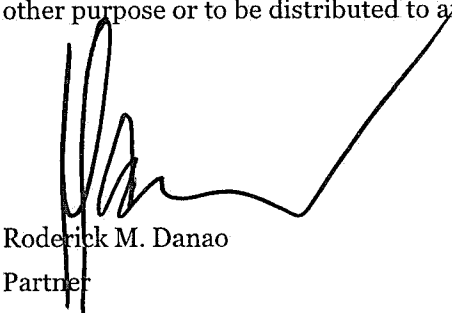
We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated April 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from July 1 to September 30, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.

c. On a sample basis, traced additions and disbursements listed in the schedule for the period from July 1 to September 30, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	We present in Appendix A the information we obtained from the Company. We have noted that the Original Sponsor Reinvestment Plan dated December 12, 2024 (the “Original Sponsor Reinvestment Plan”), as amended dated September 29, 2025 (the “Amended Sponsor Reinvestment Plan”), included the proceeds from the block sale of AREIT shares amounting to P2,756,421,375.00. Based on the Original Sponsor Reinvestment Plan, there were no related disbursements made from January 1 to June 30, 2025. However, the Sponsor Reinvestment Plan was amended on September 29, 2025 to update the projects in the reinvestment plan. Following the amendment, P740,914,146.00 have been disbursed from January 1 to September 30, 2025 out of the total proceeds. Out of the total proceeds, P353,066,130.09 have been disbursed January 1 to June 30, 2025 and P387,848,015.91 have been disbursed July 1 to September 30, 2025 based on the applicable supporting documents we have inspected such as progress billings, statements of accounts, invoices and official receipts. Further information on related projects is presented in Appendix A.
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted based on the Amended Sponsor Reinvestment Plan. Further information is presented in Appendix A.

Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Roderick M. Danao

Partner

CPA Cert No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City

October 14, 2025

Appendix A

Summary of Quarterly Progress Report from January 1 to June 30, 2025
Amounts are in PHP

Based on Original Sponsor Reinvestment Plan (dated December 12, 2024)

Distributing Entity	Project name	Disbursements			Total
		Disbursements from January 1 to March 31, 2025	Disbursements from April 1 to June 30, 2025	Disbursements from July 1 to September 30, 2025	
Ayala Land, Inc.	Metro Manila Property - Land 1	-	-	-	-
	Metro Manila Property - Land 2	-	-	-	-
	Metro Manila Property - Land 3	-	-	-	-
		-	-	-	-

Summary of Quarterly Progress Report from January 1 to September 30, 2025
Amounts are in PHP

Based on the Amended Sponsor Reinvestment Plan (dated September 29, 2025)

Distributing Entity	Project name	Disbursements			Total
		Disbursements from January 1 to March 31, 2025	Disbursements from April 1 to June 30, 2025	Disbursements from July 1 to September 30, 2025	
Ayala Land, Inc.	Metro Manila Property - Land	-	-	-	-
	Park Central Tower North & South	-	-	148,061,086.00	148,061,086.00
	Vertis North BPO 4 & 5	98,245,801.57	254,820,328.52	239,786,929.91	592,853,060.00
		98,245,801.57	254,820,328.52	387,848,015.91	740,914,146.00

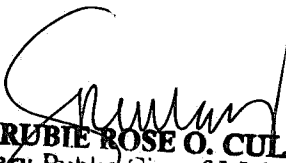
REPUBLIC OF THE PHILIPPINES)

MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati, on ~~OCT 15~~ 15 October 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2028, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 154;
Page No. 32;
Book No. 1;
Series of 2025.


ATTY. RUBIE ROSE O. CULALA
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-315 (2024-2025)
Roll No. 88910
IBP No. 496133, 1/03/2025, Camarines Sur
PTR No. 10468695, 1/03/2025, Makati City
MCLE Compliance No. VIII - 0024864
29th Floor, Philamlife Tower,
8767 Paseo de Roxas, 1226 Makati City

October 14, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Third Quarter Progress Report on the Disbursement of Proceeds from the Sale of 12 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the Third Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On July 7, 2025, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 12 million AREIT Shares amounting to Four Hundred Eighty-Eight Million Six Hundred Thirty-Three Thousand Three Hundred and 40/100 Pesos (Php 488,633,300.40).

As of September 30, 2025, the remaining balance of the net proceeds from the sale of 12 million AREIT Shares amounts to One Hundred Sixty-Five Million Two Hundred Seventy-One Thousand Five Hundred Eighty-Four and 30/100 Pesos (Php 165,271,584.30).

The details of the disbursement for the Third Quarter of 2025 are as follows:

Balance of Proceeds from sale of AREIT Shares as of July 7, 2025	Php	488,633,300.40
Less: Disbursements from July 7 to September 30, 2025 (Annex A)		323,361,716.10
Balance of Proceeds from sale of AREIT Shares as of September 30, 2025	Php	165,271,584.30

Thank you.

Very truly yours,



Jose Eduardo A. Quimpo II
Ayala Land, Inc.
Chief Finance Officer and Treasurer



Ma. Teresa R. Pamy
AREIT, Inc.
Treasurer and Chief Finance Officer

OCT 14 2025

SUBSCRIBED AND SWORN to before me this _____ at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i>		
Jose Eduardo A. Quimpo II	Passport No. P9272745B	Issued 22 March 2022 / DFA Manila
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i>		
Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 324;
Page. No. 66;
Book No. IX;
Series of 2025.



MA. FELORA A. MANGAWANG
Notary Public – Makati City
Appt. No. M-158 until December 31, 2025
Roll of Attorneys No. 64804
Lifetime IBP No. 013749 – Makati City
PTR No. MRT10473034 – 01/06/2025 - Makati City
MCLE Compliance No. VIII – 00026828 – 04/10/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy

ANNEX A - Disbursements from July 7 to September 30, 2025

Project Name	Disbursing Entity	Amount (in PHP)
Gardencourt Residences	Ayala Land, Inc.	323,361,716.10

Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Quarterly Progress Report for the period from July 7 to September 30, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on July 7, 2025 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

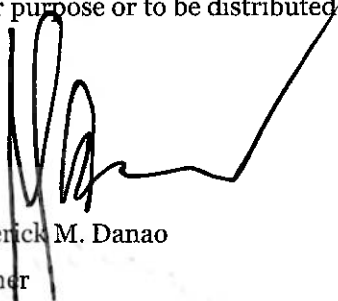
We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated October 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from July 7 to September 30, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from July 7 to September 30, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from July 7 to September 30, 2025, based on the information we obtained from the Company.

Procedures	Factual Findings
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted. We have noted that the Sponsor Reinvestment Plan dated July 7, 2025, included the proceeds from the block sale of AREIT shares amounting to P488,633,300.40. Out of the total proceeds, P323,361,716.10 disbursements have been made from July 7 to September 30, 2025, based on the information we obtained from the Company as presented in Appendix A.

Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Roderick M. Danao
Partner

CPA Cert No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
October 14, 2025

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 15 day of October 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2028, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 13;
Page No. 4;
Book No. 96;
Series of 2025.

ATTY. EUGENIO GAMAL FERRER
Notary Public for and in Makati City
Until Dec. 31, 2026 (2025-2026), Appt. No. M-033
Roll No. 85695, TIN 208286514
Rm. 412, 4th Flr VGP Center, Ayala, Makati City
PTR No. 10465769, 01/02/2025, Makati City
IBP No 482449, 12/11/2024, Makati City
MCLE Compliance No VIII-0009020

Appendix A

Summary of Quarterly Progress Report from July 7 to September 30, 2025 (Amounts are in PHP).

		Total disbursements from
Distributing Entity	Project name	July 7 to September 30, 2025
Ayala Land, Inc.	Gardencourt Residences	323,361,716.10
		323,361,716.10

December 12, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Final Report on the Disbursement of Proceeds from the Sale of 75 million
AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Final Report on the Application of Proceeds for 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On December 12, 2024, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 75 million AREIT Shares amounting to Two Billion Seven Hundred Fifty-Six Million Four Hundred Twenty-One Thousand Three Hundred Seventy-Five pesos (Php 2,756,421,375.00).

As of December 12, 2025, ALI already disbursed the total net proceeds from the sale of 75 million AREIT Shares.

The details of the disbursement are as follows:

Proceeds from sale of AREIT Shares	Php	2,756,421,375.00
Less: Disbursements from December 12, 2024 to December 12, 2025 (Annex A)		2,756,421,375.00
Balance of Proceeds from sale of AREIT Shares as of December 12, 2025	Php	0

Thank you.

Very truly yours,


Jose Eduardo A. Quimpo II
Ayala Land, Inc.
Treasurer and Chief Finance Officer


Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this JAN 09 2026 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Jose Eduardo A. Quimpo II	Passport No. P9272745B	Issued 22 March 2022 / DFA Manila
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 502;
Page. No. 103;
Book No. 11;
Series of 2026.



JOHN PAULO S. VICENCIO
Notary Public – Makati City
Appt. No. M-195 until December 31, 2026
Roll of Attorneys No. 78727
IBP No. 588048 – 01/05/2026 - Makati City
PTR No. MKT10766783 – 01/05/2026 - Makati City
MCLE Compliance No. VIII-0031197 – 05/01/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

ANNEX A - Disbursements from December 12, 2024 to December 12, 2025

Project Name	Disbursing Entity	Amount (in PHP)
Metro Manila Property	Ayala Land, Inc.	2,015,507,229.00
Park Central Towers North & South	Ayala Land, Inc.	148,061,086.00
Vertis North BPOs 4&5	Ayala Land, Inc.	592,853,060.00
Total		2,756,421,375.00

Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Final Progress Report for the period from December 12, 2024 to December 12, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on December 12, 2024 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

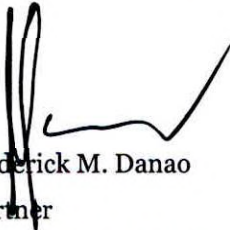
We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated April 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Final Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from December 12, 2024 to December 12, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.

c. On a sample basis, traced additions and disbursements listed in the schedule for the period from December 12, 2024 to December 12, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the information we obtained from the Company. We have noted that the Original Sponsor Reinvestment Plan dated December 12, 2024 (the "Original Sponsor Reinvestment Plan"), included the proceeds from the block sale of AREIT shares amounting to P2,756,421,375.00. The Sponsor Reinvestment Plan amended on September 29, 2025 to update the projects in the reinvestment plan. Following the amendment, P2,756,421,375.00 have been disbursed from January 1 to December 12, 2025 based on the applicable supporting documents we have inspected such as progress billings, statement of accounts, invoices and official receipts. Further information on related projects is presented in Appendix A.
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted based on the Amended Sponsor Reinvestment Plan. Further information is presented in Appendix A.

Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Roderick M. Danao
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

SEC A.N (individual) as general auditors 88453-SEC, category A;

valid to audit 2025 to 2029 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City

January 14, 2026

Appendix A

Summary of Final Progress Report from January 1 to December 12, 2025

Amounts are in PHP

Based on the Amended Sponsor Reinvestment Plan (dated September 29, 2025)

Distributing Entity	Project name	Disbursements from January 1 to March 31, 2025	Disbursements from April 1 to June 30, 2025	Disbursements from July 1 to September 30, 2025	Disbursements from October 1 to December 12, 2025	Total
Ayala Land, Inc.	Metro Manila Property - Land	-	-	-	2,015,507,229.00	2,015,507,229.00
	Park Central Tower North & South	-	-	148,061,086.00	-	148,061,086.00
	Vertis North BPO 4 & 5	98,245,801.57	254,820,328.52	239,786,929.91	-	592,853,060.00
		98,245,801.57	254,820,328.52	387,848,015.91	2,015,507,229.00	2,756,421,375.00

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this ~~14th~~ ^{JAN 7 5 2026} of January 2026, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2028, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 514;
Page No. 104;
Book No. 3;
Series of 2026.

ATTY. EUGENIO GAMAL FERRER
Notary Public for and in Makati City
Until Dec. 31, 2026 (2025-2026), Appt. No. M-033
Roll No. 85695, TIN 208286514
Rm. 412, 4th Flr. VGP Center, Ayala, Makati City
PTR No. 10767778, 01/05/2026, Makati City
IBP No. 561140, 11/26/2025, Makati City
MCLE Compliance No VIII-0009020

January 14, 2026

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Fourth Quarter Progress Report on the Disbursement of Proceeds from the Sale of 12 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the Fourth Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On July 7, 2025, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 12 million AREIT Shares amounting to Four Hundred Eighty-Eight Million Six Hundred Thirty-Three Thousand Three Hundred and 40/100 Pesos (Php 488,633,300.40).

As of December 31, 2025, the remaining balance of the net proceeds from the sale of 12 million AREIT Shares amounts to One Hundred Thirty-One Million Forty-One Thousand Five Hundred Forty-One and 22/100 Pesos (Php 131,041,541.22).

The details of the disbursement for the Fourth Quarter of 2025 are as follows:

Balance of Proceeds from sale of AREIT Shares as of September 30, 2025	Php	165,271,584.30
Less: Disbursements from October 1 to December 31, 2025 (Annex A)		34,230,043.08
Balance of Proceeds from sale of AREIT Shares as of December 31, 2025	Php	<u>131,041,541.22</u>

Thank you.

Very truly yours,


Jose Eduardo A. Quimpo II
Ayala Land, Inc.
Treasurer and Chief Finance Officer


Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this JAN 14 2026 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i>		
Jose Eduardo A. Quimpo II	Passport No. P9272745B	Issued 22 March 2022 / DFA Manila
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i>		
Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 37 ;
Page. No. 9 ;
Book No. IV ;
Series of 2026.

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy



JOHN PAULO S. VICENCIO
Notary Public – Makati City
Appt. No. M-195 until December 31, 2026
Roll of Attorneys No. 78727
IBP No. 588048 – 01/05/2026 - Makati City
FTT No. MKT10766793 – 01/05/2026 - Makati City
MCLE Compliance No. VIII-0031197 – 05/01/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

ANNEX A - Disbursements from October 1 to December 31, 2025

Project Name	Disbursing Entity	Amount (in PHP)
Gardencourt Residences	Ayala Land, Inc.	34,230,043.08

Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Quarterly Progress Report for the period from October 1 to December 31, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on July 7, 2025 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated October 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from October 1 to December 31, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from October 1 to December 31, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from October 1 to December 31, 2025, based on the information we obtained from the Company.

Procedures	Factual Findings
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted. We have noted that the Sponsor Reinvestment Plan dated July 7, 2025, included the proceeds from the block sale of AREIT shares amounting to P488,633,300.40. Out of the total proceeds, P34,230,043.08 disbursements have been made from October 1 to December 31, 2025, based on the information we obtained from the Company as presented in Appendix A.

Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Roderick M. Danao
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

SEC A.N (individual) as general auditors 88453-SEC, category A;

valid to audit 2025 to 2029 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City

January 14, 2026

Appendix A

Summary of Quarterly Progress Report from October 1 to December 31, 2025 (Amounts are in PHP).

		Total disbursements from
Distributing Entity	Project name	October 1 to December 31, 2025
Ayala Land, Inc.	Gardencourt Residences	34,230,043.08
		34,230,043.08

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 14th day of January 2026, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2028, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 17 ;
Page No. 5 ;
Book No. 1 ;
Series of 2026.

ATTY. MARIA ELIZABETH H. FRUEDA-LICUP
Notary Public for Pasig City
Appointment No. 21 (2024-2025)
Roll of Attorney No. 54616
PTR No. 2863274, 1-02-25, Pasig City
IBP No. 491228, 01-01-25, Quezon City
Roll No. 54616
MCLE Compliance No. 711-0031503, 05-02-25

039(2026-2027)
3919409, 1-05-26
578848, 12-31-25

January 14, 2026

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Annual Report on the Disbursement of Proceeds from the Sale of 12 million
AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Annual Report on the Application of Proceeds for 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On July 7, 2025, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 12 million AREIT Shares amounting to Four Hundred Eighty-Eight Million Six Hundred Thirty-Three Thousand Three Hundred and 40/100 Pesos (Php 488,633,300.40).

As of December 31, 2025, the remaining balance of the net proceeds from the sale of 12 million AREIT Shares amounts to One Hundred Thirty-One Million Forty-One Thousand Five Hundred Forty-One and 22/100 Pesos (Php 131,041,541.22).

The details of the disbursement for the year 2025 are as follows:

Proceeds from sale of AREIT Shares	Php	488,633,300.40
Less: Disbursements from July 7 to December 31, 2025 (Annex A)		357,591,759.18
Balance of Proceeds from sale of AREIT Shares as of December 31, 2025	Php	<u>131,041,541.22</u>

Thank you.

Very truly yours,



Jose Eduardo A. Quimpo II
Ayala Land, Inc.
Treasurer and Chief Finance Officer



Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this JAN 14 2026 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i>		
Jose Eduardo A. Quimpo II	Passport No. P9272745B	Issued 22 March 2022 / DFA Manila
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i>		
Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 61;
Page. No. 14;
Book No. IV;
Series of 2026.

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy




JOHN PAULO S. VICENCIO
Notary Public – Makati City
Appt. No. M-195 until December 31, 2026
Roll of Attorneys No. 78727
IBP No. 588048 – 01/05/2026 - Makati City
FTF No. MKT10766793 – 01/05/2026 - Makati City
MCLE Compliance No. VIII-0031197 – 05/01/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

ANNEX A - Disbursements from July 7 to December 31, 2025

Project Name	Disbursing Entity	Quarter	Amount (in PHP)
Gardencourt Residences	Ayala Land, Inc.	Q3	323,361,716.10
		Q4	34,230,043.08
		Total	357,591,759.18

Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Annual Progress Report for the period from July 7 to December 31, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on July 7, 2025 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

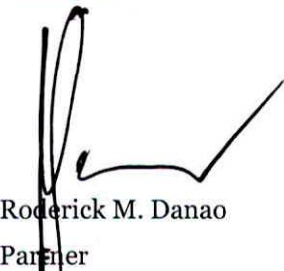
We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated October 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Annual Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from July 7 to December 31, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from July 7 to December 31, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from July 7 to December 31, 2025, based on the information we obtained from the Company.

Procedures	Factual Findings
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted. We have noted that the Sponsor Reinvestment Plan dated July 7, 2025, included the proceeds from the block sale of AREIT shares amounting to P488,633,300.40. Out of the total proceeds, P357,591,759.18 disbursements have been made from July 7 to December 31, 2025, based on the information we obtained from the Company as presented in Appendix A.

Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Roderick M. Danao

Partner

CPA Cert. No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

SEC A.N (individual) as general auditors 88453-SEC, category A;

valid to audit 2025 to 2029 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City

January 14, 2026

Appendix A

Summary of Quarterly Progress Report from July 7 to December 31, 2025 (Amounts are in PHP).

Distributing Entity	Project name	Total disbursements	Total disbursements	Total disbursements
		from July 7 to September 30, 2025	from October 1 to December 31, 2025	from July 7 to December 31, 2025
Ayala Land, Inc.	Gardencourt Residences	323,361,716.10	34,230,043.08	357,591,759.18
		323,361,716.10	34,230,043.08	357,591,759.18

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 14th day of January 2026, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2028, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 16 ;
Page No. 5 ;
Book No. 1 ;
Series of 2026.

Maria Elizabeth H. Fruita-Daniel
ATTY. MARIA ELIZABETH H. FRUITA-DANIEL
Notary Public for Pasig City
Appointment No. 21 (2024-2025) 039(2026-2027)
Roll of Attorney No. 54616
PTR No. 2863274, 1-02-25, Pasig City 3919409, 1-05-26
IBP No. 491228, 01-01-25, Quezon City 578848, 12-31-25
Roll No. 54616
MCLE Compliance No. VIII-0031508, 05-02-25

January 14, 2026

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Fourth Quarter Progress Report on the Disbursement of Proceeds from the Sale of 100 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the Fourth Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On November 28, 2025, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 100 million AREIT Shares amounting to Four Billion One Hundred Eighty-Three Million Seven Hundred Seventy-Seven Thousand Eight Hundred Fifty Pesos (Php 4,183,777,850.00).

As of December 31, 2025, ALI has not yet disbursed any amount from the net proceeds of the sale of 100 million AREIT Shares.

The details of the disbursement for the Fourth Quarter of 2025 are as follows:

Proceeds from sale of AREIT Shares	Php	4,183,777,850.00
Less: Disbursements from November 28 to December 31, 2025		0
Balance of Proceeds from sale of AREIT Shares as of December 31, 2025	Php	<u>4,183,777,850.00</u>

Thank you.

Very truly yours,


Jose Eduardo A. Quimpo II
Ayala Land, Inc.
Treasurer and Chief Finance Officer


Ma. Teresa R. Famy
AREIT, Inc.
Treasurer and Chief Finance Officer

SUBSCRIBED AND SWORN to before me this JAN 14 2026 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Jose Eduardo A. Quimpo II	Passport No. P9272745B	Issued 22 March 2022 / DFA Manila
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 38;
Page. No. 9;
Book No. IV;
Series of 2026.

Notarial DST pursuant to Sec. 61 of the
TRAIN Act (Amending Sec. 188 of the NIRC)
affixed on Notary Public's copy




JOHN PAULO S. VICENCIO
Notary Public – Makati City
Appt. No. M-195 until December 31, 2026
Roll of Attorneys No. 78727
IBP No. 588048 – 01/05/2026 - Makati City
PTT No. MKT10766793 – 01/05/2026 - Makati City
MCLE Compliance No. VIII-0031197 – 05/01/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

Agreed-Upon Procedures Report

To the Management of
Ayala Land, Inc.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Quarterly Progress Report for the period from November 28 to December 31, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on November 28, 2025 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated January 15, 2026, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from November 28 to December 31, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from November 28 to December 31, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from November 28 to December 31, 2025, based on the information we obtained from the Company.

Procedures	Factual Findings
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted. We have noted that the Sponsor Reinvestment Plan dated November 28, 2025, included the proceeds from the block sale of AREIT shares amounting to P4,183,777,850.00. Out of the total proceeds, no disbursements have been made from November 28 to December 31, 2025, based on the information we obtained from the Company as presented in Appendix A.

Restriction on Distribution and Use

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.



Roderick M. Danao
Partner

CPA Cert No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

SEC A.N (individual) as general auditors 88453-SEC, category A;
valid to audit 2025 to 2029 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
January 16, 2026

Appendix A

Summary of Quarterly Progress Report from November 28 to December 31, 2025.
(Amounts are in PHP)

		Total disbursements from November 28 to December 31, 2025
Distributing Entity	Project name	
Ayala Land, Inc.	Park Central Tower North & South	-
Ayala Land, Inc.	Laurean Residences	-
Ayala Land, Inc.	Gardencourt Residences	-
Ayala Land, Inc.	Enara	-
Ayala Land, Inc.	Vertis North BPO 4 & 5	-
Ayala Land, Inc.	Mandarin Oriental	-
		-

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

PASIG CITY

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 16th day of January 2026, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2028, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 19;
Page No. 5;
Book No. I;
Series of 2026.

Maria Elizabeth H. Fruelda-Licup
ATTY. MARIA ELIZABETH H. FRUELDA-LICUP
Notary Public for Pasig City
Appointment No. 39 (2026-2027)
Roll of Attorney No. 54616
PTR No. 3919406, 01-05-2026, Pasig City
IBP No. 578848, 12-31-25, Quezon City
MCLE Compliance No. VIII-0031508, 05-02-25



**Sustainability Report
2025**

Our ESG Approach

Materiality Review and Sustainability Four Focus Areas

Anchored on AREIT's business objective to deliver stable income and consistent dividends while preserving long-term asset value, we adopt Ayala Land's sustainability framework to systematically manage the economic, environmental, and social impacts of our portfolio. Sustainability is embedded into our asset stewardship model, guiding operational decision-making, risk management, and value creation.

AREIT's sustainability focus areas are informed by Ayala Land's double materiality assessment, which evaluates both the significance of the Group's impacts on the economy, environment, and society and the financial risks and opportunities arising from sustainability-related factors across the value chain. This approach ensures that material topics reflect not only AREIT's external impacts but also matters that may substantively influence asset performance, operating costs, tenant demand, risk exposure, and long-term value creation.

AREIT operationalizes sustainability through four focus areas, adapted from Ayala Land's Group-wide ESG framework. These areas provide a consistent structure for identifying material issues, managing sustainability-related risks and opportunities, and measuring performance against global goals and standards:

- **Site Resilience and Risk Management:** Integrating climate adaptation, disaster risk reduction, and preparedness measures to enhance asset resilience and ensure business continuity.
- **Net Zero and Climate Action:** Advancing decarbonization through energy efficiency measures, renewable energy adoption, and emissions management across operations.
- **Resource Efficiency and Circularity:** Optimizing the use of energy, water, and materials while promoting circular waste management practices across the portfolio.
- **Social and Community Impacts:** Engaging tenants, workers, and communities to support health, safety, and socio-economic well-being.

Upon the acquisition or infusion of properties from Ayala Land, AREIT, together with its property management arm, AREIT Property Managers, Inc. (APMI), assumes responsibility for day-to-day operations and maintenance. APMI engages Ayala Property Management Corporation (APMC) to implement property-level programs, that our high standards for energy, water, and waste management are maintained to protect the long-term value of our assets.

AREIT's Material Topics and Global Reporting Frameworks

AREIT aligns its sustainability disclosures with globally recognized reporting frameworks to ensure transparency, comparability, and accountability. These include the UN Sustainable Development Goals (SDGs), the six capitals of the Integrated

Reporting Framework, the Global Reporting Initiative (GRI) Standards, and the Sustainability Accounting Standards Board (SASB) Real Estate Standards.

These frameworks inform AREIT's identification of material topics, performance indicators, and risk management priorities. The mapping of material topics to the four sustainability focus areas reflects the interconnected nature of financial, manufactured, human, social, intellectual, and natural capitals in value creation.

	Sustainability Four Focus Areas				Other Material Topics	
	Site Resilience and Risk Management	Net Zero and Climate Action	Resource Efficiency and Circular Economy	Social and Community Impacts	Site Resilience and Risk Management	Net Zero and Climate Action
GRI	303: Water and Effluents 307: Environmental Compliance	305: Emissions 308: Supplier Environmental Assessment	204: Procurement Practices 301: Materials 302: Energy 303: Water and Effluents 305: Emissions 306: Waste	202: Market Presence 203: Indirect Economic Impacts 416: Customer Health and Safety	303: Water and Effluents 307: Environmental Compliance	305: Emissions 308: Supplier Environmental Assessment
SASB	IF-RE-450: Climate Change Adaptation	IF-RE-450: Climate Change Adaptation	IF-RE-130: Energy Management IF-RE-140: Water Management IF-RE-410: Management of Tenant Sustainability Impacts		IF-RE-450: Climate Change Adaptation	IF-RE-450: Climate Change Adaptation
UN SDGs	11: Sustainable Cities and Communities 13: Climate Action 15: Life on Land	9: Industry, Innovation, Infrastructure 11: Sustainable Cities and Communities	6: Clean Water and Sanitation 11: Sustainable Cities and Communities 12: Responsible Consumption and Production 17: Partnerships for the Goals	1: No Poverty 3: Good Health and Well-Being 8: Decent Work and Economic Growth 10: Reduced Inequalities 11: Sustainable Cities and Communities 17: Partnerships for the Goals	11: Sustainable Cities and Communities 13: Climate Action 15: Life on Land	9: Industry, Innovation, Infrastructure 11: Sustainable Cities and Communities

Stakeholder Engagement

Meaningful dialogue with our stakeholders is central to how we identify material issues, manage risks, and build long-term relationships. We engage a broad range of stakeholders to understand material issues, manage risks, and strengthen long-term relationships that support shared value creation. Stakeholder engagement outcomes are integrated into operational planning, risk assessments, and sustainability initiatives.

The table below summarizes AREIT's primary stakeholder groups, their key concerns, and engagement mechanisms. Engagement approaches are reviewed regularly to ensure relevance, effectiveness, and alignment with the evolving needs of stakeholders and the business.

Stakeholder	Issues and Concerns of Stakeholders	Engagement Means and Initiatives
Tenants, Tenant Employees, Hotel Guests, and Shoppers	- Customer health, welfare and safety - Customer service and experience - Delivery of best-in-class products and services - Facilities management - Green building certifications - Management of environmental and social impacts	- Digital platforms - Customer satisfaction surveys - Loyalty and appreciation programs - E-newsletters - AREIT website
Employees and Workers Note: AREIT's entire workforce, including its officers, are seconded from Sponsor Ayala Land and its subsidiaries.	- Occupational health, welfare and safety - Training and career development - Compensation and rewards - Labor practices and human rights	- Access to healthcare services - Townhalls, monthly or quarterly updates - Organizational climate surveys - Grievance mechanisms and channels - Performance reviews - Training and learning sessions; blended learning modalities
Business Partners Suppliers and Service Providers	- Compliance with all laws, regulations, codes and standards - Productivity and timely delivery of products and services - Occupational and customer health, welfare and safety - Labor practices and human rights - Procurement practices - Management of environmental and social impacts	- Training and webinar sessions - One-on-one meetings - Policies and memos - Vendor's Code of Ethics
Creditors	- Financial and operating performance - Debt servicing capacity	Financial sustainability and capital management strategies

		Regular engagement with partner banks and investors
Shareholders and Analysts	- Financial and Operating Performance - Debt servicing capacity - Recovery and growth plans	- Financial sustainability, capital management strategies, and recovery and growth initiatives - Regular engagement with investors through one-on-one meetings, investor conferences and roadshows, and quarterly briefings
National and Local Government Units	- Compliance with all laws, regulations, codes and standards - Economic development - Management of environmental and social impacts	- Conferences and meetings - Participation in government consultations - Partnerships in national and local projects, programs and initiatives - Dialogues and meetings with stakeholders, including leaders at the barangay, local government and national agency levels
Media	- Timely and accurate news - Transparency - ESG (environmental, social and governance) performance	- Media conferences and briefings - News releases and fact sheets - Social gatherings - One-on-one meetings - Through third-party consultants - Annual reports - AREIT website
National and Local Government	- Customer health, welfare and safety - Customer service and experience - Delivery of best-in-class products and services - Facilities management - Green building certifications - Management of environmental and social impacts	- Digital platforms - Customer satisfaction surveys - Loyalty and appreciation programs - E-newsletters - AREIT website
Media	- Occupational health, welfare and safety - Training and career development - Compensation and rewards - Labor practices and human rights	- Access to healthcare services - Townhalls, monthly or quarterly updates - Organizational climate surveys - Grievance mechanisms and channels

		• Performance reviews • Training and learning sessions; blended learning modalities

Environmental Stewardship

AREIT integrates environmental stewardship into its asset management and value creation strategy, recognizing that the efficient use of resources, climate action, and resilient building design are critical to preserving asset value, managing operating costs, and supporting long-term income stability.

Aligned with Ayala Land's sustainability framework and Net Zero commitment by 2050, AREIT advances environmental performance across its portfolio through energy and water efficiency, renewable energy adoption, circular waste management, and green building certifications. These initiatives are implemented in coordination with our Sponsor and its property management partners, ensuring consistency in standards, measurement methodologies, and continuous performance improvement.

Resource Efficiency and Circularity

Energy Management

AREIT prioritizes energy efficiency as a core operational objective, recognizing its impact on operating expenses, emissions intensity, and tenant experience. In 2025, total electricity consumption increased to 280.3 million kWh, primarily driven by portfolio growth, higher tenant occupancy, and the normalization of mall and office activity following the full reopening of the economy.

Electricity Consumption (in kWh)	2021	2022	2023	2024	2025
Within the Organization	13,185,164	28,460,217	45,773,404	92,278,740	87,586,777
Outside the Organization	41,659,610	44,434,916	122,551,737	136,418,926	192,761,140
Total	54,844,774	72,895,133	168,325,141	228,697,666	280,347,917

Despite increased absolute consumption, whole-building electricity intensity declined by 13.5% year-on-year, reflecting the effectiveness of our energy efficiency initiatives and operational controls. Variations in intensity metrics across the years are influenced by changes in portfolio composition, tenancy mix, and occupancy levels.

Electricity Intensity	Unit	2021	2022	2023	2024	2025
Whole Building	kWh/sqm GFA	107.96	140.46	165.14	189.93	164.31
Common Area	kWh/sqm GCA	125.29	147.55	160.34	241.72	155.31
Leased Area	kWh/sqm GLA	103.33	129.98	155.36	165.88	169.05

Legend: GFA – Gross Floor Area; GCA – Gross Common Area; GLA – Gross Leasable Area

Water Management

AREIT manages water use with a focus on efficiency, resilience, and cost containment. Total water withdrawal increased to 3.0 million cubic meters in 2025, a 13% rise from 2024, corresponding with portfolio growth, increased foot traffic in retail assets, and higher tenant occupancy. However, water intensity decreased to 2.70 m³/sqm GCA for common areas and 1.31 m³/sqm GLA for leased areas as a result of retrofitting water-efficient fixtures, monitoring consumption patterns, and implementing operational improvements across the portfolio.

Water Consumption (m³)	2021	2022	2023	2024	2025
Within the Organization	278,755	429,024	1,424,758	1,780,450	1,519,957
Outside the Organization	144,302	151,528	398,341	891,168	1,492,691
Total	423,057	580,552	1,823,099	2,671,618	3,012,648

Water Intensity	Unit*	2021	2022	2023	2024	2025
Whole Building	m ³ /sqm GFA	0.83	1.21	1.79	2.22	1.77
Common Area	m ³ /sqm GCA	2.65	3.10	4.99	4.66	2.70
Leased Area	m ³ /sqm GLA	0.37	0.44	0.50	1.08	1.31

Legend: GFA – Gross Floor Area; GCA – Gross Common Area; GLA – Gross Leasable Area

Net Zero

AREIT is aligned with its Sponsor's goal to achieve Net Zero targets by 2050 across all its commercial properties by shifting its properties to renewable energy (RE) sources under the Green Energy Option Program (GEOP).

Renewable Energy

By the end of 2025, 94% of common-area electricity consumption was sourced from renewable energy or quality renewable energy certificates under the GEOP.

Energy Consumption (Within the Organization)	2021	2022	2023	2024	2025
Electricity (Renewable)	9,812,258	23,709,268	45,255,903	87,090,010	82,671,931
Electricity (Non-Renewable)	3,372,906	4,750,949	517,501	5,188,730	4,914,846
Total Electricity Consumption	13,185,164	28,460,217	45,773,404	92,278,740	87,586,777
Electricity from Renewable Sources	74%	83%	99%	94%	94%

Emissions

AREIT remains steadfast in its commitment to decarbonization, leveraging the scale and expertise of the Ayala Land Group to drive meaningful climate action. In 2022, Ayala Land and its Strategic Business Units (SBUs) contributed to the baseline of the Ayala Land Group's GHG inventory for Scope 1, 2 and 3, resulting in a comprehensive assessment of Ayala Land's operational and supply chain emissions hotspots.

The Ayala Land Group finalized a high-level net zero roadmap with SBTi-aligned targets for 2030 and 2050, and ambitious adoption rates verified by the South Pole Group, a global decarbonization consulting firm. In 2024, Ayala Land received validation of its Net Zero targets from the Science Based Target initiative (SBTi). This calculation of emissions and targets included AREIT properties.

In 2025, AREIT's net operational emissions totaled 10,880 tCO₂e. This represents a substantial reduction from gross emissions through our proactive transition to renewable energy sourcing. Consequently, emissions intensity declined sharply across whole buildings, common areas, and leased areas.

	2021 Base Year (in tCO2e)	Gross Emissions	Net Emissions as of 2025
Scope 1	-	7,143	7,143
Scope 2	3,682	72,347	839
Scope 3	4,350	159,221	2,898
Total	8,032	238,710	10,880

As we move into 2026, we will continue to prioritize shifting to renewable energy sources and advance decarbonization efforts involving our tenants and locators.

Emissions Intensity	2021	2022	2023	2024	2025
Whole Building	21.23	17.09	9.00	13.75	2.19
Common Area	48.71	30.29	32.14	43.38	6.63
Leased Area	13.90	12.03	11.63	20.14	3.28

Circular Economy

Solid Waste

In line with our Sponsor's circular waste management practices, AREIT has adopted a structured approach to waste management to minimize environmental impact and maximize resource recovery. Through our partnership with APMC, waste generated across our properties is sent either to recyclers, composted, or directed to the municipal landfill.

In 2025, total waste generated increased by 116% year-on-year to 13.9 million kg. This rise was driven by the expanded reporting scope, which included a larger number of properties, alongside increased on-premises commercial activities. Despite the growth in absolute volume, our waste diversion rate improved significantly to 66%, up from 45% in 2024. This progress is a direct result of improved waste segregation protocols in both common and tenant areas, as well as strengthened partnerships with accredited waste processors that effectively reuse or recycle waste generated from these areas.

Solid Waste Generation and Diversion (kg)	2021	2022	2023	2024	2025
Total Waste Generation	1,048,674	1,210,588	4,394,276	6,451,045	13,912,053
Sent to Landfill	1,015,007	1,022,832	3,247,380	3,570,427	4,724,191
Diverted from Landfill					
Sent to Recyclers	33,667	187,756	329,172	1,686,515	8,340,005
Composted Waste			809,076	1,155,850	684,044
Plastics sent to Ecohub			8,648	38,254	163,813

AREIT implements waste management strategies to divert waste from landfill disposal and partners with service providers that effectively reuse or recycle waste generated from common and tenant/merchant areas.

Hazardous Waste

AREIT, through APMC, manages hazardous waste in compliance with Republic Act 6969 (Toxic Substances and Hazardous and Nuclear Wastes Act of 1990) and DENR Administrative Order 2013-22, covering storage, transport, treatment, and disposal of hazardous waste.

Our properties have designated hazardous waste storage rooms and DENR-controlled Hazardous Waste Generators' ID Numbers. All hazardous waste generated from these properties is transported and treated by DENR-accredited vendors.

We also participate in the Bantay Kalikasan program of the ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI). Through this initiative, lead-acid batteries, industrial oil, and waste electronic and electrical equipment are recycled, with the proceeds from their sale donated to ALKFI for its reforestation programs. Other hazardous wastes are transported and treated by DENR-accredited transporters and disposal facilities. For every batch of treated waste, haulers provide a Certificate of Treatment as proof of proper disposal, and APMC reports it to DENR.

While hazardous waste generation increased in 2025 due to heightened commercial activity, our management protocols ensure these materials are handled responsibly.

Hazardous Waste Generation (metric tonnes)	2023	2024	2025
D406 ULAB	23.55	10.10	10.46
D407 CFL	1.46	4.04	1.30
I101 Engine oil	32.46	7.86	12.16
I102 Vegetable Oil	-	9.70	15.58
J201 Containers	11.63	0.68	0.17
H802 Grease Wastes	133.77	32.88	70.02
F601 Solvent-based Wastes	0.07	0.17	-
M501 Medical Waste	-	0.80	-
M506 WEEE	2.66	0.64	2.89

Legend: ULAB – Used lead acid batteries; CFL – Compact fluorescent lightbulbs; WEEE – Waste electrical and electronic equipment

Green Buildings Portfolio

Green building certification is a key lever in AREIT's climate and resource efficiency strategy. In 2023, AREIT formalized its commitment with the International Finance Corporation (IFC) to pursue EDGE Zero Carbon certification, providing a verified pathway toward net zero through operational efficiency and renewable energy.

By the end of 2025, Ayala Land achieved EDGE Zero Carbon Certification for more than 1.5 million square meters of commercial office space, establishing the largest EDGE Zero Carbon-certified office portfolio globally as of December 2025. As a core contributor to this achievement, AREIT achieved EDGE Zero Carbon for twenty-five (25) office buildings with a gross floor area of 998,970 square meters. These certifications serve as a testament to the resilience of our portfolio and our commitment to maintaining world-class, sustainable assets.



Property Name	Green Certification
Office Properties	
ACC Corporate Center	EDGE Zero Carbon
Ayala Triangle Gardens Tower Two	EDGE Zero Carbon LEED Gold
Ayala North Exchange BPO	EDGE Zero Carbon LEED-Certified
Ayala North Exchange HQ	EDGE Zero Carbon LEED-Certified
Ayala North Exchange Retail	EDGE Zero Carbon
Bacolod Capitol Corporate Center	EDGE Zero Carbon
Central Bloc Corporate Center 1	EDGE Zero Carbon
Central Bloc Corporate Center 2	EDGE Zero Carbon
eBloc 1	EDGE Zero Carbon
eBloc 2	EDGE Zero Carbon
eBloc 3	EDGE Zero Carbon
eBloc 4	EDGE Zero Carbon
Glorietta Corporate Center 1	EDGE Zero Carbon
Glorietta Corporate Center 2	EDGE Zero Carbon
McKinley Exchange Corporate Center	EDGE Zero Carbon
One Ayala Tower 1	EDGE Zero Carbon
One Ayala Tower 2	EDGE Zero Carbon
One Evotech	EDGE Zero Carbon LEED-Silver
Solaris One	EDGE Zero Carbon
Teleperformance Cebu	EDGE Zero Carbon LEED-Gold
The 30th BPO	EDGE Zero Carbon
Two Evotech	EDGE Zero Carbon
Vertis North Corporate Center 1	EDGE Zero Carbon LEED-Certified
Vertis North Corporate Center 2	EDGE Zero Carbon LEED-Certified
Vertis North Corporate Center 3	EDGE Zero Carbon LEED-Certified
Hotel Properties	
Holiday Inn and Suites Makati	EDGE Advanced

Social Engagement

AREIT recognizes that building strong, transparent relationships with its stakeholders is a cornerstone of portfolio resilience and long-term value creation. By fostering trust across our ecosystem, we strengthen the foundations that support sustained asset performance and stakeholder confidence.

Our stakeholder engagement activities are designed to identify material social risks and opportunities, support operational excellence, and reinforce accountability. Aligned with the Ayala Land Group's framework, these insights are integrated into our operational planning and risk assessments to safeguard business continuity, tenant satisfaction, and workforce welfare.

Tenants, Tenant Employees, Hotel Guests, and Shoppers

Tenants are critical to AREIT's performance, directly influence occupancy stability, rental income, and asset value. Our property managers act as primary relationship managers, working closely with tenants' facilities and operations teams to address day-to-day concerns and support efficient building operations.

Engagement is conducted through structured coordination meetings—weekly for anchor tenants and monthly for other tenants—alongside periodic high-level meetings between leasing officers and tenant executives. These channels facilitate discussions on operational performance, tenant requirements, and expansion or space optimization plans.

We monitor satisfaction through regular surveys to inform property-level improvement initiatives. In 2025, our office properties maintained an average tenant satisfaction rating of 90%, reflecting consistently high service standards across the portfolio. At Ayala North Exchange, Seda Residences Makati—an anchor tenant—recorded a 90% guest satisfaction rating and third-party review scores of 8.9 and 9.1 from Booking.com and Agoda, respectively.

Employees and Workers

AREIT's entire workforce, including officers, is seconded from Ayala Land and its subsidiaries. Consequently, employee welfare, capability building, and ethical conduct are managed in alignment with the Sponsor's human capital policies and systems.

Ayala Land's programs focus on employee wellbeing by enhancing professional capabilities, promoting high performance, and safeguarding physical and mental health and safety. These programs contribute to workforce stability and operational continuity across AREIT properties.

Contribution to Local Economic Development

Through its real estate portfolio, AREIT contributes to local economic development by generating employment across its tenant base and service provider network. By the end of 2025, our properties supported 115,345 tenant employees and 880 service provider workers, reflecting the growing scale and utilization of its assets.

Year	Tenant Employees	Service Providers
2023	68,772	1,006
2024	77,670	811
2025	115,345	880

Health and Safety

The health and safety of our tenants, workers, and property users remain a top priority. Working with our property management partners, we implement safety protocols, emergency preparedness measures, and regulatory compliance. As of the end of 2025, no major incidents were recorded across AREIT's properties.

Compensation, Rewards, and Labor Standards

While AREIT does not directly compensate seconded employees, the Sponsor ensures that all compensation, benefits, and incentives in accordance with national labor laws and Ayala Land's performance-based remuneration framework.

Regular employees receive comprehensive benefits, including life insurance, health coverage, disability and retirement benefits, and medical allowances. Project-based staff are likewise provided with health insurance, service incentive leave, and overtime pay in compliance with labor regulations.

AREIT, maintains a zero-tolerance policy toward child labor and modern slavery. We conduct thorough audits of vendors, service providers, and suppliers to ensure no underage or illegally deployed workers are involved in their operations. In 2025, no aspect of our operations has been identified as susceptible to child, forced, or any other form of illegal labor.

Ethical Behavior

We uphold the highest standards of ethical conduct, accountability, and professionalism, guided by the Ayala Land Group's Code of Ethics. Employees, suppliers, and other stakeholders are encouraged to report any suspected misconduct through independently managed business integrity and whistleblowing channels that ensure confidentiality and protection against retaliation.

These reports may be sent to the Sponsor's whistleblower officer through the website <https://integritycounts.ca/org/ayalaland>, via email at ayalaland@integritycounts.ca, or through other reporting modes such as one-on-one meetings, official company emails, or official business mobile calls and messages.

Business Partners, Suppliers, and Service Providers

<GRI 204, 205, 308>

AREIT recognizes the rights of all business partners, suppliers, and service providers, and is committed to fostering long-term mutually beneficial relationships through impartial dealings and adherence to strict moral and ethical conduct.

The company ensures that vendors and trade partners have equal opportunities and promotes fair and open competition by encouraging the highest levels of productivity, efficiency, quality, and cost competitiveness.

AREIT suppliers are accredited based on full compliance with the Sponsor's standards and requirements, with a preference for those that practice environmental responsibility. AREIT actively supports the Sponsor's "greening the supply chain" campaign, requiring suppliers to complete a "Green Metrics" form to confirm their environmental and social practices, including initiatives on managing environmental impacts and sustainability reporting. Whenever feasible, we source materials and supplies locally to support the local economy.

Our Internal Audit Division conducts vendor audits to ensure compliance with the Sponsor's Vendor Code of Ethics. This code undergoes regular updates to enhance its provisions and align with ISO 20400:2017 guidelines for Sustainable Procurement.

Based on our 2025 risk assessment, no vendor audits were deemed necessary during the year.

Creditors

We protect the rights of our creditors through transparent disclosures and the diligent fulfillment of all contractual financial obligations. As of end-2025, AREIT reported outstanding debt of ₱2.0 billion, with a net gearing ratio of 0.02:1, equivalent to 5.89% of deposited property value, remaining well below the regulatory limit for Philippine REITs.

Shareholders and Analysts

We strictly uphold the rights of our shareholders to vote at general shareholder meetings and to participate in matters concerning fundamental corporate changes. This commitment to equitable treatment and transparent governance serves as a vital foundation for our future growth and investor confidence.

Shareholders' rights to participate in decisions concerning fundamental corporate changes

Shareholders have the right to participate in decisions concerning fundamental corporate changes. This includes amendments to AREIT's articles of incorporation and bylaws, issuances of additional shares, transfer of all or a substantial portion of the company's assets, approval of remuneration-related matters, nomination of candidates for the board, and election of directors through a transparent voting process.

Shareholders' voting rights

Each common share of AREIT grants the shareholder, who is registered in the corporation's books, one voting right.

Shareholders' rights to participate effectively and vote in General Shareholder Meetings

Each shareholder is entitled to as many votes as are registered in the shareholder's name.

Shareholders are given the right to approve remuneration-related matters of the company's non-executive and independent directors during general meetings, whether regular or special.

Non-controlling or minority shareholders have the right to nominate candidates to the Board of Directors.

Analyst briefings, investor meetings, roadshows and conferences

AREIT conducts semi-annual briefings for both equity and credit analysts and communicates directly with institutional and individual investors through one-on-one meetings, video conference calls, and written communications such as e-mail.

The President and CEO, the Chief Finance Officer, and the Head of Investor Relations periodically join investor conferences and non-deal roadshows, both virtually and in person, organized by stockbrokers to ensure regular discussions with institutional shareholders.

In 2025, AREIT hosted two virtual analyst briefings on February 21 and August 15 to discuss FY 2024 and 1H 2025 results, respectively.

National and Local Government

AREIT supports the initiatives of both national and local governments, especially in implementing safety protocols at its properties. We coordinate regularly with the Bureau of Fire Protection and the Office of the Building Official. Our properties participate in the nationwide earthquake and fire drills organized by the National Disaster Risk Reduction Management Council. Our property management teams also participate in the safety competitions led by the Safety Organization of the Philippines.

Media

We maintain transparent and honest relationships with the media through regular briefings and news releases. Our engagement is guided by principles of accessibility and promptness, ensuring that media inquiries and concerns are addressed through various communication channels in line with our corporate governance standards.