



Expanding Horizons to Catalyze Growth and Value





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ABOUT THIS REPORT

Frameworks, Guidelines and Standards

The report follows the International Integrated Reporting framework, developed by the International Integrated Reporting Council, referencing the Global Reporting Initiative (GRI) Principles and industry-specific standards of the Sustainability Accounting Standards (SASB). It also discusses the corporate governance practices following the ASEAN Corporate Governance Scorecard.

Coverage of the Report

AREIT's Integrated Report is made available to its stakeholders and the public on April 24, 2025, covering the results of operations ending December 31, 2024.

Verification and Assurance

AREIT commissioned SyCip Gorres Velayo & Co. (SGV & Co.), a member practice of Ernst & Young International (EY), to undertake an independent limited assurance of the sustainability disclosures in this report. SGV & Co. used its assurance methodology in accordance with the Philippine Standard on Assurance Engagements (PSAE) 3000 – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (PSAE 3000(Revised)), using Criteria including the relevant GRI Standards and SASB Standards for Real Estate. This entire report was prepared by AREIT without the involvement of any external parties, including the external assurance provider, during its development.

- Stakeholders may download a copy of the report at the company's website: areit.com.ph
- In case of questions or clarifications, please send an email to investor.relations@areit.com.ph



OPTIMIZE

ABOUT THE COMPANY

AREIT, Inc. (AREIT) was incorporated on September 4, 2006 as a real estate company. Initially known as One Dela Rosa Property Development, Inc., it adopted its current name on April 12, 2019.

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 spaces that align with its investment criteria.

AREIT is committed to expanding its portfolio of office, shopping center, and hotel properties and exploring other types of real estate properties as the opportunity arises. As of the end of 2024, AREIT's gross leasable area (GLA) stands at 3.9 million square meters (sqm). With Assets Under Management (AUM) valued at P117 billion, AREIT is the largest and most diversified REIT in the Philippines. This highlights

AREIT's extensive portfolio, demonstrating its significant footprint in the real estate industry.

AREIT was publicly listed on the Philippine Stock Exchange on August 13, 2020. As of December 31, 2024, 38% of the company is publicly held, while the remainder is owned by its sponsor, Ayala Land, Inc. (Ayala Land or ALI), its wholly owned subsidiaries, and a wholly owned subsidiary of our sister company, ACEN Corporation (ACEN).

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 Ayala Land 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.

VISION

To be the premier and leading Philippine Real Estate Investment Trust with a balanced portfolio providing stable returns and long-term growth.

MISSION

AREIT delivers an excellent real estate leasing portfolio and an investment strategy that creates sustainable value for its customers, locators, stakeholders, and the relevant communities it serves.

AREIT'S DIVERSIFIED ASSET PORTFOLIO

Assets Under Management of P117B with 3.9M sqm of GLA

2020 Assets at IPO

- 1 **Ayala North Exchange**
95,314 sqm, Makati CBD
- 2 **McKinley Exchange**
10,688 sqm, Makati City
- 3 **Solaris One**
46,768 sqm, Makati CBD

2020 Cash Acquisition from IPO

- 4 **Teleperformance Bldg. Cebu**
18,093 sqm, Cebu IT Park

2021 Cash Acquisitions

- 5 **Laguna Technopark Industrial Lots**
98,179 sqm, Biñan, Laguna
- 6 **The 30th Office and Mall**
74,704 sqm, Pasig, Metro Manila

2021 Property-for-share swap with Ayala Land, Inc., Glensworth Development, Inc., and Westview Commercial Ventures, Inc.

- 7 **One and Two Evotech Nuvali**
23,727 sqm, Sta. Rosa, Laguna
- 8 **Vertis North BPO Towers and Mall**
164,450 sqm, EDSA, Quezon City
- 9 **Ayala North Point Technohub**
4,654 sqm, Talisay City, Negros Occidental
- 10 **BPI-Philam Life Makati Office Space**
1,072 sqm, Makati CBD
- 11 **BPI-Philam Life Alabang Office Space**
221 sqm, Madrigal Business Park, Muntinlupa,
Metro Manila
- 12 **Bacolod Capitol Central Corporate Center**
11,313 sqm, Bacolod City, Negros Occidental





AREIT'S DIVERSIFIED ASSET PORTFOLIO

2022 Property-for-share swap with Ayala Land, Inc.

- 13 **eBloc 1** | 20,842 sqm, Cebu IT Park
- 14 **eBloc 2** | 27,727 sqm, Cebu IT Park
- 15 **eBloc 3** | 15,235 sqm, Cebu IT Park
- 16 **eBloc 4** | 15,835 sqm, Cebu IT Park
- 17 **ACC Tower** | 27,458 sqm, Ayala Center Cebu
- 18 **Tech Tower** | 16,273 sqm, Ayala Center Cebu

2023 Property-for-share swap with Ayala Land, Inc., AyalaLand Malls, Inc., and Northbeacon Commercial Corp.

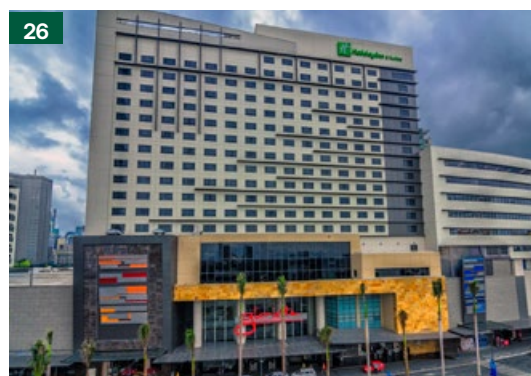
- 19 **One Ayala East & West Towers**
70,995 sqm, Ayala Center, Makati
- 20 **Glorietta 1 & 2 BPOs**
40,026 sqm, Ayala Center, Makati
- 21 **Glorietta 1 & 2 Mall**
68,764 sqm, Ayala Center, Makati
- 22 **Marquee Mall**
66,041 sqm, Angeles City, Pampanga

2024 Cash Acquisition

- 23 **Seda Lio**
17,680 sqm, El Nido, Palawan

2024 Property-for-share swap with Ayala Land, Inc., Greenhaven Property Ventures, Inc., Cebu Insular Hotel Co, Inc., and Buendia Christiana Holdings Corp.

- 24 **Ayala Triangle Gardens Tower 2**
63,150 sqm, Makati CBD
- 25 **Greenbelt 3 and 5 Mall**
93,732 sqm, Ayala Center, Makati
- 26 **Holiday Inn and Suites Makati**
26,218 sqm, Ayala Center, Makati
- 27 **Seda Ayala Center Cebu**
13,759 sqm, Ayala Center Cebu
- 28 **Zambales Industrial Land**
2,759,135 sqm, Palauig, Zambales



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BACKGROUND

TO OUR STAKEHOLDERS

OUR PERFORMANCE

OUR LEADERS

VALUE CREATION

SUSTAINABILITY

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PERFORMANCE HIGHLIGHTS



FINANCIAL HIGHLIGHTS

₱ 7.32 B +45%

Net Income

₱ 10.26 B +44%

Total Revenues

₱ 7.51 B +49%

EBITDA

0.02:1

Net Gearing

₱ 2.28 +6%

FY24 Dividends per Share



OPERATIONAL HIGHLIGHTS

99%

Occupancy

3.9M sqm +36%

Gross Leasable Area (GLA)

₱ 117.3 B +35%

Assets Under Management (AUM)



ACQUISITIONS

₱ 29.8 B

2.97m sqm additional GLA

- Ayala Triangle Gardens Tower 2
- Greenbelt 3 and 5 Mall
- Holiday Inn and Suites Makati
- Seda Ayala Center Cebu
- Zambales Industrial Land

	2024	2023	2022
Statement of Income (In Php million)			
Total Revenues	10,259	7,140	5,073
EBITDA*	7,508	5,036	3,634
Net Income	7,317	5,031	2,888
Statement of Financial Position (In Php million)			
Cash and Cash Equivalent	71	42	63
Total Assets	123,223	93,272	67,686
Total Borrowings	2,000	3,000	3,278
Stockholders' Equity	113,371	83,410	60,073
Statement of Cash Flows (In Php million)			
Net Cash Flow provided by Operating Activities	7,299	6,538	3,933
Net Cash used in Investing Activities	(88)	(1,937)	(263)
Net Cash provided (used) by Financing Activities	(7,181)	(4,622)	(3,700)
Financial Ratios			
Current Ratio	0.83	0.80	0.43
Debt-to-Equity ratio	0.02	0.04	0.05
Net Debt-to-Equity ratio	0.02	0.04	0.05
Return on Equity (Average Equity)	7%	7%	5%
Return on Assets (Average Assets)	7%	6%	5%
Stock Information			
Market Capitalization (In Php million)	121,814	79,111	62,341
Stock Price (In Php)	37.95	33.40	35.40
Earnings per Share (In Php)	2.62	2.60	1.91
Operational Highlights			
Total GLA (In thousand square meters)	3,892	918	673
Occupancy	99%	97%	96%
Total Tenants	215	198	175
Overall Average Lease Rate (In Php per sqm/month)	196	618	583
Building Average Lease Rate (In Php per sqm/month)	720	686	676
Sustainability Highlights			
Economic Value Distribution (In Php million)			
Economic Value Generated			
Total Revenues	10,259	7,140	5,072
Economic Value Distributed	8,844	6,311	4,560
Payments to suppliers/contractors	2,048	1,529	1,073
Payments to providers of capital	6,137	4,305	3,121
Payments to governments	659	477	336
Economic Value Retained	1,415	830	513
Environmental Indicators			
Buildings with Green Certifications	22	8	8
% of electricity consumption from renewable sources**	94%	99%	83%

* Earnings before Interest, Taxes, Depreciation and Amortization

** Electricity consumption within the organization sourced from renewable energy or accompanied by renewable energy certificates

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In 2024, the company recorded revenues of P10.3 billion and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of P7.5 billion, growing 44% and 49% year-on-year, respectively.

Dear Shareholders,

AREIT celebrates another year of growth amidst a dynamic economic landscape.

Easing inflation, anticipated monetary policy rate reductions, and sustained strong Gross Domestic Product (GDP) growth shaped the year's opening outlook. However, challenges emerged as the year progressed, with office vacancies dampening sentiment and the slower-than-expected policy rate reductions as a result of sticker inflation.

Despite these headwinds, AREIT navigated the complex environment. The company capitalized on its diversified portfolio and clear investment strategy to achieve solid financial and operational results. This resilient and robust performance underscores our dedication to delivering value to our shareholders.

Delivering Uninterrupted Growth and Robust Returns

In 2024, the company recorded revenues of P10.3 billion and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of P7.5 billion, growing 44% and 49% year-on-year, respectively. Our net income

excluding the net fair value changes in investment properties reached P7.4 billion, marking a 49% increase from 2023. These strong results are driven by our asset infusions and stable leasing operations characterized by high occupancy and healthy margins.

Our portfolio boasts of an overall 99% occupancy rate, and 95% for our office buildings, well above the industry average. This is driven by the strength of the mix of our leasing portfolio, prime locations of our buildings, well-rounded mix of quality tenants, and expertise of our Fund Manager and Property Manager.

Our financial and operating performance last year was propelled by the strategic acquisition of several flagship assets from our Sponsor, Ayala Land. We started the year with the acquisition of Seda Lio in El Nido, Palawan, which began contributing to our operations as early as the first quarter of 2024. Next came the infusion of stable, income-generating prime commercial assets from our Sponsor, comprising Ayala Triangle Gardens Tower 2 in the Makati

"AREIT's vision extends beyond financial success. The company is equally focused on championing its commitment to environmental, social, and governance (ESG) principles."

CBD, luxury mall Greenbelt wings 3 and 5 and Holiday Inn and Suites at Ayala Center, Makati, and Seda Hotel at Ayala Center Cebu. Complementing these infusions was the acquisition of an industrial land parcel in Palauig, Zambales from Buendia Christiana Holdings Corp., a wholly-owned subsidiary of ACEN Corporation.

With the Securities and Exchange Commission's approval of the asset-share swap in September, we began accruing income from these properties in the third quarter of 2024.

AREIT's portfolio expanded dramatically, growing from 919,000 square meters (sqm) of gross leasable area (GLA) and Assets Under Management (AUM) of P87 billion to 3.9 million square meters and P117 billion, respectively by the end of 2024. With these acquisitions, our portfolio became more diverse in terms of sectoral and geographic mix.

As a result of the infusions, AREIT's fourth-quarter dividends increased to P0.58 per share from P0.55 the year prior, reflecting the impact of the accretive nature of asset acquisitions. Our quarterly dividends per share have now more than doubled since our 2020 listing, from P0.28 per share to P0.58 per share for the last quarter of 2024.

For the full year 2024, total dividends amounted to P6.4 billion, while annual dividends reached P2.28 per share, marking a 6.0% increase from P2.15 per share in 2023.

Combining share price appreciation and dividend per share growth, AREIT delivered a total shareholder return of 20% for the year 2024.

Exemplifying Sustainability and Excellence

AREIT's vision extends beyond financial success. The company is equally focused on championing its commitment to environmental, social, and governance (ESG) principles.

In 2024, 90% of electricity consumption in AREIT properties was sourced from renewable energy. By the end of 2024, renewable energy powered 99% of the commercial properties' total gross floor area, driving ESG progress not just for AREIT, but also for our locators. Sourcing from renewable energy has allowed us to reduce our carbon emissions by around 160,000 tons of greenhouse gas emission equivalent.

To date, 22 of AREIT's properties covering 850,000 sqm have secured green certifications with LEED (Leadership in Energy and Environmental Design) and EDGE (Excellence in Design for Greater Efficiencies) Zero Carbon. These certifications promote sustainable and efficient building practices and highlight neutralized operational emissions through renewable energy use. Both global standards, these programs advance environmental stewardship worldwide.

On the social front, AREIT recognizes the importance of gender representation and inclusivity. The company was recognized as a publicly-listed company





with the most women directors at the Securities and Exchange Commission's 3rd Gender and Diversity Awards.

Moreover, our focus on transparency, fairness, and ethical governance is reflected in our efforts to enhance AREIT's policies and practices, earning us a Three Golden Arrow Award by the Institute of Corporate Directors based on our ASEAN Corporate Governance Scorecard.

AREIT also gained international acclaim, earning recognition in the 9th Annual Asia Pacific Best of the Breeds REITs & Real Estate Investment Awards. We secured the Platinum Award for Best Overall ESG and Profitability REIT.

Further Catalyzing AREIT's Growth

As we look ahead, we look to continue growing our AUM by P15-20 billion annually, to further diversify and balance our portfolio across asset types and geographies, and to create long-term value for our clients and shareholders.

This year, 2025, we continue to grow our AUM with the acquisition of P21 billion worth of commercial properties via a property-for-share swap. We are acquiring prime commercial properties in the high growth regional cities of Cebu, Davao, and Cagayan de Oro.

For Cebu, we are acquiring four properties situated within Central Bloc in Ayala Land's Cebu IT Park, one of the premier business districts in Cebu City and a preferred corporate address. The acquisition will involve Central Bloc Corporate Center Tower 1, Central Bloc Corporate Center Tower 2, Ayala Malls Central Bloc and Seda Hotel Central Bloc. Tower 1 and Tower

2 of Central Bloc Corporate Center are office buildings stacked on top of Ayala Malls Central Bloc and have a total gross leasable area of 67,000 sqm. Ayala Malls Central Bloc, the city of Cebu's hangout destination for the young urbanites, covers a total of 71,000 sqm of retail space. Seda Hotel Central Bloc features 214 rooms with direct access to the Ayala Mall.

For Davao, we will also be acquiring two Davao properties, Ayala Malls Abreeza and Abreeza Corporate Center, located within the prime 10-hectare mixed-use Abreeza estate of Ayala Land. Ayala Malls Abreeza is the premier shopping and lifestyle hotspot in Davao encompassing 97,000 sqm of retail gross leasable area. Abreeza Corporate Center is a 4-story office building accommodating BPO and IT locator-companies located right beside the mall and has 9,000 sqm of office gross leasable area.

For Cagayan de Oro, we will acquire Ayala Malls Centrio and Centrio Corporate Center. Ayala Malls Centrio is the home to the best and first-in-CDO shopping, dining, and entertainment options and spans 93,000 sqm in retail gross leasable area. Centrio Corporate Center has 9,000 sqm office gross

leasable area, is PEZA-registered, and caters to BPO and KPO clientele.

Post-acquisition, 360,000 sqm of building gross leasable area will be added to the portfolio, and AREIT will then have 1.3 million sqm of building GLA, a 30% increase from where we are today. The new assets in this transaction will collectively bring up AREIT's portfolio to 4.3 million square meters, further diversifying AREIT's assets by both sector and location, and are expected to lift to the dividend per share for our shareholders.

Our AUM will quintuple from IPO to P138 billion pesos in value. This is aligned with our growth aspiration of reaching US\$3 billion in the next three years, scaling to levels comparable with major regional REITs to be more relevant and attractive for investors.

Pushing and Driving AREIT Forward

As AREIT approaches its fifth anniversary since its listing as the first Philippine REIT, we are poised to make 2025 another standout year. Our commitment to sustainable returns, value creation, and leadership as the top-performing REIT in the Philippines remains resolute.



"Our AUM will quintuple from IPO to P138 billion pesos in value. This is aligned with our growth aspiration of reaching US\$3 billion in the next three years."

We continue to uphold our five core investment elements to drive us forward – the strength and track record of our Sponsor Ayala Land, high-quality assets in prime locations, stable and long-term occupancy, inflation-hedged escalations, and a professional and tenured management team.

We sincerely extend our gratitude to our Board of Directors for their continued trust, support, wise counsel, and active involvement in AREIT's journey. We likewise recognize the dedicated work and valuable contributions of the officers and management of AREIT to the company's sustained growth. For its continued support to AREIT and its role in the progress of the country's real estate sector, we are also grateful to our Sponsor, Ayala Land.

To our shareholders and stakeholders, thank you for your steadfast trust and confidence in AREIT. With your support, AREIT remains committed to push boundaries and pursue even greater milestones of growth.

Anna Bautista-Dy
ANNA MA. MARGARITA B. DY
Chairperson

Jose Eduardo A. Quimpo II
JOSE EDUARDO A. QUIMPO II
President and CEO



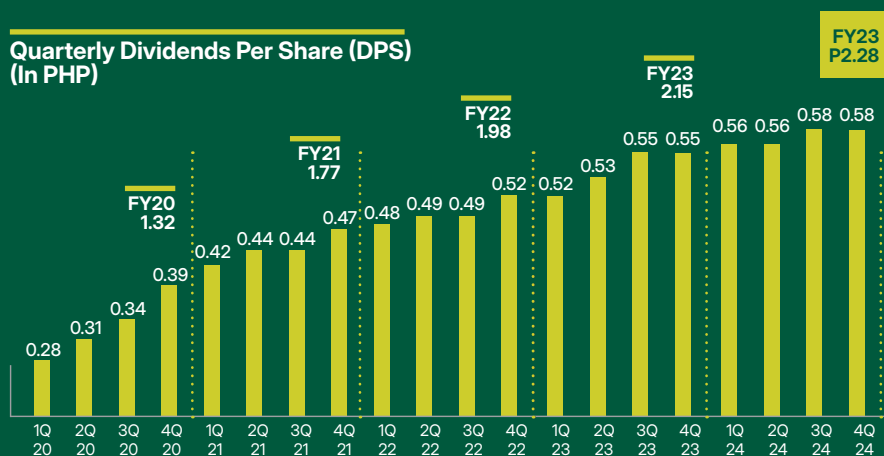
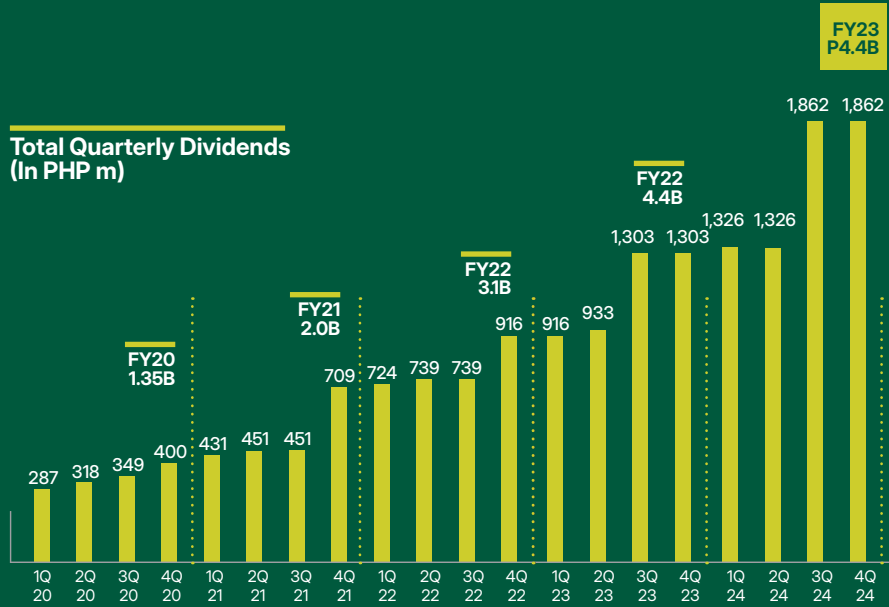
**Quarterly dividends per share
have more than doubled since IPO,
rising by 107%, driven by stable
operations and asset infusions.**





BUSINESS REVIEW

Uninterrupted Growth in DPS since IPO



AREIT's total GLA expanded to 3.9 million square meters (sqm), up from 919,000 sqm, and Assets Under Management (AUM) increased to P117 billion, from P87 billion in 2023.

2024 REVIEW

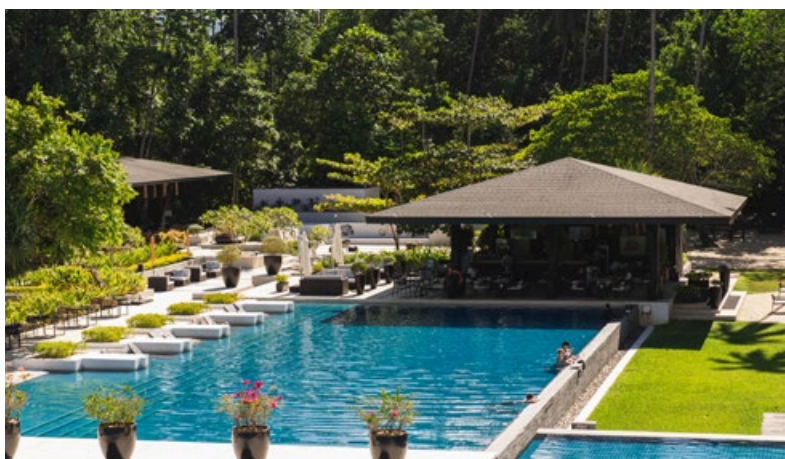
Financial Performance

In 2024, AREIT recorded revenues of P10.3 billion and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of P7.5 billion, reflecting year-on-year growth of 44% and 49%, respectively. These results were fueled by stable operations, marked by a 99% occupancy rate and strong collections. The company's full-year net income reached P7.3 billion, inclusive of a net loss in fair value change in investment properties of P43 million. Excluding the net fair value change in investment properties, net income registered at P7.4 billion, 49% higher year-on-year. The company has a solid balance sheet with a net gearing of 0.02:1.

Portfolio

In January 2024, AREIT acquired Seda Lio, a 153-key resort hotel located within Ayala Land's Lio tourism estate in El Nido, Palawan from Ayala Land, Inc. (ALI) subsidiary Econorth Resort Ventures, Inc.

Additionally, in September 2024, the company secured approval from the Securities and Exchange Commission (SEC) for the property-for-share swap with its sponsor, ALI, and its subsidiaries



Greenhaven Property Ventures, Inc. and Cebu Insular Hotel Co., Inc. This transaction involved flagship assets in the Makati central business district, including Ayala Triangle Gardens Tower, Greenbelt wings 3 and 5, and Holiday Inn and Suites at Ayala Center, Makati; and Seda Hotel at Ayala Center Cebu. Complementing these infusions was the acquisition of a 276-hectare industrial land in Zambales from Buendia Christiana Holdings Corp., a wholly owned subsidiary of ACEN Corp.

Income recognition from Seda Lio commenced on January 17, 2024, while properties acquired from the share swap deal contributed to the company's



AREIT has consistently distributed increasing quarterly dividends since its IPO in August 2020.

operating income beginning July 1, 2024. By year-end, AREIT's total gross leasable area (GLA) expanded to 3.9 million square meters (sqm), up from 919,000 sqm, and Assets Under Management (AUM) increased to P117 billion, from P87 billion in 2023.

AREIT continues to diversify its portfolio, ending 2024 with the following composition: offices (76% of AUM), retail (11% of AUM), industrial land (7% of AUM), and hotels (6% of AUM). The company maintains a high occupancy of 99%. The weighted average lease expiry of its office tenants is 3.8 years, and 20.8 years across all tenants.

Dividends

AREIT has consistently distributed increasing quarterly dividends since its IPO in August 2020. Quarterly dividends per share have more than doubled, rising by 107% over a 20-quarter period, driven by stable operations and asset infusions.

This trend demonstrates that every acquisition is accretive to the company and its investors. For the full-year 2024, dividends per share totalled P2.28, a 6.0% increase from P2.15 in 2023. Share price appreciation and dividends in 2024 resulted in a total shareholder return of 20%.

Growth Prospects

In 2025, AREIT will conduct a fifth property-for-share swap with its sponsor, ALI, and its subsidiaries, Accendo Commercial Corp., Cagayan de Oro Gateway Corp., and Central Bloc Hotel Ventures, Inc. The transaction will involve the following assets: (1) Central Bloc Tower One, (2) Central Bloc Tower Two, (3) Ayala Malls Central Bloc, (4) Seda Hotel Central Bloc, (5) Ayala Malls Abreeza, (6) Abreeza Corporate Center, (7) Ayala Malls Centrio, and (8) Centrio Corporate Center, with an aggregate value of P20,994,442,344.34 for 505,890,177 AREIT primary common shares, as validated by a third-party fairness opinion.



These assets are strategically located in the key regional cities of Cebu, Davao, and Cagayan de Oro. The Cebu assets are centrally located in the Cebu IT Park, while the Davao assets are found within the Abreeza mixed-use estate. The Cagayan de Oro assets are situated in the city's downtown area and sits along the city's main thoroughfare, Claro M. Recto Avenue. Upon infusion, these assets will have a combined building GLA of 360,000 sqm, an overall occupancy rate of 99%, and a weighted average lease expiry of 3.6 years for the office assets and 25 years for the mall and hotel assets. ALI and AREIT aim to complete the transaction within 2025.

Upon completion, AREIT's AUM will quintuple to P138 billion, cementing AREIT's position as the largest and most diversified commercial REIT in the Philippines.

This latest asset infusion will exceed AREIT's three-year strategy to acquire P15-20 billion of quality assets annually. The company remains focused on growing and diversifying its asset portfolio by sector, location, and income contribution, with a goal of achieving its total shareholder return range of 10-12%.

Constituent Indices, Awards, and Certifications

AREIT was honored with several prestigious awards and recognitions, including a Platinum Award in the Best Overall ESG and Profitability Real Estate/REITs category at the 9th Annual Asia Pacific Best of the Breeds REITs and Real Estate Investment Awards 2024. Former President and CEO, Ms. Carol T. Mills, was awarded as Best CEO among the REITs.



The company also received a Three Golden Arrow award from the Institute of Corporate Directors, based on the 2023 ASEAN Corporate Governance Scorecard.

Further, AREIT received the IFC Edge Certification for 20 office buildings, totaling 892,000 sqm. This achievement makes AREIT's office properties the largest EDGE-certified portfolio in the Philippines.

In 2024, AREIT was a constituent of the MSCI Philippine Small Cap Index, the FTSE Small Cap Index, and the PSE Philippine Property, Mid Cap, and Dividend Yield indices.

**Our aspirations can only turn
into reality with a capable and
motivated organization.**



28	Board of Directors
36	Management Team
38	AREIT Fund Management and Property Management Company Officers



BOARD OF DIRECTORS



Anna Maria Margarita B. Dy **Chairman of the Board,** **Non-Executive Director**

Filipino, 55 years old

Tenure 1 year | Appointed April 26, 2023

Chairman, Executive Committee

Present Positions

In the Ayala Group

Listed companies:

- President and Chief Executive Officer of Ayala Land, Inc.
- Chairman of AyalaLand Logistics Holdings Corp.
- Member of ALI's Management Committee since August 2008

Non-listed companies:

- 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
- 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.

Former Positions

In the Ayala Group

- Executive Vice President of Ayala Land, Inc.
- Head of the Ayala Land Residential Business Group
- Head of the Ayala Malls Group

Outside the Ayala Group

- Vice President of Benpres Holdings Corporation

Education

- Bachelor of Arts in Economics, Honors Program (Magna Cum Laude) from the Ateneo de Manila University in 1990
- Master of Science in Economics from the London School of Economics and Political Science in 1991
- Master of Business Administration at Harvard Business School in 1996



Jose Eduardo A. Quimpo II

President and CEO , Executive Director

Filipino, 45 years old

Tenure 1 year | Appointed August 14, 2024

Member, Executive Committee

Member, Sustainability Committee

Present Positions

In the Ayala Group

Listed Companies:

→ Listed companies: Vice President of Ayala Land, Inc.; Head of Corporate Finance

Non-listed Companies:

→ Director of Avida Land Corp., Amaia Land Corp., Amaia Southern Properties, Inc., Bellavita Land Corp., Portico Land Corp.

Former Positions

In the Ayala Group

→ Treasurer of Ayala Land, Inc.
→ Vice President of BPI Capital Corporation

Outside the Ayala Group

→ Senior Vice President of BDO Private Bank; President of BDO Securities
→ Chief Operating Officer of BDO Capital and Investment Corp.
→ First Vice President and Co-Head of Corporate Finance of BDO Capital

Education

→ Bachelor of Science in Management Engineering from Ateneo de Manila University in 2001



Augusto D. Bengzon **Non-Executive Director**

Filipino, 61 years old

Tenure 5 years | Appointed April 4, 2019

Chairman, Executive Committee

Present Positions

In the Ayala Group

Listed Companies:

- Senior Vice President, Chief Finance Officer
- Treasurer of Ayala Land, Inc.; Treasurer of AyalaLand Logistics Holdings Corp.

Non-listed Companies:

- Chairman of Aprisa Business Process Solutions Inc., Anvaya Cove Golf and Sports Club, Inc. and Anvaya Cove Beach and Nature Club, Inc.
- Chief Finance Officer of Altaraza Development Corporation; Director and Treasurer of Alveo Land Corp., ALI Eton Property Development Corp., Aurora Properties Inc., AyalaLand Premier Inc., AyalaLand-Tagle Properties, Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc. and Vesta Property Holdings Inc.

- Director of Alviera Country Club Inc., Amicassa Process Solutions, Inc., Makati Development Corp., Northgate Hotel Ventures, Inc., and Station Square East Commercial Corp.
- Comptroller of Nuevocentro, Inc.
- Treasurer of Alabang Commercial Corporation, AKL Properties, Inc., Amaia Land Corp., Amaia Southern Properties, Inc., Avida Land Corp., Ayala Property Management Corporation, Bellavita Land Corp., BGNorth Properties, Inc., BGSouth Properties, Inc., BGWest Properties, Inc., Serendra Inc., and The Suites at One Bonifacio High Street Condominium Corp.
- Assistant Treasurer of Ayala Greenfield Development Corporation

Outside the Ayala Group

- Non-listed companies: Treasurer of Hero Foundation, Inc.; Trustee of Philippine National Police Foundation, Inc.

Education

- Bachelor of Science in Business Management from the Ateneo de Manila University in 1984
- Master in Business Management from the Asian Institute of Management (Andres K. Roxas scholar) in 1988
- Graduate of the Philippine Trust Institute



Mariana Beatriz E. Zobel de Ayala Non-Executive Director

Filipino, 36 years old

Tenure 3 years | Appointed October 7, 2021

Present Positions

In the Ayala Group

Listed Companies:

- Executive Director of Ayala Corporation
- Director and Senior Vice President of Ayala Land, Inc., Head of ALI's Leasing and Hospitality Group

Non-listed Companies:

- Chairman and President of AyalaLand Malls, Inc.
- Chairman of AyalaLand Offices, Inc., AyalaLand Hotels and Resorts Corp., Ten Knots Development Corp. Chirica Resorts Corp., Lio Resort Ventures Inc., Pangulasian Island Resort Corp., Ten Knots Phils, Inc., Regent Horizons Conservation Company, Inc., Swift Aerodome Services, Inc., and ALI Capital Corp.
- Vice Chairman of ALI Eton Property Development Corp.
- Director of Fort Bonifacio Development Corp., Alabang Commercial Corp., Cagayan de Oro Gateway Corp.,

Accendo Commercial Corp., and Cebu District Property Enterprise Inc., Ayala Healthcare Holdings, Inc. A&CO Holdings Corp., ACX Holdings Corp., ANKO JV Company, Inc. Ayala Group's ACTIVE Fund, WeAreAyala Business Club, Inc., and Bank of the Philippine Islands (BPI) Asset Management and Trust Company

- President and Director of Station Square East Commercial Corp.

Outside the Ayala Group

Non-listed Companies:

- Board Advisor for Asia Partners; Board Director of U-Go

Former Positions

In the Ayala Group

Listed Companies:

- Senior Vice President of BPI
- Corporate Strategy and Business Development Associate at Ayala Corp.
- Deputy Head of AyalaLand Malls, Inc.

Outside the Ayala Group

- Associate of J.P. Morgan

Education

- Bachelor of Arts in Social Studies (Philosophy, Politics, and Economics) from Harvard College in 2011
- Master of Business Administration from INSEAD in 2020



Maria Theresa D. Marcial-Javier
Non-Executive Director

Filipino, 54 years old

Tenure less than 1 year | Appointed April 23, 2024

Member, Sustainability Committee

Present Positions

In the Ayala Group

Listed Companies:

- Chief Finance Officer, Chief Sustainability Officer, and Head of Strategy and Finance of Bank the Philippine Islands (BPI)

Non-listed Companies:

- President and CEO of BPI Wealth
- Treasurer of BPI Foundation

Outside the Ayala Group

Non-listed Companies:

- Fellow of the Foundation for Economic Freedom
- Trustee and Treasurer of the World Wide Fund for Nature (WWF)
- Director of Philippines Inter-Island Sailing Federation

Former Positions

In the Ayala Group

- Director of BPI Investment Management, Inc.;
- BPI Trust Committee

Outside the Ayala Group

- President of the Fund Managers Association of the Philippines, and Trust Officers Association of the Philippines
- Vice Chairman of Capital Markets and Development Committee of Financial Executive Institute of the Philippines (FINEX)
- Alternate Governor of the Market Governance Board of the Philippine Dealing and Exchange Corporation
- National Economic and Development Authority
- Agricultural Policy Credit Council

Education

- Bachelor of Science in Economics (Cum Laude) from the University of the Philippines Los Baños in 1990
- Master of Arts in Economics from the University of the Philippines Diliman in 1995
- CFA Institute Investment Management Workshop from Harvard Business School in 2006
- Advanced Management Program from Harvard Business School in 2010



Omar T. Cruz

**Lead Independent Director,
Non-Executive Director**

Filipino, 70 years old

Tenure 5 years | Appointed April 12, 2019

Chairman, Risk Management and Related Party Transactions Review Committee
Member, Executive Committee
Member, Audit Committee
Member, Corporate Governance and Nomination Committee

Present Positions

Outside the Ayala Group

- Non-listed companies: Independent Director of Toyota Financial Services, Inc., RCBC Capital Corporation, Philippine Regional Investments Enterprises, Inc., and ABACORE Group, Inc.
- Chairman of the Investment Committee of De La Salle Philippines
- Trustee of the Financial Executives Institute Foundation of the Philippines
- Vice Chairman of the Board and Board Executive Committee for the University of Asia and the Pacific
- Vice Chairman of the Board and Board Executive Committee for the Center for Research and Communication Foundation, Inc.
- Trustee for the Philippine National Police Foundation

Former Positions

Outside the Ayala Group

- Treasurer of the Republic of the Philippines
- Chairman of the International Treasury Committee of the International Association of Financial Executives Institution
- Director of 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
- President and CEO of BPI-Philam Life Assurance Corp.
- Vice President and Bank Executive of Citibank, N.A.
- Senior Executive Vice President of Insular Life
- Senior Advisor to Prudential Corporation Asia (HK)

Education

- Bachelor of Science in Industrial Management Engineering (minor in Mechanical Engineering) from De La Salle University in 1977
- Masters in Industrial Economics from the Center for Research and Communication at the University of Asia and the Pacific in 1980



Enrico S. Cruz

**Independent Director,
Non-Executive Director**

Filipino, 67 years old

Tenure 4 years | Appointed February 5, 2020

Chairman, Audit Committee

Member, Risk Management and Related Party
Transactions Review Committee

Member, Corporate Governance and Nomination
Committee

Present Positions

Outside the Ayala Group

Listed Companies:

- Independent Director of Security Bank Corporation, Robinsons Retail Holdings, Inc., The Keepers Holdings, Inc., and DITO CME Holdings Corp.

Non-Listed Companies:

- Independent Director of Maxicare Healthcare Corporation, CIBI Information Inc., and MAXILIFE Insurance Corporation
- Vice Chairman of SB Capital Investment Corporation

Former Positions

- Chief Country Officer and Head of Corporate Finance of Deutsche Bank Manila Branch
- Senior Vice President at Citytrust Banking Corporation (CTBC)
- Director of the Bankers Association of the Philippines (BAP)
- Former President of the Money Market Association of the Philippines

Recognitions

- Distinguished Alumnus by the UP College of Business Administration in 2008
- Distinguished Alumnus Awardee by the UP School of Economics Alumni Association in 2015

Education

- Bachelor of Science in Business Economics from the University of the Philippines in 1977
- Master of Business Administration from the University of the Philippines in 1979



Sherisa P. Nuesa

**Independent Director,
Non-Executive Director**

Filipino, 35 years old

Tenure 1 year | Appointed April 26, 2023

Chairman, Corporate Governance and Nomination Committee

Chairman, Sustainability Committee Transactions Review Committee

Member, Risk Management and Related Party Transactions Review Committee

Present Positions

In the Ayala Group

Listed Companies:

- Independent Director of Integrated Micro-electronics, Inc. (IMI)

Outside the Ayala Group

Listed Companies:

- Independent Director of Manila Water Company, Inc.
- Chairman and Non-executive Director of Metro Retail Stores Group, Inc.
- Non-executive Director of Far Eastern University, Inc.

Non-listed Companies:

- Director of FERN Realty Corporation
- Senior Adviser to the Board of Vicsal Development Corporation
- Member of the Board of Trustees of Financial Executives Institute (FINEX) Foundation

- Vice President and Member of the Board of Trustees of NextGen Organization of Women Corporate Directors (NOWCD)
- Board Adviser to Justice Reform Initiative Inc. (JRI)

Former Positions

In the Ayala Group

- Director of Ayala Land, Inc
- Director of ACEN Corporation
- Director and President of the ALFM Mutual Funds Group
- Trustee and Fellow of the Institute of Corporate Directors (ICD)
- Managing Director of Ayala Corporation
- Chief Finance Officer and Chief Administration Officer of IMI
- Chairman and Co-Founder of Justice Reform Initiative Inc.

Recognitions

- ING-FINEX CFO of the Year for 2008
- Outstanding University Alumni of Far Eastern University

Education

- Bachelor of Science in Commerce (Summa Cum Laude) from the Far Eastern University in 1974
- Regis Master of Business Administration from the Ateneo Graduate School of Business in Manila in 2010
- Attended post-graduate courses at both Harvard Business School and Stanford University

MANAGEMENT TEAM



1 Bettina Marie E. Desiderio
Investor Relations Officer

2 Roscoe M. Pineda
Data Protection Officer

3 Rowena P. Libunao
Chief Audit Executive

4 Jose Eduardo A. Quimpo II
President and Chief Executive Officer



5 Ma. Teresa R. Famy

Treasurer and Chief Finance Officer

6 Maphilindo S. Tandoc

Chief Risk Officer

7 Maria Franchette M. Acosta

Corporate Secretary

8 Ma. Florence Therese dG. Martinez-Cruz

Assistant Corporate Secretary and
Chief Compliance Officer

AREIT FUND MANAGEMENT AND PROPERTY MANAGEMENT COMPANY OFFICERS



1 Tomas Julian R. Santos
President and Chief Executive Officer
AREIT Fund Managers, Inc.

2 Maria Paula G. Romero-Bautista
Corporate Secretary
AREIT Property Managers, Inc.

3 Francisco Ma. D. Roxas
Chairman
AREIT Fund Managers, Inc.

4 Ma. Luisa D. Chiong
Chairman
AREIT Property Managers, Inc.

5 Ma. Florence Therese dG. Martinez-Cruz
Corporate Secretary
AREIT Fund Managers, Inc.

6 Benjamin S. Borja III
President and Chief Executive Officer
AREIT Property Managers, Inc.

7 Beverly S. Espina*
Treasurer
AREIT Property Managers, Inc.

*Not in photo



AREIT will strive to secure growing income that provides a competitive investment return to investors.



42	The Business Model
44	External Environment
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48	The Value Creation Model



BUSINESS MODEL

AREIT, Inc. holds the distinction of being the first and largest Real Estate Investment Trust (REIT) in the Philippines. As the commercial REIT of Ayala Land, Inc., the company specializes in cultivating a robust portfolio primarily consisting of income-generating commercial assets including offices, malls, hotels, and industrial land nationwide.

AREIT is committed to expanding its portfolio in these key 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.

AREIT aims to provide its shareholders with an investment instrument that delivers a stable yield and distribute at least 90% of its distributable income from high-quality properties with strong tenant demand. To fulfill this commitment, AREIT's principal investment strategy focuses on income-generating real estate properties that meet a select set of criteria:

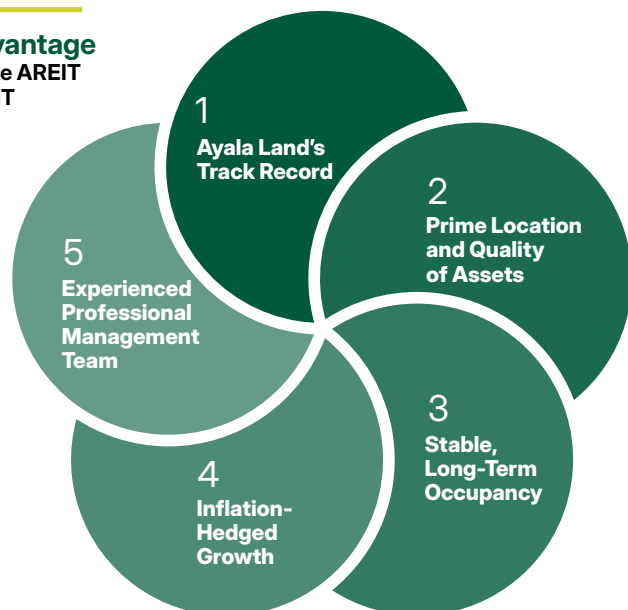
1. Prime Location: The property should be located in a prime area or business district in Metro Manila or in key provinces in the Philippines.

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.

4. Dividend Growth: It should provide attractive dividend growth and be yield-accretive.

The AREIT Advantage Elements that make AREIT a best-in-class REIT



Three-year Investment Strategy

In accordance with the Philippine REIT Law, AREIT Fund Managers, Inc. (AFMI), is mandated to manage and grow AREIT's portfolio consistent with its investment criteria. AREIT and AFMI will strive to secure growing income that provides a competitive investment return to investors. To achieve this, AFMI will employ the following strategies:

1. Proactive asset management and enhancement strategy. AFMI will actively manage AREIT's property portfolio to achieve growth in revenue and net operating income while maintaining optimal occupancy levels. AFMI and AREIT Property Managers, Inc. (APMI) will drive organic growth, build strong tenant relationships, and explore enhancement and growth opportunities within the existing properties.

2. Investment and acquisition strategy. AFMI will acquire quality income-producing commercial properties situated in high-growth areas that fit the investment criteria, enhancing returns for investors and increasing potential opportunities for future income and capital growth.

3. Capital and risk management strategy. AFMI will manage and source capital to maximize overall returns. This may involve accessing the capital markets to source appropriately priced and structured debt and equity offerings, monitoring and implementing hedging arrangements, and assessing alternative forms of capital and other capital management strategies. Financial instruments such as interest rate swaps may be used to hedge certain financial risk exposures.



Investment Objectives

AREIT's main goal is to maintain leadership in the Philippine REIT sector in terms of assets under management (AUM) and market capitalization, and achieve a 10 to 12% shareholder return by doing the following:

1. Acquire P15 billion to P20 billion in quality assets annually. In 2020, AREIT started with AUM of P30 billion, and this has grown to P117 billion in AUM. Beyond 2024, AREIT plans to continue building a pipeline of assets sourced from the Sponsor and/or from third parties to achieve AUM growth targets.

2. Diversify AREIT's asset portfolio in terms of sector and location. While expanding its portfolio of quality commercial assets, the company will also consider other asset classes with stable recurring income and yield-accretive potential.

3. Use leverage for acquisitions and realize value from existing assets. AREIT is poised to take advantage of using debt to fund projects up to the maximum allowable limit. Leverage will be used prudently and only when necessary. AREIT will also consider divesting assets to recycle and re-allocate capital to more accretive assets.

EXTERNAL ENVIRONMENT

POSITIVE

BENCHMARK RATE

5.75%

75-bps total rate cuts



AVERAGE INFLATION

3.2%

Within BSP target range of 2-4%



PERSONAL REMITTANCES

US\$ 38.3B +3%

Despite a global economic slowdown

BPO REVENUES

US\$ 38.0B +7%

1.8 million full-time employees up 6% from previous year

EX-MM OFFICE TRANSACTIONS

222,000 sqm*

Deals outside Metro Manila up 6% from previous year

NEUTRAL



GDP GROWTH

5.7%

Lower than the government target but second highest in the Southeast Asian region

HOUSEHOLD CONSUMPTION

72.5% of GDP

4.8% higher year-on-year

FOREIGN TOURIST ARRIVALS

5.9 M

7% year-on-year growth but missed 7.7 million target

NEGATIVE



AVERAGE USD/PHP RATE

US\$ 1: ₱ 57.29

3.0% depreciation

OFFICE VACANCY

19.8%

Higher than 19.3% in 2023

MM OFFICE TRANSACTIONS

752,000 sqm*

Metro Manila office deals down 9% from previous year

*Based on Colliers Philippines data

Challenging Environment Capped by Mixed Results

Persistent Global and Domestic Headwinds

The global economic environment continues to face challenges due to lingering geopolitical and monetary policy uncertainties. Global GDP growth remained tepid at 3.2%, slightly higher than 2.8% in 2023 but still below consensus estimates.

Domestically, the peso showed continued weakness, averaging P57.29 to US\$1, a 3% depreciation year-on-year. In the property sector, office vacancies remained elevated, at 19.8%, influenced by the government's full ban on Philippine Offshore Gaming Operators (POGOs), which increased available office space. Additionally, office transactions in Metro Manila decreased 9% to 752,000 square meters (sqm) versus 827,700 sqm in 2023, partly due to the impact of US elections on the Philippine office market.

Improving Rates and Stable Fundamentals

Despite these headwinds, inflation was a bright spot for the Philippines in 2024 with average inflation settling at 3.2%, within the Bangko Sentral ng Pilipinas' (BSP's) target range of 2 to 4%. This improvement allowed the BSP to cut benchmark policy rates by 75 bps to 5.75% from 6.50%. While this initially fueled optimism for further reduction in rates, changes in the political landscape tempered expectations for the pace of rate cuts in 2025.

Furthermore, the two fundamental pillars of overseas Filipino (OF) remittances and BPO revenues continued to exhibit steady growth, supporting disposable income and job creation. OF personal remittances totaled US\$38.3 billion, a 3% increase from 2023 despite ongoing global uncertainties. Meanwhile, BPO revenues grew by 7% to US\$38.0 billion



with 100,000 more full-time employees, bringing the workforce to 1.8 million, thus providing more Filipinos with employment opportunities.

Commendable but Tempered Growth

Amidst this backdrop, the Philippines posted GDP growth of 5.7% for the second consecutive year. This represents the second-highest in the region but still missed the government's target of 6.0 to 6.5% due to typhoons in the second half of the year. Household consumption continued to account for over 70% of GDP, growing by 4.8% year-on-year. Foreign tourist arrivals also increased to 5.9 million but missed the government's initial target of 7.7 million due to a decline of global travel from Chinese nationals. Despite the drop in tourists, tourism receipts reached an all-time high of P760 billion. Provincial office markets proved more resilient than Metro Manila, with office deals outside of the capital region rising modestly by 6% to 221,600 sqm, with Cebu remaining a top location for expanding and relocating firms.

BPO revenues grew 7% to US\$38.0 billion, with an additional 100,000 full-time employees, bringing the total workforce to 1.8 million, providing more employment opportunities for Filipinos.

How did we navigate 2024?

AREIT draws confidence from the strength of its diversified portfolio, market fundamentals, and commercial real estate industry's ability to grow with the economy.



Safeguarding Against Headwinds

Ensured stable operations and high occupancy of properties

Amidst high office vacancies, AREIT sustained a 95% occupancy rate for its office buildings, owing to its prime locations in Metro Manila and provincial areas and quality tenancy supported by long-term contracts from leading BPO and corporate tenants. Additionally, AREIT renewed 86% of expiring leases in 2024. Of the 14% that did not renew, half have already been replaced, while 7% are under negotiations.

Maintained a low gearing level and cost of debt

AREIT reduced its bank loans by P1 billion in 2024, lowering total borrowings to P2 billion, translating to a net gearing of 0.02:1. The average cost of debt remains manageable at 6.1% with 100% of the debt represented by short term bank loans. AREIT complies with the aggregate leverage limit of 35%, with total borrowings at 5.9% of the deposited property value.

Expanded the portfolio and further diversified by geography, asset class, and tenant mix

In 2024, AREIT completed the cash acquisition of Seda Lio in El Nido, Palawan and its fourth asset-for-share

swap with its Sponsor, Ayala Land. This swap involved flagship offices, malls, and hotels in the cities of Makati and Cebu. It also featured an industrial land parcel from Buendia Christiana Holdings Corp., a wholly-owned subsidiary of ACEN Corp. Collectively, the 2024 acquired assets are valued at P30 billion, marking the largest acquisition since its listing.

As a result, AREIT ended the year with a total gross leasable area (GLA) of 3.9 million sqm, assets under management (AUM) of P117.3 billion, and presence in 11 cities and municipalities nationwide spanning offices, retail, hotel, and industrial land, with a balanced mix of locators.

Capturing Opportunities

Residential Delivered consistent shareholder returns

AREIT's commitment to delivering strong shareholder returns is evident in the steady growth of dividends. In 2024, the company declared P6.4 billion in revenues, 43% higher from 2023, and annual dividends per share of P2.28, a 6.0% increase from the previous year's P2.15 per share. Additionally, AREIT provided shareholders with an annual total return of 20%, reflecting both share price gains and dividend per share growth.

OUR OUTLOOK

AREIT draws confidence from the strength of its diversified portfolio, market fundamentals, and commercial real estate industry's ability to grow with the economy.

Local consumption remained resilient, accounting for over 70% of the country's GDP, and is projected to grow 6 to 8% in 2025. Overseas remittances have consistently supported the economy, reaching another record high of US\$38.3 billion in 2024, with projections showing sustained 3% annual growth in the short-term. Additionally, the country's tourism agency is committed to increasing tourist arrivals, which bodes well for shopping centers and hotels.

While there are concerns that artificial intelligence (AI) might scale back the need for outsourced services, the business process outsourcing (BPO) sector is poised for continued growth, targeting 2.5 million employees by 2028, which will contribute to increased office leasing demand. Favorable demographics, including a growing middle income class, projected to reach 37.5 million by 2030, along with a young working-class and urbanization, will further drive growth.

With these drivers and a dynamic commercial real estate industry in place, AREIT is well-positioned to explore emerging growth prospects.

2025 Growth Plans

AREIT is set to infuse high-quality commercial assets worth P21 billion into its portfolio in 2025. This infusion involves a robust mix of office, mall, and hotel assets in the Visayas and Mindanao regions through a property-for-share swap transaction with Sponsor Ayala Land and its subsidiaries. The transaction will feature Central Bloc Corporate Center Towers 1 and 2, Ayala Malls Central Bloc, Seda Hotel Central Bloc, Ayala Malls Abreeza, Abreeza Corporate Center, Ayala Malls Centrio, and Centrio Corporate Center.

These acquisitions will increase AREIT's AUM to P138 billion, further diversifying its portfolio by asset type and location, and mitigating tenant concentration and sector-specific risks. The new assets are expected to enhance the dividend per share by 3%.

In February 2025, AREIT solidified its position as the best-performing REIT in the country with its inclusion in the Philippine Stock Exchange Index (PSEi), a historic milestone as the first REIT in the country to achieve this. AREIT's

inclusion underscores its financial performance, market relevance, and consistent delivery of value.

Over the next three years, AREIT aims to maintain its leadership in the country's REIT sector in terms of AUM and market capitalization. The company seeks to achieve a 10 to 12% total shareholder return by acquiring P15 billion to P20 billion worth of quality assets annually and diversifying its portfolio in terms of sector and location.

2025 Plans

- **Enlarge AREIT AUM with infusion worth P21 billion, diversify portfolio mix to reduce concentration and sector risks, and achieve dividend accretion in asset acquisitions.**
- **Continue proactive asset management and enhancement strategy.**
- **Enhance the depth of the shareholder base and increase investor engagement.**



VALUE CREATION MODEL

Resource Inputs

NATURAL

Ayala Land's strategic land bank of more than 10,000 hectares

INTELLECTUAL

A 4-year track record in fund and property management, and increasing shareholder value

MANUFACTURED

Ayala Land's extensive pipeline of leasing assets for potential infusion and solid portfolio of grade-A commercial leasing properties

HUMAN

An experienced, committed, and professional management team seconded from Ayala Land (See pages 36 to 38)

SOCIAL

Sound corporate governance practices strengthen the relationship with tenants and investors (See pages 63 to 65)

FINANCIAL

The solid balance sheet supports the ability to deliver steady dividends and growth plans (See pages 94 to 95)

AREIT'S 3-YEAR INVESTMENT STRATEGY

Maintain market leadership in the Philippine REIT sector in terms of AUM and market capitalization and achieve a 10-12% total shareholder return.



Proactive Asset Management and Enhancement

AREIT Fund Managers actively manage the portfolio to achieve revenue and net income growth and maintain optimal occupancy levels. Together with AREIT Property Managers, they drive organic growth, build strong relationships with the tenants, and explore the enhancement of growth opportunities within the existing properties, following sustainability focus areas of resource efficiency and contribution to local economic development.



Investment and Acquisition

AREIT Fund Managers seek and acquire quality income-producing commercial properties situated in high-growth areas that fit the investment criteria to enhance returns for investors and increase potential opportunities for future income and capital growth.



Capital Risk and Management

AREIT Fund Managers identify and manage capital to maximize overall returns. This process may include accessing the capital markets to source appropriately priced and structured debt and equity offerings, monitoring and implementing hedging arrangements and assessing alternative forms of capital and other capital management strategies where appropriate

Value Outputs

NATURAL

- 822 hectares of protected carbon forests

INTELLECTUAL

- FY24 dividends of P2.28/share
- 107% DPS Growth since the IPO
- 99% Occupancy
- WALE of 20.8 years
(See page 22)

MANUFACTURED

- 34 Malls; 2.2M sqm GLA
- 66 BPOs, 7 HQs; 1.4M sqm GLA
- 2 Branded Hotels, 12 Seda Hotels, 3 Resorts
- Total AUM of P117.3B, 4x growth from the IPOO
(See pages 6 to 9)

HUMAN

- Synergy and teamwork between AREIT, AREIT Fund Managers, Property Managers and service providers resulted in strong asset performance
(See pages 42 to 43)

SOCIAL

- 215 tenants
- 38.29% public ownership

FINANCIAL

- P7.36B Net income
- 0.02 Net D/E ratio
- 6.12% ave. cost of debt
(See pages 22 to 25)

Outcomes

- 11,926 t-CO₂e carbon removals and carbon stock from the carbon forest as verified by a third party

- Enhanced shareholder value and supported the growth of the Philippine equity capital market

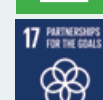
- A diversified leasing portfolio that generates stable returns for investors
(See pages 6 to 9)
- Net GHG emissions reduced to 17,637 tCO₂e with the shift to renewable energy sources
(See page 57)

- Provided employment to 77,670 tenant employees and 811 service providers
(See pages 63 to 65)

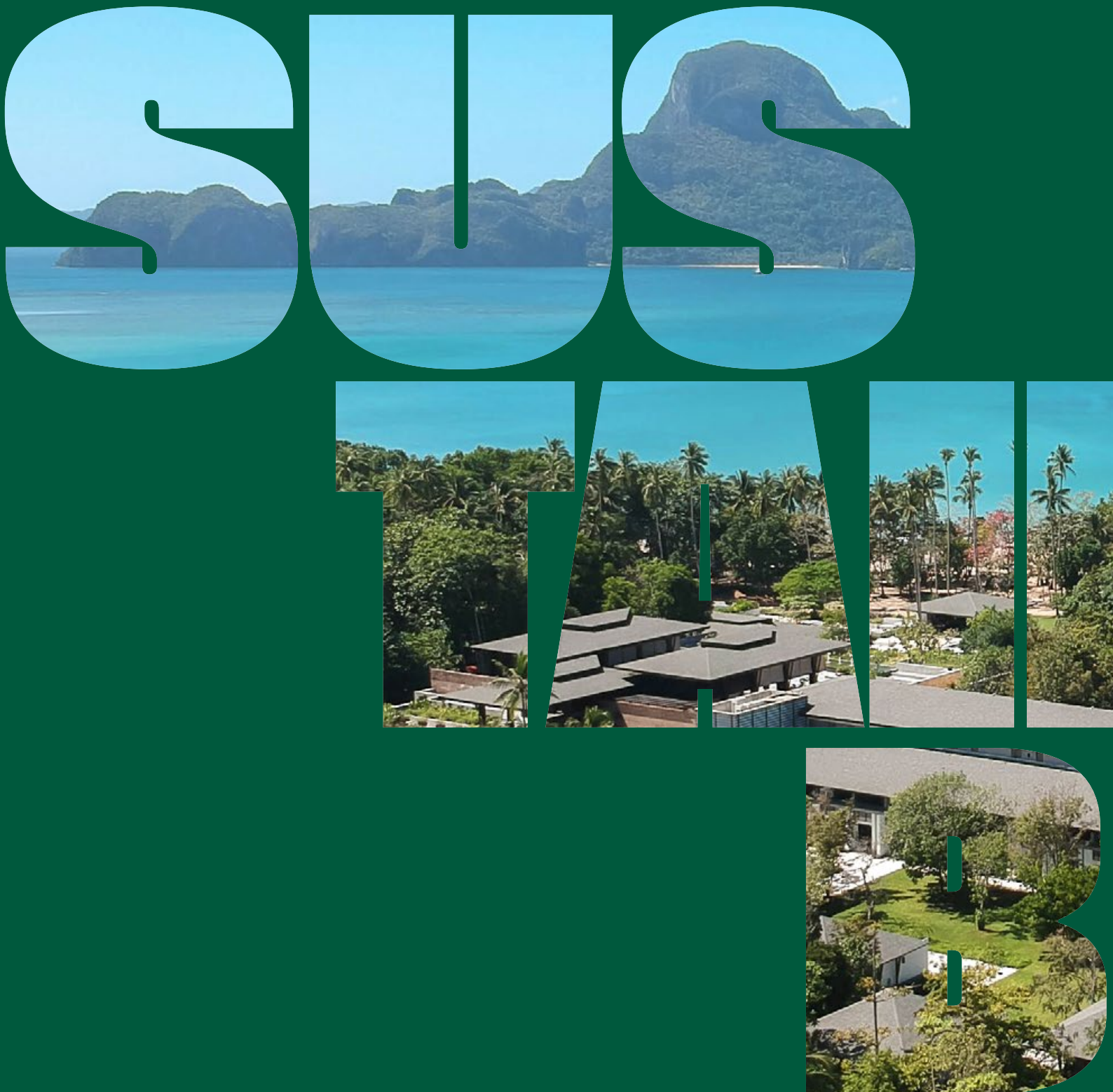
- 90% tenant satisfaction rating (offices)
- 91% guest satisfaction rating (hotels)
- Recognized as top performing PLC based on the 2023 ASEAN Corporate Governance Scorecard
(See pages 63 to 65)

- Total Shareholder Return of 20%
(See pages 22 to 25)

SDG Impacts



AREIT has embraced Ayala Land's sustainability four focus areas, reflecting the Sponsor's practice of monitoring the impacts of its developments.



52	ESG Approach
57	Environmental Stewardship
63	Social Engagement
67	Corporate Governance
79	Risk Management



Aligned with its Sponsor's commitment to monitoring key issues such as the economic, environmental, and social impacts of its developments, AREIT adopts Ayala Land's ESG approach, operationalizing sustainability through four focus areas, and measuring and reporting its sustainability performance against global goals and standards.

Materiality Review and Sustainability Four Focus Areas

AREIT has embraced Ayala Land's sustainability four focus areas — site resilience, pedestrian mobility and transit connectivity, resource efficiency, and local economic development — reflecting the Sponsor's practice of monitoring the economic, environmental, and social impacts of its developments.

Site resilience aims to reduce community vulnerability to the effects of climate change and natural disasters. Pedestrian mobility and transit connectivity initiatives enhance urban mobility. Resource efficiency initiatives address the ongoing depletion of natural resources. Local economic development efforts aim to mitigate socio-economic imbalances.

Originally identified in a 2014 materiality assessment, these focus areas remain relevant today, alongside issues emerging from the pandemic. They serve as fundamental frameworks for sustainability efforts within the Ayala Land Group,

AREIT included, guiding operations, mitigating sustainability risks, and delivering value to the business, environment, and society.

AREIT focuses on resource efficiency and local economic development. While the construction, development, and master planning of AREIT properties are executed by its Sponsor, upon turnover of the properties – whether through acquisition or infusion – AREIT and its property management arm, AREIT Property Managers, Inc. (APMI), assume responsibility for the properties' operations and maintenance, ensuring alignment with Ayala Land's sustainability initiatives and targets. APMI, in turn, engages Ayala Property Management Corporation (APMC) for the management of the properties' physical buildings, equipment, and common area services.

Ayala Land's Four Focus Areas and the UN Sustainable Development Goals

With the establishment of the United Nations Sustainable Development Goals (SDGs) in 2015, Ayala Land aligned each of the focus areas with the relevant SDGs.



Site Resilience

Extreme weather events, rising sea levels, and other hazards associated with climate change can undermine AREIT's properties and operations. Sponsor Ayala Land strengthens the corresponding sites to enable them to quickly recover from environmental stress, by undertaking technical due diligence for geohazards, providing space for refuge and rainwater absorption, and using native trees to enhance biodiversity and ecosystems.



Pedestrian Mobility & Transit Connectivity

AREIT properties are located within the master-planned Ayala Land estates, ensuring mobility and connectivity. These estates offer alternatives to using motor vehicles, with numerous walkways, pedestrian-only areas, and convenient access to transit stops and transportation terminals in these places.



Resource Efficiency

AREIT supports its Sponsor's goal of reaching their Net Zero targets by 2050 for all commercial properties. Ayala Land's operations and developments ensure that natural resources and construction materials, such as steel and cement, are used judiciously and efficiently, reducing overall consumption and GHG emissions. Energy and water conservation programs and waste management schemes with a circular economy approach in mind are also in place and are regularly audited for further improvement.



Local Economic Development

AREIT's properties provide spaces for office and retail tenants, generating employment and business opportunities in their localities, contributing to nation building, and creating value for the community.

AREIT's Material Topics and Global Reporting Frameworks

AREIT uses key sustainability reporting frameworks, including the UN Sustainable Development Goals (SDGs), six capitals of the Integrated Reporting Framework, Global Reporting Initiative (GRI) Indicators and Sustainability Accounting Standards Board (SASB) Material Topics, to measure and report its own performance and impact on local and global development.

The table below shows the relevant UN SDGs, GRI, and SASB topics that correspond to the Sponsor's four focus areas. Other material topics pertain to corporate governance, risk management, labor practices, and decent employment.

	Sustainability Four Focus Areas				Other Material Topics	
	Site Resilience	Pedestrian Mobility and Transit Connectivity	Resource Efficiency	Local Economic Development	Corporate Governance and Risk Management	Labor Practices and Decent Employment
GRI	303: Water and Effluents 307: Environmental Compliance	203: Indirect Economic Impacts 416: Customer Health and Safety	204: Procurement Practices 301: Materials 302: Energy 303: Water and Effluents 305: Emissions 306: Waste 308: Supplier Environmental Assessment	202: Market Presence 203: Indirect Economic Impacts	201: Economic Performance 205: Anti-Corruption 206: Anti-Competitive Behavior	403: Occupational Health and Safety
SASB	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	13: Climate Action 15: Life on Land	3: Good Health and Well-Being 9: Industry, Innovation, Infrastructure	6: Clean Water and Sanitation 12: Responsible Consumption and Production 17: Partnerships for the Goals	1: No Poverty 8: Decent Work and Economic Growth 10: Reduced Inequalities 17: Partnerships for the Goals	5: Gender Equality 8: Decent Work and Economic Growth	

Stakeholder Engagement

AREIT engages with stakeholders through diverse channels to understand and address issues and concerns, fostering strong relationships and creating long-term shared value creation.

Stakeholder	Issues and Concerns of Stakeholders	Mode of Engagement
Tenants, Tenant Employees, Hotel Guests, and Shoppers	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Digital platforms Customer satisfaction surveys Loyalty and appreciation programs E-newsletters AREIT website
Employees and Workers <small>Note: AREIT's entire workforce, including its officers, are seconded from Sponsor Ayala Land and its subsidiaries.</small>	<ul style="list-style-type: none"> Occupational health, welfare and safety Training and career development Compensation and rewards Labor practices and human rights 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Training and webinar sessions One-on-one meetings Policies and memos Vendor's Code of Ethics
Creditors	<ul style="list-style-type: none"> Financial and operating performance Debt servicing capacity 	<ul style="list-style-type: none"> Financial sustainability and capital management strategies Regular engagement with partner banks and investors
Shareholders and Analysts	<ul style="list-style-type: none"> Financial and operating performance Debt servicing capacity Recovery and growth plans 	<ul style="list-style-type: none"> Financial sustainability and 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	<ul style="list-style-type: none"> Compliance with all laws, regulations, codes and standards Economic development Management of environmental and social impacts 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Timely and accurate news Transparency ESG (environmental, social and governance) performance 	<ul style="list-style-type: none"> Media conferences and briefings News releases and fact sheets Social gatherings One-on-one meetings Through third-party consultants Annual reports AREIT website



AREIT fully aligned itself with its Sponsor's sustainability principles, exemplified by its Four Focus Areas and integrated into the operations of the properties. Moreover, AREIT is committed to reducing its carbon emissions, in line with the Net Zero 2050 targets of Ayala Land.

Pedestrian Mobility and Transit Connectivity

Most of AREIT's properties are strategically located in the mixed-use, integrated, and sustainable estates of Ayala Land enabling accessibility to commuters and pedestrians.

In the Makati CBD, Ayala North Exchange and Solaris One are seamlessly connected to the estate's elevated walkway and underpass network, providing direct access to the main transport hubs in Ayala Center. These buildings are also conveniently situated near bus and jeepney stops along Ayala Avenue.

The McKinley Exchange Corporate Center, strategically located at the intersection of Ayala Avenue and EDSA (Epifanio de los Santos Avenue), serves as a key location linking the northern and southern sections of Metro Manila. Located

on the northbound side of EDSA, it features a terminal for public utility vehicles going into Bonifacio Global City (BGC) in Taguig, serving as a main entry point into BGC. Additionally, McKinley Exchange Corporate Center is connected to the new One Ayala center through an elevated covered walkway.

The One Ayala Terminal, operational since 2023, significantly improved the commuter experience going in and out of the Makati CBD. This terminal serves north- and south-bound buses, AUVs, jeepneys, and offers a direct connection to the MRT Ayala station. Located at the strategic corner of EDSA and Ayala Avenue, the terminal facilitates seamless connectivity for thousands of commuters daily.

Teleperformance Cebu is located within the 27-hectare Cebu I.T. Park, strategically positioned near Ayala Land's Central Bloc

mixed-use development, which currently hosts a mall, a Seda hotel, and two office towers.

Resource Efficiency

AREIT properties adhere to Ayala Land's principle of resource efficiency, implementing measures to promote the conscientious use of energy and water and the management of waste.

Energy Management

Electricity conservation in the properties remains a priority to manage the overall increase in consumption and costs of electricity.

With the new acquisitions and the return to normal operations of the malls and offices, the total electricity consumption rose to 228.7 million kilowatt-hour (kWh), compared to 168.3 million kWh in the previous reporting year.

Electricity Consumption

(in kWh)	2020	2021	2022	2023	2024
Within the Organization	10,403,113	13,185,164	28,460,217	45,773,404	92,278,740
Outside the Organization	13,282,268	41,659,610	44,434,916	122,551,737	136,418,926
Total	23,685,381	54,844,774	72,895,133	168,325,141	228,697,666

The overall energy intensity in 2024 also increased by 15% for whole building electricity consumption.

Electricity Intensity

	Unit*	2020	2021	2022	2023	2024
Whole Building	kWh/sqm GFA	125.48	107.96	140.46	165.14	189.93
Common Area	kWh/sqm GCA	188.93	125.29	147.55	160.34	241.72
Leased Area	kWh/sqm GLA	99.35	103.33	129.98	155.36	165.88

Legend: GFA – Gross Floor Area; GCA – Gross Common Area; GLA – Gross Leasable Area

Note: As AREIT's portfolio becomes more diversified year-on-year, the aggregate intensity ratios may not be representative of the trend in electricity consumption.

Water Management

Water withdrawal of properties also saw a significant growth, consistent with the increase in the number of properties managed. The rebound of mall operations and return-to-office mandate for tenants also contributed to these significant increases.

Total water withdrawn of 2.7 million cubic meters was a 47% increase compared to the previous year. Water intensity, measured as cubic meter withdrawal per square meter (sqm) of occupied floor area, was at 4.66 for common areas, and 1.08 for leased areas.

Water Withdrawal

(in m ³)	2020	2021	2022	2023	2024
Within the Organization (Common Area)	191,705	278,755	429,024	1,424,758	1,780,450
Outside the Organization (Leased Area)	92,883	144,302	151,528	398,341	891,168
Total	284,588	423,057	580,552	1,823,099	2,671,618

Water Intensity

	Unit*	2020	2021	2022	2023	2024
Whole Building	m ³ /sqm GFA	1.51	0.83	1.21	1.79	2.22
Common Area	m ³ /sqm GCA	3.48	2.65	3.10	4.99	4.66
Leased Area	m ³ /sqm GLA	0.69	0.37	0.44	0.50	1.08

Legend: GFA – Gross Floor Area; GCA – Gross Common Area; GLA – Gross Leasable Area

Water conservation programs across all properties included the upgrade of fixtures to eco-efficient models and retrofit for water re-use and recycling.

Net Zero

AREIT supports its Sponsor's goal to achieve Net Zero targets by 2050 across all commercial properties. The company continues to seek opportunities to shift its properties to renewable energy (RE) sources under the Green Energy Option Program (GEOP) and to reduce fuel consumption within and outside the organization contributing to GHG emissions reduction.

Renewable Energy

As of the end of 2024, 99% of AREIT's total gross floor area (GFA) of commercial property buildings purchased electricity from renewable energy sources or accompanied by quality RE certificates (RECs). Consequently, 90% of the total 228.7 million kWh electricity consumption was from renewable energy sources. 94% of AREIT's common area electricity consumption of 92.28 million kWh was derived from renewable sources or accompanied by RECs.

Energy Consumption (Within the Organization)

(in kWh)	2020	2021	2022	2023	2024
Electricity (Renewable)	3,708,120	9,812,258	23,709,268	45,255,903	87,090,010
Electricity (Non-renewable)	6,694,993	3,322,564	4,750,949	517,501	5,188,730
Total	10,403,113	13,134,822	28,460,217	45,773,404	92,278,740
Percentage Renewable	36%	75%	83%	99%	94%

Emissions

Aligned with its Sponsor's Net Zero targets, AREIT aims to reduce greenhouse gas emissions for Scopes 1, 2 and 3 across its operations.

In 2022, an inventory of the emissions was completed with a 2021 base year, assisted by third-party consultant South Pole. Strategies and action plans to achieve near-term and long-term GHG emissions targets were identified by the different business units. The Net Zero roadmap was completed in 2023, and in 2024, Ayala Land received validation of its Net Zero targets from the Science Based Target initiative (SBTi).

In 2024, net GHG emissions from AREIT operations was reduced by 91% down to 17,637 tCO₂e, with reductions largely due to the shift of properties to renewable energy.

GHG Emissions (in tCO₂e)¹

	Gross Emissions	Reductions from RE	Net Emissions as of 2024 ²
Scope 1	3,690	N/A	3,690
Scope 2	75,039	71,936	3,103
Scope 3 ³	108,545	97,701	10,844
Total	187,274	169,637	17,637

1 Market-based emissions for Scopes 2 and 3 calculated using the GHG Protocol Corporate Accounting and Reporting Standard.

2 Net emissions is Gross Emissions based on business-as-usual (BAU) less avoided emissions from shifting to RE or sources accompanied by RE certificates (REC)

3 Scope 3 include emissions from Downstream Leased Assets only

Total net GHG emissions from Scope 2 and 3 is at 13,947 tCO₂e. Consistent with the increase in the growth of the business, emissions intensity measured as emissions from scope 2 and 3 per sq. meter of occupied area has significantly increased.

AREIT continues to prioritize shifting to renewable energy sources and collaborates with its tenants and locators on decarbonization programs.

Emissions Intensity

	2020	2021	2022	2023	2024
Whole Building (kg-CO ₂ e/sqm GFA)	49.52	21.23	17.09	4.19	11.58
Common Area (kg-CO ₂ e/sqm GCA)	72.70	48.71	30.29	14.96	36.53
Leased Area (kg-CO ₂ e/sqm GLA)	39.97	13.90	12.03	5.41	16.96

Note: Emissions intensity is measured as kg-CO₂e of Scopes 2 and 3 emissions per square meter of occupied area.

Circular Economy

Solid Waste

AREIT has adopted a circular approach to waste management, in line with its Sponsor's practice. With assistance from Ayala Property Management Corporation (APMC), waste generated by AREIT's properties is either recycled, composted, or sent to the municipal landfill.

Total waste generated increased by 47% from 2023 levels to 6.5 million kg due to the higher number of properties included in the reporting scope as well as increased on-premises commercial activities. As of the end of 2024, waste diversion efforts resulted in 2.88 million kg of waste diverted from landfills, equivalent to 45% of total waste generated for the year.

Solid Waste Generation and Diversion (in kg)

	2020	2021	2022	2023	2024
Total Waste Generation	365,350	1,048,673	1,210,588	4,394,276	6,451,046
Sent to Landfill					
Food	173,915	306,168	454,652	1,005,031	835,241
Residual	173,815	344,190	361,494	1,760,602	2,388,414
Compostable	9,928	364,648	206,686	363,620	222,673
Other Landfilled Waste				118,127	124,099
Diverted from Landfill					
Sent to Recyclers	7,692	33,667	187,756	329,172	1,686,515
Composted Waste				809,076	1,155,850
Plastics sent to Ecohub				8,648	38,254

Note: Waste sent to recyclers Includes traditional recyclables such as paper, cartons, glass bottles and aluminum cans as well as 822k kg waste sent for recovery, including energy recovery.

AREIT's goal is to reduce waste in both common areas and tenant/merchant areas as well as divert waste from landfills through different strategies including composting and partnering with service providers that effectively reuse or recycle waste.

Hazardous Waste

AREIT, through APMC, complies with the requirements of proper hazardous waste management in accordance with Republic Act 6969 (Toxic Substances and Hazardous and Nuclear Waste Act of 1990) and Department of Environment and Natural Resources (DENR) Administrative Order 2013-22 (Revised Procedures and Standards for the Management of Hazardous Wastes).

AREIT's properties have designated hazardous wastes storage rooms and DENR-controlled Hazardous Wastes Generators' ID Numbers. All hazardous waste generated are transported and treated by DENR-accredited vendors.

Under the Bantay Kalikasan program of the ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI), used lead acid batteries, industrial oil, and waste electronic and electrical equipment are recycled, with proceeds from the sale of these materials donated to ALKFI for their reforestation programs. Other hazardous wastes are transported and treated by DENR-accredited transporters and disposal facilities. For every treated waste, a Certificate of Treatment is provided by haulers as proof of proper disposal and is reported by APMC to DENR.

Hazardous waste generation was managed in 2024 despite the increase in the number of properties and increase in commercial activities in the malls and offices.

Hazardous Waste Generation (in metric tons)

	2022	2023	2024
D406 ULAB	2.67	23.55	10.10
D407 CFL	0.41	1.46	4.04
I101 Engine oil	10.01	32.46	7.86
I102 Vegetable Oil	-	-	9.70
J201 Containers	0.04	11.63	0.68
H802 Grease Wastes	0.52	133.77	32.88
F601 Solvent-based Wastes	0.01	0.07	0.17
M506 WEEE	0.26	2.66	0.64

Legend: ULAB – Used lead acid batteries; CFL – Compact fluorescent lightbulbs; WEEE – Waste electrical and electronic equipment

Green Buildings

To verify the resource efficiency performance of the properties, AREIT shall pursue green certifications for its properties. The company aims to increase the share of green buildings in its portfolio by 2026. Currently, 63% of its expanded office buildings portfolio, in terms of gross floor area, have secured certifications from International Finance Corporation's (IFC) Excellence in Design for Greater Efficiencies (EDGE) or US Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED).

In September 2023, Ayala Land and AREIT signed an agreement with IFC to signify its commitment to pursue IFC's EDGE Zero Carbon Certification for 1.5 million sqm of commercial office buildings. EDGE provides a pathway to net zero through EDGE Zero Carbon, the highest level, by measuring and verifying the efficient use of resources such as energy, water, and materials.

As of the end of 2024, AREIT has received IFC EDGE Certification for 20 office buildings with a GFA of 802,000 sqm. Among these buildings, 14 are EDGE Zero Carbon-certified, while the remaining six are EDGE Advance certified and on track to achieve EDGE Zero Carbon certification by the end of 2025.

Ayala Land and AREIT aim to secure EDGE Zero Carbon certification for an additional 700,000 sqm of GFA, striving to meet their goal of certifying 1.5 million sqm by 2025.

One Evotech and Teleperformance Cebu are also USBGC LEED-certified. This brings the number of properties under the AREIT portfolio that have green certifications to 22, with a total GFA of 849,818 sqm.

Property Name	Green Certification as of December 31, 2024
Ayala Triangle Gardens Tower Two	LEED Gold (2022) EDGE Zero Carbon
ACC Corporate Center	EDGE Advance
Ayala North Exchange BPO	LEED-certified (2022) EDGE Advance
Ayala North Exchange HQ	LEED-certified (2022) EDGE Advance
Bacolod Capitol Corporate Center	EDGE Advance
eBloc 1	EDGE Advance
eBloc 2	EDGE Zero Carbon
eBloc 3	EDGE Zero Carbon
eBloc 4	EDGE Advance
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	LEED Silver (2011)
Solaris One	EDGE Zero Carbon
Teleperformance Cebu	LEED Gold (2012)
The 30th BPO	EDGE Zero Carbon
The District North Point BPO	EDGE Zero Carbon
Vertis North Corporate Center 1	EDGE Zero Carbon
Vertis North Corporate Center 2	EDGE Zero Carbon
Vertis North Corporate Center 3	EDGE Zero Carbon



AREIT actively engages its various stakeholders to deliver on its investment strategy of creating sustainable long-term value.



Tenants, Tenant Employees, Hotel Guests, and Shoppers

Property managers serve as account managers who closely collaborate with the tenants' designated facilities managers. Regular meetings are held with tenants, with anchor tenants receiving weekly meetings and all other tenants receiving monthly meetings on average.

Office leasing officers regularly engage with key executives such as Country Heads, Vice Presidents for Operations, and Regional or Global Real Estate Heads to discuss operational issues and expansion plans.

Property managers also conduct regular coordination meetings with retail tenants to address concerns and ensure smooth business operations.

To keep tenants informed about key developments affecting the property, property managers

maintain a central messaging group and post notices in common areas and lobbies.

Customer satisfaction surveys are conducted to gauge tenant satisfaction. In 2024, AREIT office properties achieved an average score of 90%. Seda Hotels in AREIT's portfolio, namely Seda Residences Makati, Seda Lio, and Seda Ayala Center Cebu, received an overall guest satisfaction rating of 91% in 2024. It also scored high in the Net Promoter Score (NPS), a measure of customer loyalty and the likelihood of recommending the brand. The Seda hotels achieved a NPS of 66.5, higher than the global hotel industry NPS of 59 for upscale properties.

Year	Tenant Employees	Service Providers
2022	45,457	917
2023	68,772	1,006
2024	77,670	811

Employees and Workers

AREIT's entire workforce, including its officers, are seconded from Sponsor Ayala Land and its subsidiaries.

Ayala Land prioritizes employee well-being through programs that build on their capabilities, support high performance levels, and promote their health and safety at all times.

Contribution to Local Economic Development

AREIT contributes to local employment through its tenants and service providers. As of end-2024, its properties provided employment opportunities to 77,670 tenant employees and 811 service providers.

Health and Safety

As of end-2024, no major incident was recorded in the properties.

Compensation and Rewards

All employees of AREIT are seconded from Ayala Land and receive no compensation, salary or per diem from AREIT.

The Sponsor provides compensation and benefits to the seconded employees following practices as mandated by national labor laws and its own performance incentives program. The company rejects any form of forced and compulsory labor. All regular employees receive life insurance, in-patient and out-patient health coverage, disability and invalidity coverage, retirement benefits, and medical allowances. Project employees are provided with health insurance coverage and are entitled to service incentive leaves and overtime pay.

The Sponsor also provides variable pay such as performance-based incentives directly linked to an individual's key deliverables established at the start of the year.

Ethical Behavior

AREIT upholds high standards of accountability and ethics in line with the Sponsor's code of ethics. The company regards its personnel with the utmost respect and professionalism.

Any individual or entity may report suspected irregularities or misconduct

involving AREIT employees, business partners, suppliers, and service providers through the Ayala Land Group's business integrity channels. These reports may be sent to the Sponsor's whistleblower officer at myreport@ayalaland.com.ph, through SMS at +63 917 3118510, face-to-face meetings, and the website of Ayala Land's auditor, <https://proactivehotline.grantthorntonsolutions.ph/report/aligroup/>.

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 level of productivity, efficiency, quality, and cost-competitiveness.

Suppliers of AREIT are accredited based upon their full compliance with the Sponsor's standards and requirements, with a preference for those who practice environmental responsibility. AREIT actively supports the Sponsor's "greening the supply chain" campaign, requiring suppliers to accomplish a "Green Metrics" form to confirm their environmental and social practices, including initiatives on managing

environmental impacts and sustainability reporting. Whenever feasible, materials and supplies are sourced locally.

To enforce compliance with policies to prevent fraudulent activities, AREIT's Internal Audit Division conducts vendor audits with its business partners, suppliers, and service providers in accordance with the provisions of the Sponsor's Vendor's Code of Ethics. This code undergoes regular updates to enhance its provisions and align with ISO guidelines for Sustainable Procurement 20400:2017.

In 2024, no audits were conducted on vendors of AREIT's properties based on the company's risk assessment during the year.

At AREIT, there is zero tolerance for child labor and modern slavery. Vendors, service providers, and suppliers undergo thorough audits to ensure that they do not employ underage or illegally deployed workers in their operations. No aspect of our operations has been identified as susceptible to child, forced, or any other form of illegal labor.

Creditors

AREIT acknowledges the rights of its creditors and is committed to honoring its contracted financial obligations and covenants. Creditors have access to readily available information about AREIT for them to adequately assess the company's credit standing. As of the end of 2024, AREIT has outstanding debt of P2.0 billion with a net gearing of 0.02:1, 5.89% of its deposited property value, well within the 35% average aggregate limit for Philippine REITs.

Shareholders and Analysts

Shareholders' rights to participate in decisions concerning fundamental corporate changes

Shareholders have the right to participate in decisions concerning fundamental corporate changes, including amendments to AREIT's articles of incorporation and by-laws, 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 voting.

Shareholders' voting rights

Each common share of AREIT grants the shareholder 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 the shares registered under 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 on-on-one meetings, video conference calls, and written communications such as e-mail.

The President and CEO, Chief Finance Officer, together with the Head of Investor Relations, periodically join investor conferences and non-deal roadshows, virtually and in-person, organized by stockbrokers to ensure regular discussions with institutional shareholders.

AREIT also facilitates property tours to provide investors with a better appreciation of its assets and operations.

In 2024, AREIT hosted two virtual analyst briefings, on February 21 and August 15, to discuss the FY 2023 and 1H 2024 results, respectively.

National and Local Government

AREIT supports the initiatives of both the national and local governments, especially on the implementation of safety protocols in its properties. It regularly coordinates with the Bureau of Fire Protection (BFP) and the Office of the Building Official (OBO). Its properties participate in the nationwide earthquake and fire drills organized by the National

Disaster Risk Reduction Management Council (NDRRMC). Its property management teams also participate in the safety competitions led by the Safety Organization of the Philippines (SOPI).

Media

AREIT regularly engages the media through briefings and news releases. It is focused on accessibility, making sure that media inquiries and concerns are addressed in a timely manner via e-mail, phone, and other means of communication.

AREIT aims to establish an honest and transparent relationship with media representatives through appropriate communication and regular coordination. AREIT's media engagement is always guided by the company's commitment to good corporate governance and high ethical standards.



AREIT is committed to upholding elevated standards of governance aligned with the Ayala Group, as well as Philippine and regional standards. The company consistently enhances and implements governance policies and practices. In recognition of its commitment, AREIT received a Three Golden Arrow accolade by the Institute of Corporate Directors, in accordance with the Asean Corporate Governance Scorecard.

In line with its aspiration to be a premier REIT, AREIT practices good corporate governance, ensuring compliance with the Real Estate Investment Trust Act of 2009, its implementing Rules and Regulations (REIT Law), and the pertinent regulations stipulated by the Securities and Exchange Commission (SEC).

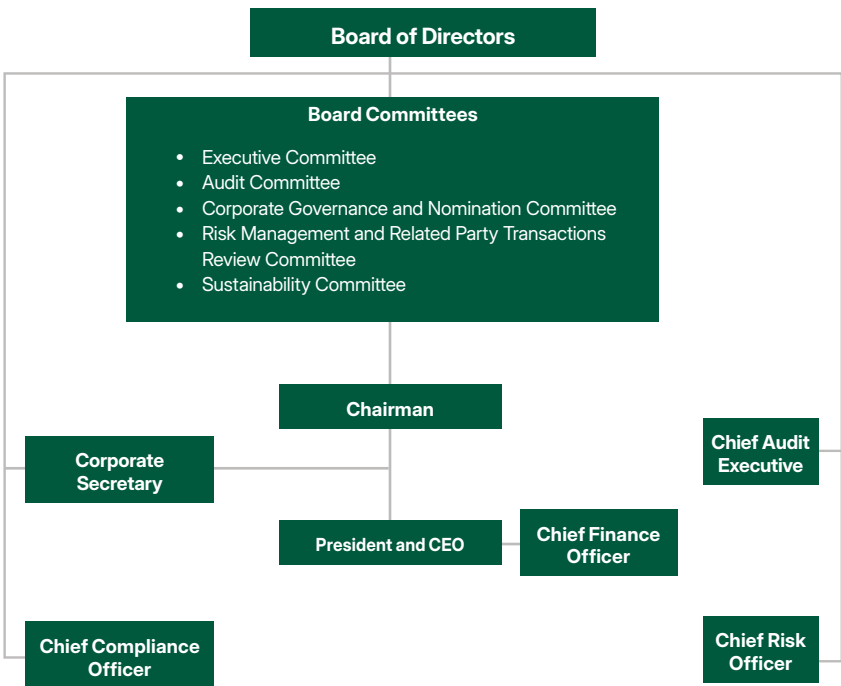
Board of Directors

The Board of Directors serves as the authority in governance and business management of AREIT. Within their chartered authority, the directors collectively have the fullest powers to govern the company’s affairs judiciously. It is the board’s responsibility to promote and adhere to the principles and best practices of corporate governance, fostering the company’s long-term success and sustained competitiveness in a manner consistent with its fiduciary responsibility to the company, its shareholders, and other stakeholders.

Board Committees

The board is assisted by five committees with functions delegated in accordance with AREIT’s Board Charter and Corporate Governance Manual. These committees are the Executive, Audit, Risk Management and Related Party Transactions Review, Corporate Governance and Nomination, and Sustainability Committees.

GOVERNANCE STRUCTURE



Each committee’s responsibilities are discussed in pages 72 to 75, “Board Committees”, of this report. Additionally, the Proxy Validation Committee assists in validating proxies and tabulating votes during stockholders’ meetings.

The Chairman and the President and CEO

The Chairman of the Board is separate from the Chief Executive Officer (CEO), ensuring an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making.

The Chairman presides over all Board and stockholders’ meetings while providing advice and counsel to the President. Ms. Anna Ma. Margarita B. Dy assumed the role of Chairman of the Board on April 26, 2023.

The President and Chief Executive Officer bears accountability for the corporation’s organizational and procedural controls and is responsible for determining the strategic direction, formulating and implementing the corporation’s strategic plan under the guidance of the Board of Directors.

Ms. Carol T. Mills has served as the President and CEO of the corporation from 2014 until August 2024. On August 14, 2024, Mr. Jose Eduardo A. Quimpo II was elected as President and CEO by the Board. During the annual meeting, the CEO delivers a comprehensive report on the corporation's operations to the Board and stockholders of the preceding year.

Corporate Secretary

The Corporate Secretary ensures that the Board of Directors receives adequate and timely information before meetings and serves as a legal adviser to the directors on their responsibilities and obligations. Mr. Solomon M. Hermosura has served as the Corporate Secretary from 2019 until March 2024. On March 13, 2024, the Board elected Ms. Maria Franchette M. Acosta as Corporate Secretary.

Treasurer and Chief Finance Officer

The Treasurer must be a resident of the Philippines and is in charge of the funds, securities, receipts and disbursements of the corporation. The Treasurer is also the Controller and may also be the Chief Finance Officer who is appointed by the Board of Directors. Ms. Ma. Teresa R. Famy has served as the Treasurer and Chief Finance Officer since August 2021.

Chief Compliance Officer

The Chief Compliance Officer ensures compliance by the corporation, its directors and officers with applicable laws, rules and regulations, and governance issuance of regulatory agencies. This role includes onboarding new directors, identifying and resolving compliance issues, ensuring the integrity and accuracy of all documentary submissions, and performing all other duties assigned by the Board of Directors. Ms. Ma. Florence Therese dG. Martinez-Cruz has served as the Chief Compliance Officer since April 2023.

Chief Audit Executive

The Chief Audit Executive (CAE), reporting to the Audit Committee, leads the Internal Audit group in ensuring compliance with internal

control procedures and supporting corporate governance through checks and balances. The Internal Audit group assists the committee and the board in discharging their duties and responsibilities as provided in the Code of Corporate Governance for Publicly Listed Companies. Ms. Rowena P. Libunao, has served as AREIT's CAE since February 24, 2021.

Chief Risk Officer

The Chief Risk Officer, reporting to the Risk Management and Related Party Transactions Review Committee, leads the Risk Team in identifying, evaluating, and managing risks. The role supports the Board's oversight responsibilities in risk management by providing continuous input, evaluation, and feedback on the effectiveness of the corporation's risk management process and internal controls system. Mr. Maphilindo S. Tandoc has served as AREIT's Chief Risk Officer since August 12, 2021.

AREIT's policies and practices are posted on its website, www.aret.com.ph, and in this Integrated Report, Annual Corporate Governance Report, and the Corporate Governance Manual. AREIT is governed by its Corporate Governance Manual and complies with all listing and disclosure rules of the Philippine Stock Exchange (PSE) and the SEC.

Board Matters

Board Composition

The board comprises eight members, more than half of whom are independent and non-executive directors. Directors hold office for one year or so until their successors are elected and qualified. The Board is currently composed of 50% women directors.

Skills, Competency, and Diversity

The board ensures independence and diversity, focusing on the necessary knowledge, abilities, and experience. Collectively, the board possesses the required knowledge, skills and competencies, and experience in general business, real estate, industry, law, and finance.

Half of the AREIT board is composed of women, including both the Chairman and the President and CEO, strengthening its commitment to gender diversity. In recognition of this, AREIT was awarded with the Most Women Directors award at the 3rd Securities and Exchange Commission Gender and Development Awards.

The board regularly reviews its composition considering the evolving requirements of the company and best practices in corporate governance. It strives for a diverse and balanced board, composed of at least two female directors. Nominees to the Board are selected based on merit, considering business experience, age, gender, ethnicity, culture, skills, competence, and knowledge. Four out of the six non-executive and independent directors have experience in real estate, investments, finance, or business management. The board members' diverse professional backgrounds and expertise facilitate the effective execution and oversight of corporate governance in AREIT.

Independent Directors

Independent directors, serving for no more than nine years, must not hold any interest or relationship with AREIT that may hinder, compromise, or interfere with their independent judgment and exercise of responsibilities as director.

In line with the REIT Law which requires at least 33% of the board to be independent, AREIT has three independent directors out of its eight-member board, or 38%.

Following the Code of Corporate Governance for Publicly Listed Companies, and the REIT Act, AREIT appointed Mr. Omar T. Cruz as lead independent director on April 23, 2024. The lead independent director serves as an intermediary between the Chairman and the other directors whenever necessary, among other responsibilities.

2024 Board of Directors

Board of Directors	Designation	Years Appointed (No. of Years in the Board)	Expertise
Anna Ma. Margarita B. Dy	Non-Executive, Chairman	April 26, 2023 (1)	Real estate, economics, business management
Carol T. Mills ¹	Executive, President and CEO	February 10, 2014 (10)	Real estate, office and mall leasing, business management
Jose Eduardo A. Quimpo II ²	Executive, President and CEO	August 14, 2024 (less than 1 year)	Real estate, banking, finance, business and investments management
Bernard Vincent O. Dy ³	Non-Executive	April 4, 2019 (5)	Real estate, accounting and finance, business management
Augusto D. Bengzon	Non-Executive	April 4, 2019 (5)	Finance and treasury, real estate, business management
Maria Theresa D. Marcial ⁴	Non-Executive	April 23, 2024 (less than 1 year)	Finance, banking, investment management
Omar T. Cruz	Non-Executive, Lead Independent	April 12, 2019 (5)	Insurance, economics, finance, investments, management engineering
Enrico S. Cruz	Non-Executive, Independent	February 5, 2020 (4)	Finance and capital markets, business economics, business management
Mariana Beatriz E. Zobel de Ayala	Executive	October 7, 2021 (3)	Real estate, commercial leasing and hospitality, banking, social studies, business administration
Sherisa P. Nuesa	Non-Executive, Independent	April 26, 2023 (1)	Commerce, real estate, finance, business administration

1 Served as Executive Director and President and Chief Executive Officer until August 2024

2 Elected on August 14, 2024 to serve the unexpired term of Ms. Carol T. Mills

3 Director until April 23, 2024

4 Elected on April 23, 2024

Fund Manager

As required by the REIT Law, AREIT engaged the services of AREIT Fund Managers, Inc. (AFMI) on February 5, 2020. AFMI is duly licensed by the SEC to act as a REIT Fund Manager and possesses all the qualifications without any disqualifications imposed by relevant laws, rules, and regulations. The majority of the Fund Manager's board members are independent directors with expertise in real estate, fund management, corporate finance, and other relevant finance-related

functions. AFMI is a wholly owned subsidiary of Ayala Land, Inc.

The Fund Manager has general power of management over the company's assets pursuant to the Fund Management Agreement, a five-year, renewable agreement defining the relationship between AREIT and the Fund Manager. The Fund Manager's primary responsibility is to manage the company's assets and liabilities for the benefit of the company's shareholders, focusing on generating

rental income and, where appropriate, increasing the company's assets to enhance returns and distributions to the company's shareholders.

The Board of Directors of the Fund Manager is responsible for its overall management. It is composed of highly qualified individuals with track records in real estate, fund management, corporate finance, and other relevant finance-related functions.

AFMI Board of Directors	Designation	Years Appointed	Expertise
Ma. Luisa D. Chiong	Non-Executive, Chairman	April 26, 2023	Finance, accounting, and real estate
Patricia Gail Y. Samaniego ¹	Executive, President and CEO	December 27, 2019	Office and mall leasing, and business development
Tomas Julian A. Santos ²	Executive, President and CEO	August 14, 2024	Finance, investment, economics, business development
Ma. Angela E. Ignacio ³	Non-Executive, Independent	January 29, 2020	Economics, banking, and finance
Eduardo F. Saguil	Non-Executive, Independent	January 29, 2020	Real estate, finance, and capital markets
Simeon S. Cua	Non-Executive, Independent	December 3, 2021	Business management, real estate, and law

1 Served as Executive Director, President and Chief Executive Officer until August 14, 2024

2 Elected as Executive Director, President and Chief Executive Officer on August 14, 2024 to serve the unexpired term of Ms. Patricia Gail Y. Samaniego

3 Resigned on November 5, 2024

Property Manager

Pursuant to the REIT Law, AREIT engaged the services of AREIT Property Managers, Inc. (APMI) on February 5, 2020. APMI is an independent corporate entity qualified to perform the responsibilities of a REIT Property Manager. To ensure autonomy, most members of the Property Manager are independent directors, with expertise in the real estate industry and property portfolio management. The Property Manager is a wholly-owned subsidiary of Ayala Land.

The Property Manager's executive officers oversee the day-to-day management of AREIT properties, pursuant to the Property Management Agreement, a five-year, renewable agreement. For services such as janitorial, technical, and security the Property Manager may engage third-party companies. The Property Manager manages the execution of new leases renewals, marketing, and promotion of the properties.

Additionally, the Property Manager oversees the overall management,

maintenance, and repair of the structure and utilities; the building management policies and programs; maintenance and improvement; and routine management services that include security control, fire precautions, communication systems and emergency management; and building management operations.

The Board of Directors of the Property Manager consists of highly qualified individuals with track records in real estate and property portfolio management.

APMI Board of Directors	Designation	Years Appointed	Expertise
Francisco Ma. D. Roxas	Executive, Chairman	May 7, 2019	Office leasing and operations, and business management
Benjamin S. Borja, III	Executive, President and CEO	January 30, 2020	Property management and architecture
Alfonso Victorio G. Reyno, III	Non-Executive, Independent Director	January 30, 2020	Business management and law
Abelardo M. Tolentino, Jr.	Non-Executive, Independent	May 7, 2019	Architecture, and urban and regional planning
Joselito N. Luna	Non-Executive, Independent	May 7, 2019	Architecture, and urban and regional planning

Guidance on Directorships

Directors may accept and hold directorships outside AREIT, provided that such roles do not detract from diligently performing their duties as AREIT director. Independent directors and non-executive directors hold no more than five board seats in any group of publicly listed companies, while executive directors hold no more than two board seats in listed companies outside the Ayala Group.

videoconferencing, teleconferencing, or other alternative modes allowed under the company's By-Laws and relevant regulations of the SEC.

In 2024, the board held six regular meetings and one special meeting, achieving a 100% attendance rate. As per the board charter and the Corporate Governance Manual, two-thirds of the Directors constitutes a quorum for transaction of corporate business. Further, a minimum attendance of 75% is required for each member to be eligible for re-election.

Non-executive directors held meetings on May 14 and November 13, 2024, without the presence of any executive director, to discuss the conduct and improvements

in board governance, investor relations, and in-depth discussions of financial and risk management.

To ensure that the Board is adequately prepared and informed of the meeting's purpose, relevant meeting materials were distributed to the board at least five business days before the relevant meeting.

Meetings and Attendance

Regular meetings of the Board of Directors are held at least six times annually, with the schedule set at the start of the year. Directors attend and actively participate in all meetings in person or through remote communication, such as

2024 Board Attendance

Directors	Full Board		Non-Executive Directors Meeting	
	Meetings Attended/Held ¹	% Present	Meetings Attended/Held ¹	% Present
Anna Ma. Margarita B. Dy (Chairman, Non-Executive)	6/7	86%	2/2	100%
Bernard Vincent O. Dy ² (Non-Executive)	2/2	100%	-	-
Carol T. Mills (Executive)	5/5	100%	-	-
Jose Eduardo A. Quimpo ³ II (Executive)	2/2	100%	-	-
Augusto D. Bengzon (Non-Executive)	6/7	86%	2/2	100%
Mariana Beatriz E. Zobel de Ayala (Non-Executive)	7/7	100%	1/2	50%
Maria Theresa D. Marcial ⁴ (Non-Executive)	5/5	100%	2/2	100%
Omar T. Cruz (Non-Executive, Lead Independent)	7/7	100%	2/2	100%
Enrico S. Cruz (Non-Executive, Independent)	7/7	100%	2/2	100%
Sherisa P. Nuesa (Non-Executive, Independent)	6/6	100%	2/2	100%

1 In 2024 and during the incumbency of the director

2 Served as a Non-Executive Director until April 23, 2024

3 Mr. Quimpo was elected on August 14, 2024 to serve the unexpired term of Ms. Mills, who resigned from the Board effective the same date

4 Elected on April 23, 2024

Remuneration

Each AREIT independent director is entitled to receive a reasonable per diem allowance for attending Board meetings. Any additional compensation, other than per diems, require stockholders' approval.

Pursuant to the REIT Act, the total annual compensation of all directors and officers of the company is within 10% of the net income before regular corporate income tax during the immediately preceding taxable year and will be disclosed in accordance with the relevant rules and regulations.

Each independent director receives a fixed per diem of P40,000 for every board meeting attended, and a fixed per diem of P20,000 for every committee meeting attended. This

remuneration was approved during the 2019 Annual Stockholders' Meeting.

No director, in a personal capacity, was contracted and compensated by the company for services beyond their role as director. Any additional compensation requires stockholders' approval. AREIT has no other remuneration arrangement for its directors and officers.

AREIT officers and executive directors are seconded from Ayala Land and do not receive any compensation, salary or per diem from AREIT. Their compensation, paid by Ayala Land, includes basic salary and performance-based cash bonuses.

The total compensation of the CEO and the four most highly compensated officers is disclosed in

the Definitive Information Statement (DIS) sent to all shareholders. The total annual compensation reported are paid by Ayala Land.

Disclosure of Conflict of Interest

Each independent director submits a confirmation letter to the Corporate Secretary, affirming that at the time of his election, appointment, or re-appointment as director, they hold no interests affiliated with the company or in the management of its controlling shareholder. A director with any material conflict of interest determined to be permanent in nature is disqualified from the board.

If an actual or potential conflict of interest arises on the part of the directors, whether involving a related party transaction or not, a director is required to abstain from participating in the discussion and voting on the approval of the proposed transaction and any action to be taken to address the conflict. The board may implement additional processes to preclude such conflicts. No person who engages in any business that competes with or is antagonistic to the interest of the company is qualified or eligible for nomination or election to the board.

2024 Independent Directors Gross Remuneration

Director	Total Remuneration (in Php)
Omar T. Cruz	480,000.00
Enrico S. Cruz	480,000.00
Sherisa P. Nuesa	400,000.00
Maria Theresa D. Marcial*	260,000.00

* Elected on April 23, 2024

All AREIT officers must avoid conflicts of interest. Every January, all directors and officers are required to file a written disclosure on conflicts of interest. In 2023, AREIT adopted its Conflict of Interest Policy as part of its Business Integrity Program.

Annual Self-Assessment

To uphold good governance and to ensure continued improvement, the Board conducts an annual self-assessment of its performance, including the performance of the Chairman, individual members, and committees. This exercise evaluates the Board's performance and identifies areas for improvement. Each director is expected to assess themselves and the Board, and its committees, through a questionnaire covering a broad range of topics, including governance, management, composition, role, compensation, management performance, overall perception, and individual performance.

The Chief Compliance Officer (CCO) tallies the results and sends them to the Corporate Secretary for presentation and action. The CCO likewise regularly reviews the questionnaire and ensures its relevance. Board and Committee self-assessments are vital for improving corporate governance practices and ensuring that the Board remains effective and accountable.

To strengthen objectivity, the Board engages an external facilitator every three years to conduct the process. The facilitator can be an independent party such as a consulting firm, an academic institution, or a professional organization.

A summary of the annual board self-assessment scores is available on the company website.

Training and Continuous Education

AREIT requires all board members to participate in continuing professional education. New directors undergo an orientation program to ensure that they have the necessary information needed to fulfil their duties and responsibilities. The orientation typically includes a presentation of AREIT's operations, business performance, and financial results, as well as a discussion of disclosure obligations of directors, conflict of interest situations, relevant governance issues, and an optional tour of the company's properties.

In 2024, all of AREIT's directors and officers attended online and in-person seminars on Corporate Governance for at least four hours, including the 6th Ayala Integrated Corporate Governance Risk Management and Sustainability Summit, "The Board's Agenda: Accelerating Ambition through Action: Charting the

Transition to Net Zero" organized by the Institute of Corporate Directors.

Additionally, AREIT's officers participate in various training programs provided by the Ayala Land Group, covering topics such as corporate governance, business management, and professional development. These programs ensure that directors and officers are updated on latest business trends and issues, guiding them in making informed decisions in the best interest of the company and its stakeholders.

Board Committees

In accordance with its by-laws, the board may create committees deemed advantageous or necessary to run the company and promote good governance. Each committee has a board-approved charter outlining their powers, duties, and responsibilities. The charter specifies member qualifications; committee's composition, powers, duties, and responsibilities; and rules governing their exercise. The board may delegate some of its powers, duties, and responsibilities to any of the board committees.

2024 Board Committee and Membership

Director	Executive	Audit	RMRPT	CGNC	Sustainability
Anna Ma. Margarita B. Dy					
Carol T. Mills	M ¹				M ¹
Jose Eduardo A. Quimpo II	M ¹				M ¹
Augusto D. Bengzon	C ²	M			
Mariana Beatriz E. Zobel de Ayala	C ²				
Omar T. Cruz	M	M	C	M	
Enrico S. Cruz		C	M	M	
Sherisa P. Nuesa			M	C	C
Maria Theresa D. Marcial					M

C - Chairperson; M - Member

1 Ms. Carol T. Mills served as a Member of the Executive Committee from April 23, 2024 to August 14, 2024. Mr. Jose Eduardo A. Quimpo II served as Member of the Executive Committee beginning August 14, 2024 to serve the unexpired term of Ms. Mills.

2 Ms. Mariana Beatriz E. Zobel de Ayala served as the Chairman of the Executive Committee from April 23, 2024 to August 14, 2024. Mr. Augusto D. Bengzon served as Chairman of the Executive Committee beginning August 14, 2024 to serve the unexpired term of Ms. Zobel de Ayala.

Executive Committee

The Executive Committee consists of at least three directors, one-third of whom are independent directors. A majority of the members must be part of the Board of Directors.

The current members of the Executive Committee are Mr. Augusto D. Bengzon, non-executive director; Mr. Jose Eduardo A. Quimpo II, President and CEO; and Mr. Omar T. Cruz, non-executive, and lead independent director. All are citizens of the Republic of the Philippines.

Under the company's by-laws, the Board Committee exercises any powers of the Board of Directors, as allowed by law, between Board meetings. The committee reports all resolutions adopted to the Board at the next Board meeting.

The Executive Committee's authority does not cover the following: approval of actions requiring shareholders' approval; filling Board or Executive Committee vacancies; amending, repealing, or adopting by-laws; distributing cash dividends; and exercising powers delegated exclusively to other committees.

In 2024, the Executive Committee did not have any meetings.

Audit Committee

The Audit Committee supports the corporate governance process through the provision of checks and balances. It consists of three members, all of whom are independent or non-executive directors. The committee is chaired by an independent, non-executive director, Mr. Enrico S. Cruz. The two other members of the Audit Committee are: Mr. Omar T. Cruz, non-executive and lead independent director; and Mr. Augusto D. Bengzon, non-executive director.

Mr. Enrico S. Cruz has significant auditing experience and accounting expertise, having served as the Chief Country Officer and Global Markets Head of Deutsche Bank AG Manila Branch, and Senior Vice President of CityTrust Banking Corporation. Mr. Omar T. Cruz has extensive experience in banking and finance. He previously

served as the Treasurer of the Republic of the Philippines. Mr. Bengzon is currently serving as the Treasurer and Chief Finance Officer of Ayala Land, Inc., and has significant expertise in the company's financial management systems and business operations.

The Audit Committee assists the board overseeing the company's corporate governance process by establishing and maintaining an effective internal control framework. It ensures that systems and processes provide assurance in areas including internal audit, financial reporting, independent audit, compliance, operational efficiency, and safeguarding of assets. The committee assesses the independence, qualifications, and competence of the independent auditor, recommending their appointment and remuneration to the Board, and may recommend their removal.

The Audit Committee performed the following duties and responsibilities in 2024:

1. Assisted the Board in overseeing the accuracy of the company's financial statements; soundness of its financial reporting process; robustness of internal control, internal audit activities, annual independent audit of the financial statements; and compliance with legal and regulatory requirements;
2. Reviewed, approved, and endorsed the 2024 audit results and 2024 Audited Financial Statements presented by its external auditor, PricewaterhouseCoopers (PwC) Philippines – Isla Lipana & Co. (Isla Lipana);
3. Endorsed the full-year 2024 financial and operational results;
4. Approved the contents of the Management Representation Letter;
5. Recommended the re-appointment of Isla Lipana as the company's external auditor for 2025 and the corresponding audit fee structure;
6. Approved the overall scope, and results of the audit plan covering AREIT's internal controls and financial reporting process that was performed by its internal auditors and Isla Lipana;
7. Reviewed and discussed the status of audit recommendations;

8. Approved the 2025 Audit Committee meeting schedule;
9. Reviewed the fourth quarter 2024 internal audit reports, status of agreed management actions and reinvestment plan;
10. Reviewed, approved and endorsed the first quarter 2024 financial operating results;
11. Reviewed, approved and endorsed the 2024 external audit plan and second quarter financial and operating results; and
12. Reviewed, approved and endorsed the nine-month 2024 financial and operating results, 2024 and 2025 internal audit plan, and schedule of 2025 Audit Committee meetings.

AREIT's Internal Audit

The Internal Audit Group provides AREIT with independent and objective assurance and advisory services aimed at adding value and improving the organization's operations. It implements an effective system of internal control that ensures the integrity of the financial reports and protection of the assets of the company for the benefit of all shareholders and other stakeholders.

It provides the board, management, and the stockholders and other stakeholders with reasonable assurance that the company's key organizational and procedural controls are effective, appropriate, and complied with.

Internal Audit reviews and reports on organizational control effectiveness, considering business nature, transaction volume, and regulatory compliance. The company continues to improve the internal audit function by benchmarking against best practices.

On February 24, 2021, AREIT appointed Ms. Rowena P. Libunao as its Chief Audit Executive.

External Audit, Audit and Audit-related Fees

PricewaterhouseCoopers (PwC) Philippines – Isla Lipana & Co. (Isla Lipana), with Mr. Zaldy D. Aguirre as the partner-in-charge for the 2024 audit year, is the principal accountant and external auditor of AREIT.

Year	Audit and Audit-related Fees (in Php)	Other Fees (in Php)
2024	875,000.00	-
2023	800,000.00	1,250,000.00

AREIT paid its external auditor Isla Lipana for the audit year 2023 and 2024 the following fees in the last two years.

Audit and Audit-related Fees pertain to the audit of the company's financial statements as of and for the years December 31, 2023 and 2024, including VAT and out-of-pocket expenses.

In 2023, Isla Lipana provided tax consulting services and professional assistance (non-audit services) in connection with the application for Certificates Authorizing Registration (eCAR) for the infusion of assets implemented in 2023.

The Audit Committee approves the audit services rendered by the external auditor to ensure independence. Approval of the audit-related and non-audit services of the external auditor is delegated to management, subject to the company's Policy on Non-Audit Services.

For 2024 and 2023, other fees were paid to SGV & Co. for services rendered during the annual stockholders' meeting in connection with the validation of votes.

Risk Management and Related Party Transactions Review Committee

The Risk Management and Related Party Transactions Review Committee is composed of three non-executive, independent directors. Members possess an adequate understanding of risk assessment, mitigation, and management; and can independently assess related party transactions. A unanimous vote of the committee is required for related party transactions. On August 12, 2021, Mr. Maphilindo S. Tandoc was appointed as Chief Risk Officer.

The committee assists the board in its oversight functions evaluating risk management effectiveness and overseeing related party transactions to ensure arm's-length terms beneficial to the company.

The Risk Management and Related Party Transactions Committee performed the following duties and responsibilities in 2024:

1. Reviewed and endorsed the Chief Risk Officer's report on corporate risks;
2. Assisted the Board in oversight of risk management processes; and
3. Approved the 2025 committee meeting schedule.

No related party transaction of the company may be classified as financial assistance to any entity.

In the last three years, there was no case of noncompliance with the laws, rules, and regulations pertaining to significant or material related party transactions.

Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee is composed of independent directors and oversees all matters related to corporate governance and nomination, and election of directors. On September 9, 2022, the Board of Directors approved the merger of the Corporate Governance and Nomination Committee and Personnel

and Compensation Committee to streamline the duties and responsibilities of the Board Committees.

In 2024, the Corporate Governance and Nomination Committee accomplished the following:

1. Approved the 2024 schedule of Committee meetings;
2. Approved the nomination for election of Ms. Maria Franchette M. Acosta as Corporate Secretary and Chairman of the Proxy Validation Committee to serve the unexpired term of Mr. Solomon M. Hermosura upon the latter's resignation;
3. Approved the nomination and election of Mr. Jose Eduardo A. Quimpo II as Director, President and Chief Executive Officer, and member of the Executive and Sustainability committees;
4. Ensured that all directors nominated for election at the 2024 annual stockholders meeting have all the qualifications and none of the disqualifications for directors as stated in the by-laws, the Corporate Governance Manual, and relevant rules and regulations, and approved pursuant to the authority delegated by the Board, the final list of nominees; and
5. Endorsed the final lists of key officers, chairpersons and members of board committees; and lead independent director of the company for 2024.

Committee Composition and Meetings Attendance*

Executive	Post	Meetings Attended/ Held	% Present
Mariana Beatriz E. Zobel de Ayala ¹ (Non-Executive)	C	-	-
Augusto D. Bengzon ¹ (Non-Executive)	C	-	-
Carol T. Mills ²	M	-	-
Jose Eduardo A. Quimpo II ² (Executive)	M	-	-
Omar T. Cruz (Non-Executive, Lead Independent)	M	1/1	100%

*In 2024 and during the Director's incumbency

- 1 Ms. Mariana Beatriz E. Zobel de Ayala served as the Chairman of the Executive Committee from April 23, 2024 to August 14, 2024. Mr. Augusto D. Bengzon served as Chairman of the Executive Committee beginning August 14, 2024 to serve the unexpired term of Ms. Zobel de Ayala.
- 2 Ms. Carol T. Mills served as a Member of the Executive Committee from April 23, 2024 to August 14, 2024. Mr. Jose Eduardo A. Quimpo II served as Member of the Executive Committee beginning August 14, 2024 to serve the unexpired term of Ms. Mills.

Audit	Post	Meetings Attended/ Held	% Present
Enrico S. Cruz (Non-Executive, Independent)	C	4/4	100%
Omar T. Cruz (Non-Executive, Lead Independent)	M	4/4	100%
Augusto D. Bengzon (Non-Executive)	M	4/4	100%

Risk Management and Related Party Transactions Review	Post	Meetings Attended/ Held	% Present
Omar T. Cruz (Non-Executive, Lead Independent)	C	2/2	100%
Enrico S. Cruz (Non-Executive, Independent)	M	2/2	100%
Sherisa P. Nuesa (Non-Executive, Independent)	M	2/2	100%

Corporate Governance and Nomination	Post	Meetings Attended/ Held	% Present
Sherisa P. Nuesa (Non-Executive, Independent)	C	3/3	100%
Enrico S. Cruz (Non-Executive, Independent)	M	3/3	100%
Omar T. Cruz (Non-Executive, Lead Independent)	M	3/3	100%

Sustainability	Post	Meetings Attended/ Held	% Present
Sherisa P. Nuesa (Non-Executive, Independent)	C	1/1	100%
Carol T. Mills ¹ (Executive)	M	-	-
Jose Eduardo A. Quimpo II ² (Executive)	M	1/1	100%
Maria Theresa D. Marcial	M	1/1	100%

¹ Served until August 14, 2024

² Elected as new member on August 14, 2024

Sustainability Committee

The Sustainability Committee is composed of three members and provides oversight and identifies and assesses significant social, ethical, and environmental interdependencies that might impact the long-term business objective of the company to be recognized as a responsible and sustainable corporation in the property sector.

Process and Criteria for Nominations, Election, and Reappointments to the Board

Process and Criteria for Board Nominations

In accordance with the Revised Corporation Code, all AREIT shareholders, including minority shareholders, have the right to nominate candidates to the board. Nominees' names and their written consent must be submitted to the Corporate Governance and Nomination Committee through the Office of the Corporate Secretary at least 30 business days before the date of the annual stockholders meeting.

The committee reviews and evaluates the qualifications of all nominees based on the following:

- Ownership of at least one share of the capital stock of the company;
- A college degree or its equivalent, or adequate competence and understanding of the fundamentals of doing business or sufficient competence and experience in managing a business in lieu of formal education;
- Membership in good standing in a relevant industry, and membership in business or professional organizations;
- Integrity, diligence, and dedication in performing their functions;
- Directorships in other companies, considering the nature of the businesses, number of directorships held, and age of the director;
- For independent directors, beneficial equity ownership in the company or in related companies, which must not exceed 2%, and term limits under applicable laws, rules, and regulations.

The committee may recommend additional qualifications based on relevant laws, including independence criteria or standards for independent directors. It may also identify and recommend qualified individuals for nomination and election to the board, ensuring a diverse yet balanced board. For this purpose, the committee may engage professional search firms and other external parties.

Election and Reappointments to the Board

In accordance with the by-laws and rules of procedure of the annual stockholders' meeting, stockholders elect the company's directors.

Directors are elected by ballot, following the plurality electoral system. Stockholders may vote their shares for as many candidates as there are director positions, or cumulate their votes as the number of directors to be elected multiplied by the number of the shares owned, or distribute them on the same principle among as many candidates as they may see fit, provided that the total number of votes cast

does not exceed the number of their shares multiplied by the total number of directors to be elected.

The Proxy Validation Committee validates proxies and tabulates votes, with results validated by an independent auditor. No candidate for the office of director may be a member of this committee.

Proxy Validation Committee

The Proxy Validation Committee consists of three individuals empowered to validate proxies and tabulate votes. These individuals are not members of the board, and their term of office is fixed by the board. The board may appoint members to the committee in cases of vacancy.

This committee is chaired by Ms. Maria Franchette M. Acosta, Corporate Secretary. The other members are Ms. Ma. Florence Therese dG. Martinez-Cruz, Assistant Corporate Secretary, and Ms. Michelle Marie T. Valbuena.

Policies and Practices

Annual Stockholders Meeting

Notice of the ASM

The Notice of the Annual Stockholders Meeting (ASM) and the Definitive Information Statement (DIS) are sent to stockholders at least 28 days before the meeting date.

The notice is in English, and contains the agenda, rationale, and explanation for each item that requires stockholders' approval. Each resolution taken up in the ASM addresses only one agenda item. The preliminary votes for each resolution are reported by the Corporate Secretary during the meeting and the final results are reflected in the minutes of the meeting.

The DIS provides profiles of all the directors, including those up for election or re-election, and of the auditors recommended for election. In 2024, the principal accountant and external auditor of the company, Isla Lipana, was recommended for re-election at the ASM.

The DIS also explains the dividend policy and the total amount payable.

Voting Procedure

The rules of conduct and voting procedures are detailed in the notice of the ASM sent by email to all stockholders, posted on the company's website, and disclosed to the PSE. Each stockholder is entitled to one vote per share.

Stockholders may vote electronically in absentia by using the Voting in Absentia & Shareholder System or by appointing the Chairman as proxy. A stockholder voting electronically in absentia is deemed present for purposes of quorum.

Proxy nominations are in writing, signed and filed, by the stockholders, in the form provided in the DIS, and are received by the Corporate Secretary at corporate.secretary@areit.com.ph. For the 2025 ASM, the proxies may be e-mailed and received by the Corporate Secretary on or before April 11, 2025.

All votes are counted and tabulated by the Proxy Validation Committee, and the results are validated by an independent third party.

During the meeting, preliminary votes are reported by the Corporate Secretary, and final votes are recorded in the ASM minutes, which are posted on the AREIT website, www.areit.com.ph, within five days. The minutes include stockholder comments, questions, and director attendance.

Virtual ASM

AREIT's annual stockholders meeting in 2025 will be conducted virtually through <https://conveneagm.com/ph/AREIT2025ASM>.

Dividend Declaration

AREIT declared cash dividends on its common shares with the following record dates: May 28, 2024; August 11, 2024; November 27, 2024; and March 5, 2025. These translated to a total of P6.38 billion or P2.28 per outstanding common share, representing a 92.6% payout ratio on the distributable income attributable to shareholders in 2024.

The declaration of cash dividends is contingent on the earnings, cash flow, and financial condition of the company. Cash dividends are paid to all stockholders of common shares within 30 days from the date of the declaration.

The declaration of cash dividends is approved by the Board of Directors only. The approval by the stockholders is not required for the same.

The company intends to maintain an annual cash dividend payout ratio of at least 90% of the Distributable Income of the preceding fiscal year, in 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 under Section 42 of the Revised Corporation Code, among others, the terms and conditions of its 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 unremedied 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 the 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 annual Distributable Income may be a ground to delist the company from the PSE.

Disclosure and Transparency

AREIT is committed to the highest standards of disclosure, transparency, and fairness in information dissemination. The public receives financial and operational information regularly through various structured disclosures submitted to regulatory authorities

Unstructured Disclosures

- Notice of Resetting of the 2024 Annual Stockholders' Meeting
- 4Q 2023 Reinvestment Plan Progress Report (205 million share sale)*
- 2023 Annual Reinvestment Plan Progress Report (205 million share sale)*
- Seda Lio Acquisition Press Release
- Acquisition of Asset (Seda Lio)
- AREIT EDGE-Zero Carbon Certification for 8 Office Buildings Press Release
- Reinvestment Plan (181 million share sale)*
- Results of the Special Stockholders' Meeting
- Notice of FY 2023 Analyst Briefing
- FY 2023 Results Press Release
- 4Q 2023 Declaration of Cash Dividends
- Notice of Conduct of the Annual Stockholders' Meeting
- Change in Directors and/or Officers (Resignation of Officer)
- FY 2023 Audited Financial Statements
- Detailed Notice and Agenda of the 2024 Annual Stockholders' Meeting
- Change in Directors and/or Officers (Election of Officer)
- Execution of Deed of Exchange between AREIT, Inc., Ayala Land, Inc., and its subsidiaries, Greenhaven Property Ventures, Inc. and Cebu Insular Hotel Co., Inc., and Buendia Christiana Holdings Corp.
- Property-for-Share Swap between AREIT, Inc., Ayala Land, Inc., and its subsidiaries, Greenhaven Property Ventures, Inc., and Cebu Insular Hotel Co., Inc. and Buendia Christiana Holdings Corp.
- Q1 2024 Reinvestment Plan Progress Report (205 million share sale)*
- Final Reinvestment Plan Progress Report (205 million share sale)*
- Q1 2024 Reinvestment Plan Progress Report (181 million share sale)*
- Results of the 2024 Annual Stockholders' Meeting
- Results of the Organizational Meeting of the Board of Directors
- Q1 2024 Results Press Release
- Q1 2024 Declaration of Cash Dividends
- Q2 2024 Declaration of Cash Dividends
- Reinvestment Plan (98 million share sale)*
- Q2 2024 Reinvestment Plan Progress Report (181 million share sale)*
- Q2 2024 Reinvestment Plan Progress Report (98 million share sale)*
- Notice of 1H 2024 Analyst Briefing
- 1H 2024 Results Press Release
- Results of the Board of Directors' Meeting (August 15, 2024)
- Change in Directors and/or Officers (Resignation and Election of Officer)
- Disposition of Asset (3 Office Condominium Units at Ayala-Life FGU Center Alabang)
- Reinvestment Plan (3 condominium units at Ayala-Life FGU Center Alabang sale)
- Final Reinvestment Plan Progress Report (3 condominium units at Ayala-Life FGU Center Alabang sale)
- Reinvestment Plan (75 million share sale)*
- 3Q 2024 Reinvestment Plan Progress Report (181 million share sale)*
- 3Q 2024 Reinvestment Plan Progress Report (98 million share sale)*
- 9M 2024 Results Press Release
- Q3 2024 Declaration of Cash Dividends
- Setting of the 2025 Annual Stockholders' Meeting
- Three-Year Investment Strategy

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

such as the SEC and PSE. Additionally, any material information about the company that has an impact on the latter's valuation, stock price, and trading volume is reported to the public through unstructured disclosures and press releases. AREIT conducts bi-annual analyst briefings. In 2024, analyst briefings were conducted on February 21 and August 15, to discuss the FY 2023 and 1H 2024 results, respectively. All disclosures are immediately posted on the company's website at www.aret.com.ph/investor-relations/disclosures/.

Ownership Structure

In accordance with SEC requirements, the list of beneficial owners with more than 5% of the company's total outstanding stock is disclosed on a quarterly basis. The direct and indirect shareholdings of directors and senior management and the respective changes in shareholdings are also disclosed.

Directors and key officers of AREIT submit their initial statement of ownership of AREIT shares through the SEC Form 23-A within ten days of their appointment. Subsequent ownership changes are reported through SEC Form 23-B within three business days of the transaction dates. These reports are submitted to the SEC and the PSE and are accessible on the company's website.

Details of the parent or holding company, subsidiaries, associates, joint ventures, and special purpose enterprises or vehicles are also available on the AREIT website, SEC 17-A and 17-Q reports, SEC 20-IS, and Integrated Report. No member of the board or management owns 2% or more of the outstanding capital stock of the company.

Fairness Evaluation in Cases of Mergers, Acquisitions, and Takeovers

In cases of mergers, acquisitions, and takeovers requiring shareholder approval, the board appoints an independent party to evaluate the fairness of the terms of the transaction.

For its property-for-share swap transaction with Ayala Land, Inc. and its subsidiaries and affiliates, AREIT engaged PwC Isla Lipana & Co. to render the fairness opinion for the transaction.

Anti-Corruption Programs and Procedures

<GR1 205>

Trading Blackout Policy

AREIT has a trading blackout policy that prohibits covered persons from trading AREIT shares during prescribed periods after becoming aware of undisclosed material information. Covered persons include members of the board, the management team, consultants, advisers, AREIT employees, and immediate family members of the aforementioned parties.

The prescribed period covers five trading days before and two trading days after the date of disclosure of quarterly and annual financial results, and two trading days after the disclosure of any material information other than annual or quarterly financial results.

Within 10 days of their appointment, directors and identified key officers submit their initial statement of ownership of shares in AREIT through SEC Form 23-A. Subsequent changes in their beneficial ownership of shares in AREIT are reported through SEC

Form 23-B within three business days of the transaction date. These forms are submitted to the PSE and SEC.

Related Party Transactions Policy

The company's related party transactions policy ensures that all RPTs of AREIT, its affiliates, and other related entities or persons are conducted at arm's length, fair, and in the best interest of the company and its subsidiaries or affiliates and their shareholders.

The RPT policy defines related party relationships and transactions, and the guidelines that govern the review, approval, and ratification of said transactions by the board or shareholders. Such relationships are disclosed according to the International Accounting Standards (IAS) 24 and other applicable disclosure requirements.

No RPT may be classified as financial assistance to any entity.

At its option, the board may require stockholder consideration and ratification of board-approved RPTs.

Whistleblower Policy

All employees, business partners, suppliers, and other stakeholders are encouraged to report any activity deemed illegal or unethical through AREIT's business integrity channels. These channels allow anonymous reporting of suspected fraud, misconduct, or violations of laws, rules, and regulations.

The business integrity channels accept reports made anonymously.

Whistleblowers may choose how they may be contacted without compromising their anonymity, including providing an e-mail address or mobile number. If a whistleblower identifies themselves, they may be asked if they are willing to be identified during the investigation.

Whistleblowers may report conflicts of interest, misconduct or policy violations, theft, fraud, or misappropriation, falsification of documents, financial reporting concerns, and any act of retaliation taken.

The public may report illegal or unethical activity or violation of stockholder rights to the whistleblower officer, Ms. Rowena P. Libunao, through the AREIT Business Integrity Channels. This may be done through email at myreport@ayalaland.com.ph, through face-to-face meetings, auditor's website <https://proactivehotline.grantthorntonsolutions.ph/report/aligroup/>, and text message/SMS at +639173118510.

AREIT's whistleblower policy was approved by the Board of Directors on February 24, 2023.

All information on corporate governance is available on the AREIT website, www.aret.com.ph.

Business Gifts Policy

AREIT recognizes the common practice of expressing gratitude by means of giving and receiving gifts. However, the company limits this practice and the value of gifts exchanged to ensure proper and ethical behavior.

RISK MANAGEMENT

The Board of Directors has oversight responsibilities on risk management practices across the company and has appointed the Risk Management and Related Party Transactions Review Committee to provide continuous input, evaluation, and feedback on the effectiveness of the company's risk management process and internal controls system.

Through AREIT management, the Committee ensured that an enterprise-wide risk management program was established employing a process that considers a holistic view of the company's potential risk exposures and the strategies to manage the identified key risks. This is complemented by periodic performance reviews and constant communication across the

organization. In addition, an overall revisit of key risks is done every few years.

In 2024, AREIT completed the overall risk revisit and the Committee agreed to prioritize and monitor five key risk concerns. The key risks and mitigating measures are as follows:

RISK	MITIGATION
Marginalization Current office building leasing industry vacancy puts pressure on lease renewals and rental rates, which could adversely impact occupancy and rental rates of AREIT's office buildings.	AREIT's portfolio continues to be composed of Grade A commercial properties in prime locations, ensuring stable tenancy with long contracted office leases, minimal near-term lease expirations. In addition, AREIT, through AREIT Property Managers, Inc. (APMI), conducts proactive management of lease renewals and/or replacements as necessary. In addition, AREIT aims to maintain high customer satisfaction levels and performs facility upgrade programs.
AUM Growth Execution and Delivery The competitive landscape of Philippine REIT is evolving with peers actively expanding assets under management, and diversifying businesses, and enhancing product offerings.	AREIT through AREIT Fund Managers, Inc. (AFMI) are actively working on asset acquisitions from the Sponsor, Ayala Land, Inc., and are also looking into acquisitions from third parties to achieve AUM growth targets. In addition, AREIT and AFMI, work closely with the relevant regulatory agencies to be able to efficiently execute acquisition, and has engaged third-party experts and consultants when necessary.
Economic and Country The business process outsourcing (BPO) sector may encounter challenges from limited talent pool supply and potential adverse impact of artificial intelligence (AI), if any. In addition, geopolitical conflicts create uncertainty around global economic growth, which could adversely affect local market conditions.	AREIT through APMI ensures proactive coordination with clients to determine and align office space requirements in the mid to long term. AREIT's strategy of diversifying its portfolio and expanding its tenant base reduces the potential impact of the BPO sector on the company's overall performance. AREIT's master leases for retail and hotel assets, for example, which are long term and have fixed escalation provisions, provides the portfolio mitigants from potential sector-related volatilities.
Regulatory Industry is subject to laws and regulatory policies that are changing and/or have differing or evolving interpretations by regulators.	AREIT, together with AFMI and APMI, actively coordinates with the relevant regulators and will work closely with implementing agencies to ensure alignment with any changes in laws, policies, and codes. The company may seek third-party expertise when appropriate.
Organizational The execution of AUM growth plans requires the formation and mobilization of dedicated teams with specialized skills.	AREIT assesses its organizational structure, as well as those of AFMI and APMI, to align its capacity and expertise with future growth objectives, and recruits full-time personnel to support operations as necessary.

AREIT has established itself as a leader in the Philippine REIT space and continues its track record of sustainable growth and strong foundations.



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MANAGEMENT'S DISCUSSION AND ANALYSIS

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 rose by 49% from P4,931.29 million in 2023 to P7,360.44 million in 2024. This increase was primarily due to income from the contribution of additional properties acquired in July 2023, January 2024, and July 2024.

Revenues

Total revenues grew by 44%, from P7,140.34 million in 2023 to P10,259.17 million in 2024, driven mainly 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. Its growth was primarily due 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, attributable to operations of new assets acquired in July 2023, January and July 2024.

Interest income from finance leases grew from P450.83 million in 2023 to P1,162.03 million in 2024. This pertains to various lease agreements with ALI or related parties that were subjected to a 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, 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, 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, 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 an 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 approval from the Securities and Exchange Commission (SEC) for a property-for-share swap, involving 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 March 19, 2024.

In line with this, the parties executed an amendment to Section 4.2 of the Deed of Exchange on September 30, 2024 allowing the recognition of income from the new assets to accrue to AREIT beginning July 1, 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. The return on equity was at 7%.

- The company's fixed-rate bond expired on December 28, 2023. The company refinanced through the availment of short-term bank loan.
- 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.

Key Financial Ratios	2024	2023
Current Ratio ¹	0.83	0.80
Debt to Equity ²	0.02	0.04
Profitability Ratios		
Return on Asset ³	7%	6%
Return on Equity ⁴	7%	7%
Asset to Equity Ratio ⁵	1.09	1.12

1 Current assets / current liabilities

2 Total debt / average stockholder's equity

3 Total net income/ total average assets

4 Total net income / average stockholder's equity

5 Total asset / total stockholder's equity



REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS
AREIT, INC.

The Audit Committee confirms the following matters in compliance with its Charter and the corporate governance practices of AREIT, Inc. ("AREIT or "Company"):

- An independent director chairs the Audit Committee, and two of the three members are independent directors, the other member is a non-executive director;
- The Audit Committee held four meetings in 2024, and all the members of the Committee were present during the meetings;
- The Committee recommended to the Board of Directors the appointment of PricewaterhouseCoopers (PwC) Philippines – Isla Lipana and Co., independent auditor for 2024, based on the review of their performance and qualifications and in consideration of Management's recommendation;
- The Audit Committee reviewed and discussed the quarterly and annual financial statements of AREIT, including Management's discussion and analysis of its financial condition and the results of its operations as of and for the year ended December 31, 2024, with the Company's Management, which has the primary responsibility for the financial statements, and with PwC, who is reporting the process for expressing an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards;
- The Audit Committee reviewed and approved the management representation letter before submission to the Company's independent auditor;
- The Audit Committee discussed and approved the overall scope and the audit plans of the Company's Internal Auditors and PwC and discussed the results of the audits and their assessment of the Company's internal controls and the overall quality of the financial reporting process;
- The Audit Committee discussed with the independent auditor and internal auditors its independence from AREIT;
- The Audit Committee reviewed and approved all audit, audit-related and permitted non-audit services provided by PwC and the related fees for such services to the Company;
- The Audit Committee reviewed the Internal Auditors' reports to ensure that Management takes appropriate corrective actions promptly, including addressing governance, risk management, internal controls system, and compliance issues. All the activities performed by Internal Audit conform with the International Standards for the Professional Practice of Internal Auditing; and
- Based on the Audit Committee's review of the Internal Auditors and Independent Auditor's reports, including Management's representations, the Committee confirmed that the Company's governance, risk management, and internal controls system are adequate and effective.

Based on the reviews and discussions undertaken, within the limits of the Audit Committee's scope and responsibilities aforementioned, the Audit Committee recommends to the Board of Directors the filing of the Company's financial statements for the year ended December 31, 2024, with the Securities and Exchange Commission, and for its inclusion in the Company's Annual Report to Stockholders.

Respectfully submitted.

February 10, 2025

ENRICO S. CRUZ
Committee Chair

OMAR T. CRUZ
Member

AUGUSTO D. BENGZON
Member



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, 2024, 2023 and 2022 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


JOSE EDUARDO A. QUIMPO II
President & Chief Executive Officer


MA. TERESA R. FAMY
Chief Finance Officer

FEB 25 2025

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
Anna Ma. Margarita B. Dy
Jose Eduardo A. Quimpo II
Ma. Teresa R. Famy

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

Doc. No. 279
Page No. 57
Book No. VIII
Series of 2025.




MA. FELORA A. MANGAWANG
Notary Public - Makati City
App. 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
NACLE Compliance No. VII -0006702 - 11/18/2021
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



Independent Auditor's Report

To the Board of Directors and Stockholders 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, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard (PFRS) Accounting Standards.

What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information.

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), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.



Independent Auditor's Report
To the Board of Directors and Stockholders of
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Other Matter

The financial statements of the Company for the year ended December 31, 2022 were audited by another firm of auditors whose report, dated February 24, 2023, expressed an unmodified opinion on those statements.

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.



Independent Auditor's Report
To the Board of Directors and Stockholders of
AREIT, Inc.
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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, 2024 and assessed the appropriateness of the valuation methodology and significant fair value inputs and assumptions used.
As at December 31, 2024, investment properties, carried at fair value, amount to P97.58 billion, which is approximately 79% 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> .	<p>We tested the significant inputs and assumptions by establishing our independent estimates based on the current market and economic conditions as well as the Company's historical experience. 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.</p> <p>We evaluated the competence and objectivity of the external appraiser engaged by the Company by reviewing their profile, licenses, and client portfolio.</p> <p>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.</p>



Independent Auditor's Report
To the Board of Directors and Stockholders of
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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. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report 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.

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.



Independent Auditor's Report
To the Board of Directors and Stockholders of
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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.



Independent Auditor's Report
To the Board of Directors and Stockholders of
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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.

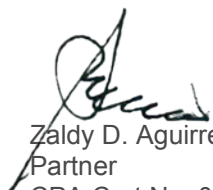
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 the 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 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
February 19, 2025



Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Stockholders 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 and for the years ended December 31, 2024 and 2023, on which we have rendered the attached report dated February 19, 2025. 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 components 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 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.

A handwritten signature in black ink, appearing to read 'Zaldy D. Aguirre', is written over a horizontal line.

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

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Makati City
February 19, 2025



Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Stockholders 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 and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated February 19, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, 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 purpose 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 and for the years ended December 31, 2024 and 2023 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 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
February 19, 2025

AREIT, Inc.

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

	Notes	2024	2023
Assets			
Current assets			
Cash	2	71,173,448	41,758,546
Receivables, net	3	4,137,961,846	4,265,885,013
Other current assets	4	348,036,017	178,145,850
Total current assets		4,557,171,311	4,485,789,409
Non-current assets			
Receivables, net of current portion	3,16	19,628,763,009	8,926,820,448
Investment properties	5	97,579,387,207	78,255,747,008
Property and equipment, net	6	983,346	1,053,460
Other non-current assets	4	1,456,378,068	1,602,882,126
Total non-current assets		118,665,511,630	88,786,503,042
Total assets		123,222,682,941	93,272,292,451
Liabilities and Equity			
Current liabilities			
Accounts and other payables	7	2,979,327,838	2,127,536,764
Short-term debt	8	2,000,000,000	3,000,000,000
Current portion of deposits and other liabilities	9	388,962,761	649,210,862
Construction bonds	10	138,143,467	95,692,253
Total current liabilities		5,506,434,066	5,872,439,879
Non-current liabilities			
Deposits and other liabilities, net of current porti	9	3,097,435,509	2,773,205,028
Lease liabilities	16	1,248,290,844	1,216,810,735
Total non-current liabilities		4,345,726,353	3,990,015,763
Total liabilities		9,852,160,419	9,862,455,642
Equity			
Paid-up capital	11	32,771,959,550	24,359,365,430
Treasury shares		(673,299,700)	(673,299,700)
Additional paid-in capital		56,368,354,602	36,320,032,381
Retained earnings		24,903,508,070	23,403,738,698
Total equity		113,370,522,522	83,409,836,809
Total liabilities and equity		123,222,682,941	93,272,292,451

For a complete copy of AREIT's audited financial statements including its notes, visit areit.com.ph

AREIT, Inc.

Statements of Comprehensive Income For the years ended December 31, 2024 and 2023 (With comparative figures for the year ended December 31, 2022) (All amounts in Philippine Peso)

	Notes	2024	2023	2022
Revenue				
Rental income	5,12	7,562,124,980	5,438,890,870	3,807,533,243
Dues	5,13	1,535,013,696	1,250,613,030	1,042,991,455
Interest income from finance lease receivables	18	1,162,028,271	450,832,306	222,321,826
		10,259,166,947	7,140,336,206	5,072,846,524
Costs and expenses				
Direct operating expenses	5,15	2,659,670,235	1,978,492,974	1,359,803,642
General and administrative expenses	15	91,330,975	126,349,291	79,490,176
		2,751,001,210	2,104,842,265	1,439,293,818
Other charges, net				
Interest income	14	174,493,153	133,829,672	34,332,442
Interest expense and other charges	15	(319,328,672)	(236,970,210)	(231,243,666)
Other income	14	222,921	2,678	-
		(144,612,598)	(103,137,860)	(196,911,224)
Net fair value change in investment properties	5	(43,374,600)	99,254,883	(548,953,984)
Income before income tax		7,320,178,539	5,031,610,964	2,887,687,498
Income tax expense	17	3,113,918	1,066,925	124,462
Net income for the year		7,317,064,621	5,030,544,039	2,887,563,036
Other comprehensive income		-	-	-
Total comprehensive income for the year		7,317,064,621	5,030,544,039	2,887,563,036
Basic and diluted earnings per share	21	2.62	2.60	1.91

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AREIT, Inc.

Statements of Changes in Equity For the years ended December 31, 2024 and 2023 (With comparative figures for the year ended December 31, 2022) (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, 2022	15,762,407,800	(673,299,700)	11,333,074,693	22,465,407,195	48,887,589,988
Comprehensive income					
Net income for the year	-	-	-	2,887,563,036	2,887,563,036
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,887,563,036	2,887,563,036
Transactions with stockholders					
Issuance of new shares, net	2,521,363,830	-	8,688,570,839	-	11,209,934,669
Cash dividends	-	-	-	(2,912,197,864)	(2,912,197,864)
Total transactions with stockholders	2,521,363,830	-	8,688,570,839	(2,912,197,864)	8,297,736,805
At December 31, 2022	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

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AREIT, Inc.

Statements of Cash Flows For the years ended December 31, 2024 and 2023 (With comparative figures for the year ended December 31, 2022) (All amounts in Philippine Peso)

	Notes	2024	2023	2022
Cash flows from operating activities				
Income before income tax		7,320,178,539	5,031,610,964	2,887,687,498
Adjustments for:				
Net fair value change in investment properties	5	43,374,600	(99,254,883)	548,953,984
Depreciation	6,15	290,415	222,922	90,634
Interest expense and other charges		253,945,021	235,222,482	208,368,633
Interest income from finance lease receivables	18	(1,162,028,271)	(450,832,306)	(222,321,826)
Interest income from cash in banks and intercompany loans	14	(174,493,153)	(133,829,672)	(34,332,442)
Operating income before working capital changes		6,281,267,151	4,583,139,507	3,388,446,481
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Receivables		(88,171,163)	(834,379,771)	(340,416,374)
Other assets		(23,386,108)	64,510,953	120,810,161
Increase (decrease) in:				
Deposits and other liabilities		63,786,423	1,402,477,986	(66,409,250)
Accounts and other payables		851,791,075	961,192,923	534,464,897
Construction bonds		42,451,214	(2,892,023)	40,004,636
Cash generated from operations		7,127,738,592	6,174,049,575	3,676,900,551
Interest received		174,493,153	364,810,118	256,654,268
Income tax paid		(3,113,919)	(1,066,925)	(124,462)
Net cash flows from operating activities		7,299,117,826	6,537,792,768	3,933,430,357
Cash flows from investing activities				
(Increase) decrease in due from related parties		1,220,523,319	(1,734,904,000)	(181,203,951)
Additions to:				
Investment properties	5	(1,347,523,071)	(201,172,225)	(81,462,725)
Property and equipment	6	(220,301)	(677,751)	(379,550)
Proceeds from disposal of investment property		38,985,000	-	-
Net cash flows used in investing activities		(88,235,053)	(1,936,753,976)	(263,046,226)
Cash flows from financing activities				
Payments of:				
Short-term debts	8	(1,000,000,000)	(3,300,000,000)	(890,000,000)
Cash dividends	11	(5,817,295,248)	(4,067,577,708)	(2,912,197,864)
Share issuance cost	11	(141,903,668)	(105,716,411)	(47,954,832)
Interest portion of lease liabilities	16	(55,230,076)	(53,896,170)	(49,232,653)
Interest on short-term and long-term debts	15	(167,038,879)	(94,843,339)	(100,256,144)
Proceeds from:				
Short-term debts	8	-	3,000,000,000	300,000,000
Net cash flows (used in) from financing activities		(7,181,467,871)	(4,622,033,628)	(3,699,641,493)
Net (decrease) increase in cash		29,414,902	(20,994,836)	(29,257,362)
Cash				
At January 1		41,758,546	62,753,382	92,010,744
At December 31	2	71,173,448	41,758,546	62,753,382

For a complete copy of AREIT's audited financial statements including its notes, visit areit.com.ph

SUSTAINABILITY REPORTING INDEX

This section maps the disclosures found in the report with the six capitals of the <IR> framework, Global Reporting Initiative (GRI) Standards indicators, and Sustainability Accounting Standards Board (SASB) material topics.

Dimension	Material Topic	<IR>	GRI Standards	SASB	UN SDGs	Page Number(s)
Economic	Project Quality and Responsibility	Natural and Manufactured Capital	-	-	9, 11, 17	12 to 19; 20 to 25; 40 to 43; 79
	Business Ethics	Corporate Governance	205 206	-	5	67 to 78
	Indirect Economic Impacts	Social and Relationship Capital	203	-	1, 3, 8, 9, 10, 11	11; 12 to 19; 40 to 43; 63 to 65
	Supply Chain Management	Social and Relationship Capital	204 308	-	9, 11, 12	64
Environmental	Resource Efficiency	Natural and Manufactured Capital	302 303 306	IF-RE-130 IF-RE-140 IF-RE-410	9, 11, 12, 13, 14, 15, 17	52 to 53; 57 to 61
	Environmental Compliance	Natural and Manufactured Capital	307	-	11, 12, 14, 15	52 to 53; 57 to 61
	Climate Action	Natural and Manufactured Capital	305	IF-RE-450	13	52 to 53; 57 to 61
Social	Workforce Health and Safety	Human Capital	403	-	3, 8	64
	Customer Relationship	Social and Relationship Capital	-	-	11	63 to 65
	Customer Health and Safety	Human Capital	416	-	3	64



STATEMENT OF MANAGEMENT'S RESPONSIBILITY

AREIT'S 2024 INTEGRATED REPORT

The management of AREIT, Inc. applied their collective mind in the preparation of AREIT's 2024 Integrated Report in accordance with the International Integrated Reporting Council (IIRC) Integrated Reporting <IR> Framework.

This was supervised by the President and CEO, Mr. Jose Eduardo A. Quimpo II, and the Treasurer and Chief Finance Officer, Ms. Ma. Teresa R. Famy, who are responsible for the integrity of this report.

This report contains certain forward-looking statements that may involve risks or uncertainties as they relate to future events and circumstances that may be beyond AREIT's control.

In addition, regulations of the Philippine Stock Exchange (PSE) prohibit making price sensitive forecasts without considerable independent review and process. The management therefore advise readers to use caution regarding interpreting any forward-looking statements in this report.

Jose Eduardo A. Quimpo II
President and CEO

Ma. Teresa R. Famy
Treasurer and CFO

Independent Limited Assurance Report

The Stockholders and Board of Directors
AREIT, Inc.
28F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City 1226, Philippines

Scope

We have been engaged by AREIT, Inc. (“AREIT”) to perform a ‘limited assurance engagement,’ as defined by Philippine Standard on Assurance Engagements 3000 (Revised) [PSAE 3000 (Revised)], *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, hereafter referred to as the engagement, to report on selected sustainability information listed below (the “Subject Matter”), contained in the 2024 AREIT Integrated Report (the “Report”) as of and for the year ended December 31, 2024.

Subject Matter

The Subject Matter includes the following selected environmental, social and governance (ESG) indicators/metrics and report contents which are covered in our limited assurance engagement:

A. ESG indicators/metrics with reference to the Global Reporting Initiative (GRI)

1. General
 - a. General Disclosures 2021
 - i. 2-27 Compliance with laws and regulations
2. Environmental
 - a. Energy 2016
 - i. 302-2 Energy consumption outside the organization
 - ii. 302-3 Energy intensity
 - iii. 302-4 Reduction of energy consumption
 - b. Water and Effluents 2018
 - i. 303-3 Water withdrawal
 - c. Emissions 2016
 - i. 305-1 Direct (Scope 1) GHG emissions
 - ii. 305-2 Energy indirect (Scope 2) GHG emissions

- d. Waste 2020
 - i. 306-3 Waste generated
 - ii. 306-4 Waste diverted from disposal
 - iii. 306-5 Waste directed to disposal
- 3. Social
 - a. Occupational Health and Safety 2018
 - i. 403-9 Work-related injuries
 - b. Diversity and Equal Opportunity 2016
 - i. 405-1 Diversity of governance bodies and employees
- B. SASB Real Estate Industry Standard 2018
 - 1. IF-RE-130 Energy management
 - 2. IF-RE-140 Water management
 - 3. IF-RE-410 Management of tenant sustainability impacts
 - 4. IF-RE-450 Climate change adaption

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by AREIT

In preparing the Subject Matter, AREIT has applied the criteria for reporting with reference to the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) Standards for Real Estate (collectively, the “Criteria”).

AREIT’s responsibilities

AREIT’s management is responsible for selecting the Criteria, and for presenting the Subject Matter with reference to that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

SGV’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *Philippine Standard on Assurance Engagements 3000 (Revised)* [PSAE 3000 (Revised)], *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, the terms of reference for this engagement as agreed with AREIT on 21 January 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be with reference to the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Professional Regulation Commission and have the required competencies and experience to conduct this assurance engagement.

SGV also applies Philippine Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we 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.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

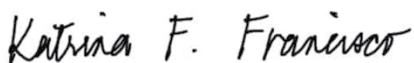
1. Making inquiries of management and relevant process owners to:
 - a. Obtain an understanding of the principal business operations and reporting process;
 - b. Obtain an understanding of key sustainability issues and developments related to the Subject Matter;
 - c. Obtain an understanding of the processes for initiating, recording, processing and reporting of ESG information; and
 - d. Assess the risks of material misstatement of sustainability data, whether due to error or fraud.
2. Checking the mathematical accuracy of calculations performed.
3. Performing analytical procedures, media review and making inquiries and obtaining supporting documentation on unusual fluctuations and obtaining documentation/reports, on a sampling basis, to test information provided and disclosures made by management in relation to the Subject Matter in the Report.
4. Testing whether the data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report.
5. Reviewing the disclosure contents of the Report to check compliance with the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of and for the year ended December 31, 2024, in order for it to be in accordance with the Criteria.

SYCIP, GORRES, VELAYO & CO.



Katrina F. Francisco

Partner

CPA Certificate No. 0106371

PTR No. 10465306, January 2, 2025, Makati City

22 April 2025



PRODUCED BY
Investor Relations
Joahanna S. Soriano
Bettina Marie E. Desiderio
Michael Blase V. Aquilizan

Sustainability
Anna Maria M. Gonzales
Marian S. Reyes
Caitlin Dominique B. Crisostomo

Editorial Consultant
Ricardo F. Lacson, Jr.

Design and Layout
Matchbox

Concept
Sedgwick-Richardson

Contributors
Finance Group, Legal and Corporate Services

CORPORATE INFORMATION

AREIT, INC.

28F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, 1226 Philippines
Tel +632 7908-3296
www.aret.com.ph

STAKEHOLDER INQUIRIES

For inquiries or concerns from analysts, institutional investors, the financial community, customers, and the general public, please contact:

investor.relations@aret.com.ph
or corporate.secretary@aret.com.ph

SHAREHOLDER SERVICES AND ASSISTANCE

For inquiries regarding dividend payments, change of address and account status, lost or damaged stock certificates, please contact:

Stock Transfer Service, Inc.
34F Rufino Pacific Tower
6784 Ayala Avenue, Makati City
Tel: +632 8403 2410, +632 8403 2412
Email: stsi_ayalagroups@stocktransfer.com.ph



AREIT, Inc.

28F Tower One, Ayala Triangle

Ayala Avenue, Makati City, 1226 Philippines

Tel (632) 7908 3296 • Fax (632) 7750 6766

www.aret.com.ph