

SEC Number: CS200613870  
File Number: \_\_\_\_\_

**AREIT, INC.**

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(Company's Full Name)

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

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(Company Address)

(632) 7908-3804

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(Telephone Number)

**March 31, 2025**

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(Quarter Ending)

**SEC Form 17-Q Quarterly Report**

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(Form Type)

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(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2025**
2. Commission Identification Number **CS200613870**
3. BIR Tax Identification No. **006-346-689-00000**
4. Exact name of issuer as specified in its charter: **AREIT, INC.**
5. Province, Country, or other jurisdiction of incorporation or organization:  
**Makati City, Philippines**
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
7. Address of issuer's principal office and postal code:  
**28F, Tower One, Ayala Triangle, Ayala Avenue, Makati City 1226**
8. Issuer's telephone number, including area code: **(632) 7908-3804**
9. Former name, former address, former fiscal year: **Not applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA \_\_\_\_\_

**As of March 31, 2025**

<u>Title of each class</u>	<u>Number of shares issued and outstanding</u>
<b>Common shares</b>	<b>3,209,865,985</b>

11. Are any or all of the securities listed on a Stock Exchange?

Yes ☒ No ☐

Stock Exchange: **Philippine Stock Exchange**

Securities listed: **Common shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes ☒ No ☐

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

Yes ☒ No ☐

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## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

#### AREIT, INC.

#### STATEMENTS OF FINANCIAL POSITION

(All amounts in Philippine Peso)

	Notes	March 31, 2025 Unaudited	December 31, 2024 Audited
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	4	51,040,760	71,173,448
Receivables	5	4,523,904,609	4,137,961,846
Other current assets	6	640,917,500	348,036,017
Total Current Assets		5,215,862,869	4,557,171,311
<b>Noncurrent Assets</b>			
Noncurrent portion of receivables	5	20,012,440,745	19,628,763,010
Investment properties	7	97,554,706,112	97,579,387,207
Property and equipment		902,481	983,346
Other noncurrent assets	6	1,305,891,408	1,456,378,067
Total Noncurrent Assets		118,873,940,746	118,665,511,631
		124,089,803,615	123,222,682,941
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts and other payables	8	3,421,868,916	2,979,327,838
Short-term debt	9	2,000,000,000	2,000,000,000
Current portion of deposits, other liabilities	11	691,457,252	388,962,761
Construction bonds	10	147,126,091	138,143,467
Total Current Liabilities		6,260,452,259	5,506,434,067
<b>Noncurrent Liabilities</b>			
Deposits, other liabilities, net of current portion	11	3,009,672,424	3,097,435,509
Lease liability- net of current portion		1,264,908,942	1,248,290,844
Total Noncurrent Liabilities		4,274,581,366	4,345,726,353
Total Liabilities		10,535,033,625	9,852,160,420
<b>Equity (Note 12)</b>			
Paid-up capital		32,771,959,550	32,771,959,550
Treasury shares		(673,299,700)	(673,299,700)
Additional paid-in capital		56,368,354,602	56,368,354,602
Retained earnings		25,087,755,538	24,903,508,070
Total Equity		113,554,769,990	113,370,522,522
		124,089,803,615	123,222,682,941

**AREIT, INC.****INTERIM STATEMENTS OF COMPREHENSIVE INCOME**

(All amounts in Philippine Peso)

	<b>2025 Unaudited</b>	<b>2024 Unaudited</b>
	<b>January 1 to</b>	<b>January 1 to</b>
	<b>March 31</b>	<b>March 31</b>
<b>REVENUE</b>		
Rental income	<b>2,112,383,198</b>	1,552,477,112
Dues- net	<b>423,559,412</b>	363,639,769
Interest income from finance lease receivables	<b>384,787,183</b>	195,429,059
	<b>2,920,729,793</b>	2,111,545,940
<b>COSTS AND EXPENSES</b>		
Direct operating expenses	<b>763,420,490</b>	584,782,342
General and administrative expenses	<b>15,236,576</b>	17,320,140
	<b>778,657,066</b>	602,102,482
<b>OTHER INCOME (CHARGES) - Net</b>		
Interest income	<b>29,131,710</b>	39,766,641
Interest expense and other charges	<b>(72,822,058)</b>	(80,413,723)
	<b>(43,690,348)</b>	(40,647,082)
<b>Net fair value change in investment properties</b>	<b>(51,924,903)</b>	(24,766,539)
<b>INCOME BEFORE INCOME TAX</b>	<b>2,046,457,476</b>	1,444,029,837
<b>PROVISION FOR INCOME TAX</b>	<b>487,737</b>	721,679
<b>NET INCOME</b>	<b>2,045,969,739</b>	1,443,308,158
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2,045,969,739</b>	1,443,308,158
<b>Basic/Diluted Earnings Per Share</b>	<b>0.64</b>	0.61

**AREIT, INC.****INTERIM STATEMENTS OF CHANGES IN EQUITY**

(All amounts in Philippine Peso)

	<b>March 31, 2025 Unaudited</b>	<b>March 31, 2024 Unaudited</b>
<b>PAID-UP CAPITAL</b>		
<b>Common Shares - ₱10 par value</b>		
Balance at beginning and end of period	<b>32,771,959,550</b>	18,283,771,630
<b>ADDITIONAL PAID-IN CAPITAL</b>		
Balance at beginning and end of period	<b>56,368,354,602</b>	20,021,645,532
<b>TREASURY SHARES</b>		
Balance at beginning and end of period	<b>(673,299,700)</b>	(673,299,700)
<b>RETAINED EARNINGS</b>		
Balance at beginning of year	<b>24,903,508,070</b>	22,440,772,367
Total comprehensive income/Net income	<b>2,045,969,739</b>	3,269,912,140
Cash dividends	<b>(1,861,722,271)</b>	(2,764,844,093)
Balance at end of period	<b>25,087,755,538</b>	22,945,840,414
	<b>113,554,769,990</b>	109,335,922,732

**AREIT, INC.****INTERIM STATEMENTS OF CASH FLOWS**

(All amounts in Philippine Peso)

	2025 Unaudited January 1 to March 31	2024 Unaudited January 1 to March 31
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	2,046,457,476	1,444,029,836
Adjustments for:		
Net fair value change in investment properties	51,924,903	24,766,539
Depreciation and amortization	85,365	69,850
Interest expense	50,001,947	51,713,416
Interest income from finance lease receivables	(384,787,183)	(195,429,059)
Interest income	(29,131,710)	(39,766,641)
Operating income before working capital changes	1,734,550,798	
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	(535,608,315)	(236,812,382)
Other assets	(142,394,823)	(456,369,027)
Increase (decrease) in:		
Accounts and other payables	442,541,079	514,118,178
Deposits and other liabilities	214,731,406	404,333,465
Construction bonds	8,982,624	12,114,473
Cash generated from (used in) operations	1,722,802,769	
Interest received	29,131,710	39,766,641
Income tax paid	(487,738)	(721,680)
Net cash flows provided by (used in) operating activities	1,751,446,741	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in due from related parties	150,775,000	1,165,580,000
Payments for additions to investment properties	(27,248,308)	(1,193,493,937)
Net cash flows provided by (used in) investing activities	123,526,692	(27,913,937)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of dividends	(1,861,722,271)	(1,302,733,615)
Payments of principal portion of lease liability	(5,050,517)	(5,749,854)
Interest paid	(28,333,333)	(30,431,667)
Net cash flows provided by (used) financing activities	(1,895,106,121)	
<b>NET INCREASE (DECREASE) IN CASH</b>	(20,132,688)	194,984,536
<b>CASH AT BEGINNING OF PERIOD</b>	71,173,448	41,758,546
<b>CASH AT END OF PERIOD</b>	51,040,760	236,743,082

## **AREIT, INC.**

### **NOTES TO INTERIM FINANCIAL STATEMENTS**

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

#### **1. Corporate Information**

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

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

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

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

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

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

ALI’s parent is Ayala Corporation (AC). AC is 47.57%-owned by Mermac, Inc., and the rest by the public.

Both ALI and AC are publicly-listed companies domiciled and incorporated in the Philippines.

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



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

*Initial Public Offering (IPO)*

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

*Registration as a REIT entity*

The Company's common stock was listed in the PSE on August 13, 2020 as a REIT entity. As a REIT entity, the Company, provided it has complied with the requirements under the REIT Act, is entitled to the following:

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

## **2. Basis of Financial Statement Preparation**

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

PFRS Accounting Standards

PAS Standards; and

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

On May 07, 2025 the Audit Committee approved and authorized the release of the accompanying unaudited interim financial statements of AREIT, Inc.

## **3. Summary of Material Accounting Policies**

### **Adoption of amended accounting standards and interpretation**

*(a) Amendments to existing standards adopted by the Company effective January 1, 2024*

The following amendments to existing standards have been adopted by the Company effective January 1, 2024:

- PAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)*

Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments have been applied retrospectively in accordance with the normal requirements in PAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

- Amendments to PFRS 16, *'Lease Liability in a Sale and Leaseback'*

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right-of-use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2023 that are considered to be relevant or have a material impact on the Company's financial statements.

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

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

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

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

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

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

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are

expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

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

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

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

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

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

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

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

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

There are no other new standards, interpretations and amendments to existing standards not yet effective as at December 31, 2024 reporting period that are considered to be relevant or have a material impact on the Company's financial statements.

#### 4. Cash

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	232,500	232,500
Cash in banks	50,808,260	70,940,948
	<b>51,040,760</b>	<b>71,173,448</b>

Cash in banks earns interest from the respective bank deposit rates.

#### 5. Receivables

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Finance lease receivable	20,057,928,118	19,673,140,935
Due from related parties	2,939,882,329	2,763,502,905
Trade receivables – billed	1,685,173,739	1,475,918,230
Other receivables	2,064,502	2,866,119
	<b>24,685,048,688</b>	<b>23,915,428,189</b>
Less allowance for credit losses	(148,703,334)	(148,703,334)
	<b>24,536,345,354</b>	<b>23,766,724,855</b>
Less noncurrent portion of finance lease receivable	(20,012,440,745)	(19,628,763,009)
	<b>4,523,904,609</b>	<b>4,137,961,846</b>

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

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

As of March 31, 2025, the aging analysis of the Company's receivables presented per class is as follows:

	Neither Past Due nor Impaired	Past due but not impaired				Impaired	Total
		<30 days	31-60 days	61-90 days	>90 Days		
Finance lease receivable	20,057,928,118	-	-	-	-	-	20,057,928,118
Due from related parties	1,224,305,681	78,704,740	26,785,681	58,092,521	1,551,993,706	-	2,939,882,329
Trade receivables – billed	2,710,770	336,773,506	128,352,629	183,211,442	885,422,058	148,703,334	1,685,173,739
<b>Total</b>	<b>21,284,944,569</b>	<b>415,478,246</b>	<b>155,138,310</b>	<b>241,303,963</b>	<b>2,437,415,764</b>	<b>148,703,334</b>	<b>24,682,984,186</b>

The movements in allowance for credit losses are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of year	148,703,334	117,249,385
Additions	-	31,453,949
Balance at end of year	<b>148,703,334</b>	<b>148,703,334</b>

## 6. Other Assets

### Other Current Assets

This account consists of:

	<b>March 31, 2025</b> <b>(Unaudited)</b>	<b>December 31, 2024</b> <b>(Audited)</b>
Input VAT	<b>123,944,726</b>	79,914,038
Deferred Input VAT	<b>97,603,492</b>	133,685,864
Prepaid expenses	<b>395,176,685</b>	110,243,518
Recoverable deposits	<b>24,192,597</b>	24,192,597
	<b>640,917,500</b>	348,036,017

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

Deferred input VAT pertains to input tax on the Company's purchases of goods and services not yet settled during the year which is available for offset against the Company's future output VAT.

Prepaid expenses pertain to payments of business and real property taxes, which are amortized over a year.

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

### Other Noncurrent Assets

This account consists of:

	<b>March 31, 2025</b> <b>(Unaudited)</b>	<b>December 31, 2024</b> <b>(Audited)</b>
Input VAT	<b>982,962,209</b>	1,178,310,216
Creditable withholding taxes (CWT)	<b>302,799,257</b>	270,444,100
Advances to contractors	<b>20,129,942</b>	7,623,752
	<b>1,305,891,408</b>	1,456,378,068

The remaining balance of input VAT and deferred input VAT are assessed to be recoverable beyond 12 months from reporting date.

CWT represent the amount withheld by the customer. These are recognized upon collection of the related income and utilized as tax credits against income tax due. The CWT can also be refunded subject to the approval of the BIR.

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

## 7. Investment Properties

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

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

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

The movement in investment properties as at March 31, 2025 and December 31, 2024.

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Beginning of the period	97,579,387,207	78,255,747,008
Acquisitions and Improvements	27,243,808	29,950,343,079
Property under finance lease	-	(10,544,343,280)
Disposal	-	(38,985,000)
Fair value adjustment	(51,924,903)	(43,374,600)
End of the period	97,554,706,112	97,579,387,207

### Additions

In 2024, the Company entered into property-for-share swap transactions for certain investment properties in exchange of issuance of shares (Note 12).

On January 17, 2024, the Company entered into a Deed of Absolute Sale with Econorth Resort Ventures, Inc. (ERV), a subsidiary of Ayala Land, Inc. (ALI), to acquire SEDA Lio, a hotel building for

P1,192.00 million, exclusive of VAT. Simultaneous to the acquisition, the Company and ERVI, entered into a lease agreement for the room-resort hotel that is payable on quarterly guaranteed lease for a period of 25 years. The room-resort hotel building is operated by ERVI.

### *Disposals*

In 2024, the Company sold its three (3) condominium office units in BPI-Philam Life Alabang located at Madrigal Business Park, Alabang, Muntinlupa City. In 2023, there were no disposals of investment properties. The proceeds from the disposal is equal to the fair value.

## **8. Accounts and Other Payables**

This account consists of:

	<b>March 31, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
Due to related parties	<b>2,200,851,119</b>	1,979,810,093
Accounts payable	<b>1,115,198,832</b>	817,595,440
Taxes payable	<b>19,592,628</b>	98,033,159
Accrued expenses		
Light and water	<b>16,314,339</b>	15,769,349
Repairs and maintenance	<b>48,518,862</b>	46,898,065
Outside services	<b>7,728,941</b>	7,470,752
Professional fees	<b>30,549</b>	29,529
Rent	<b>2,251,999</b>	2,176,896
Others	<b>2,245,006</b>	2,170,136
Retention payable	<b>5,942,197</b>	5,952,197
Interest payable	<b>3,194,444</b>	3,422,222
	<b>3,421,868,916</b>	2,979,327,838

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

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

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

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

## **9. Short-term debt**

As of March 31, 2025 and December 31, 2024, the Company's short-term debt pertains to short-term loans payable with a local bank amounting to P2.0 billion, which is unsecured and with a term of 30-days.

## **10. Construction Bonds**

Construction bonds represent cash bonds to be used as a guarantee against damages to properties resulting from the construction, renovation, or improvements being undertaken therein by the lessee.

The bond will be refunded after fully completing the construction, renovation, or improvements and inspection by the Company.

The carrying value of the Company's construction bonds amounted to P147.13 million and P138.14 million as of March 31, 2025, and December 31, 2024, respectively.

## 11. Deposits and Other Liabilities

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Security deposits	1,759,194,751	1,776,006,705
Advance rentals	1,525,047,857	1,329,637,726
Deferred credits	416,887,068	380,753,839
	3,701,129,676	3,486,398,270
Current portion	(691,457,252)	(388,962,761)
	3,009,672,424	3,097,435,509

The current portion of these accounts follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Security deposits	100,613,259	100,613,259
Advance rentals	398,674,404	147,404,590
Deferred credits	192,169,589	140,944,912
	691,457,252	388,962,761

### *Security deposits*

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

### *Advance rentals*

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

### *Deferred credits*

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

## 12. Equity

### *Paid-up capital*

The details of the Company's paid-up capital as at March 31, 2025 and December 31, 2024 follow:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Authorized	4,050,000,000	4,050,000,000
Par value per share	10.00	10.00
Issued and outstanding shares	3,209,865,985	3,209,865,985



The changes in the number of shares are as follows:

	<b>March 31, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
<i>Authorized number of shares</i>		
Beginning (P10.00 par value)	<b>4,050,000,000</b>	4,050,000,000
Increase in authorized capital stock	-	-
Ending	<b>4,050,000,000</b>	4,050,000,000
<i>Issued shares</i>		
Beginning	<b>3,277,195,955</b>	2,435,936,543
Issuance of new shares	-	841,259,412
Ending	<b>3,277,195,955</b>	3,277,195,955
<i>Treasury shares</i>		
Beginning and ending	<b>(67,329,970)</b>	(67,329,970)
Outstanding shares	<b>3,209,865,985</b>	3,209,865,985

#### *Issuance of new shares*

On November 16, 2023 and April 23, 2024, the Company's BOD and its stockholders, respectively, approved the issuance of 841,259,412 primary common shares of the Company to ALI, Greenhaven Property Ventures, Inc. (GPVI), Cebu Insular Hotel Co., Inc. (CIHCI) and Buendia Christiana Holdings Corp. (BCHC) at an issuance price of P34.00 per share in exchange for the identified properties. On September 25, 2024, the SEC approved the property-for-share swap transaction. The Company recorded additional paid-in capital amounting to P20.19 billion, net of transaction costs incidental to the property-for-share swap transaction that is directly attributable to the issuance of new shares amounting to P141.90 million.

#### *Cash dividends*

The BOD approved the declaration of cash dividends amounting to P5.82 billion for the year ended December 31, 2024 as follows:

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

On February 19, 2025, the BOD approved the declaration of cash dividends for the fourth quarter of 2024, amounting to P0.58 per outstanding common share to stockholders on record as of March 5, 2025, amounting to P1,862 million. The cash dividend was paid on March 21, 2025.

#### *Distributable Income*

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

The computation of the distributable income of the Company as of March 31, 2025, is shown below:

	<b>March 31, 2025 (Unaudited)</b>
Net income	<b>2,045,969,739</b>
Unrealized gain:	
Net fair value loss (gain) on investment properties	<b>51,924,903</b>
Straight-lining adjustments recorded in rental income	<b>(51,924,903)</b>
<b>Distributable Income</b>	<b>2,045,969,739</b>

### *Capital Management*

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

The Company's sources of capital as of March 31, 2025, and December 31, 2024, follow:

	<b>March 31, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Paid-up capital	<b>32,771,959,550</b>	32,771,959,550
Additional paid-in capital	<b>56,368,354,602</b>	56,368,354,602
Treasury shares	<b>(673,299,700)</b>	(673,299,700)
Retained earnings	<b>25,087,755,538</b>	24,903,508,070
	<b>113,554,769,990</b>	113,370,522,522

## **13. Related Party Transactions**

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

### Terms and Conditions of Transactions with Related Parties

In its regular business conduct, the Company has entered into transactions with related parties consisting of advances and development, management, marketing and leasing, and administrative service agreements. These are based on terms agreed by the parties.

Outstanding balances at yearend are unsecured, noninterest-bearing, and settlement occurs in cash unless otherwise indicated. No guarantees have been provided or received for any related party receivables or payables.

The following tables provide the value and outstanding balances of transactions that have been entered into with related parties for the relevant financial year:

	<b>March 31, 2025 (Unaudited)</b>	December 31, 2024 (Audited)	
	<b>Outstanding balances</b>	Outstanding balances	Terms and conditions
<b>Finance lease receivables</b>			
Entities under common control			Balances are due quarterly or annually. These are non-interest bearing and secured with the related investment properties (Notes 5 and 16).
	<b>20,057,928,118</b>	19,673,140,935	
<b>Due from related parties</b>			
Parent Company	<b>545,782,373</b>	529,184,080	Balances relating to trade receivables are due and demandable. These are
Affiliates	<b>1,781,024,557</b>	1,932,449,494	
Other related parties	<b>613,075,399</b>	301,869,331	

	March 31, 2025 (Unaudited) Outstanding balances	December 31, 2024 (Audited) Outstanding balances	Terms and conditions
			interest and non-interest bearing, and unsecured. No impairment is recognized.
			The Company also provides interest-bearing loans to related parties which are subject to monthly repricing and maturing in one month with interest ranging from 5.30% to 6.89% (2023 - 5.59% to 6.95%; 2022 - 1.74% to 5.28%) per annum
	<b>2,939,882,329</b>	<b>2,763,502,905</b>	
<b>Due to related parties</b>			
Parent	<b>509,751,197</b>	588,810,099	Balances are due and
Affiliates	<b>1,690,771,847</b>	1,318,019,607	demandable. These are non-
Other related parties			interest bearing and
	<b>328,075</b>	72,980,387	unsecured.
	<b>2,200,851,119</b>	<b>1,979,810,093</b>	

#### 14. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash, receivables, accounts and other payables and security deposits arising directly from its operations. The main risks arising from using financial instruments are liquidity and credit risks.

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

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

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

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

##### *Market risk*

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

##### *Foreign currency risk*

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

##### *Interest rate risk*

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

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

#### *Price risk*

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

#### *Credit risk*

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

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

#### *Liquidity risk*

The Company actively manages its liquidity position so as to ensure that all operating, investing and financing needs are met. The Company's policy is to maintain a level of cash deemed sufficient to fund its monthly cash requirements, at least for the next two months. Capital expenditures are funded through long-term debt, while working capital requirements are sufficiently funded through cash collections and capital infusion by stockholders.

Through scenario analysis and contingency planning, the Company also assesses its ability to withstand both temporary and longer-term disruptions relative to its capacity to finance its activities and commitments in a timely manner and at reasonable cost and ensures the availability of ample unused credit facilities as back-up liquidity.

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

## **15. Fair Value Measurement**

The Company follows the fair value measurement hierarchy to disclose the fair value measurements of its financial instruments.

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

In 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement. The carrying values of the other financial instruments of the Company as at December 31, 2024 and 2023 approximate their fair values due to the short-term nature of the transactions.

## **16. Notes to Interim Statements of Cash Flow**

The Company's noncash operating and investing activities are as follows:

Operating

- Interest income from finance lease amounting to P384.78 million and P195.43 million for three months ended March 31, 2025 and 2025.

## **17. Segment Reporting**

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

The Company's four parcels of land, nine condominium office units, and thirteen-building lease operations are its only income-generating activity, and such is the measure the management uses in allocating resources.

## **18. Seasonality of Operations**

There were no operations subject to seasonality or cyclicity except for the Company's retail operations. The Company generates a relatively stable stream of revenues throughout the year, with higher sales experiences from shopping centers in the fourth quarter of every year due to holiday spending. This information is provided to better understand the results; however, management has concluded that this is not 'highly seasonal' under PAS 34.

## **19. Events After Financial Reporting Date**

One May 13, 2025, the Company's BOD approved the declaration of cash dividends for the first quarter of 2025, amounting to P0.58 per outstanding common share to stockholders on record as of May 27, 2025 amounting to P1,861.72 million. The cash dividend will be payable on June 11, 2025 to stockholders.

## **Item 2. Management's Discussion and Analysis on the Results of Operation and Financial Condition**

### **Review of 3M 2025 operations vs 3M 2024**

The Company's net income before the net fair value change in investment properties increased by 43% from P1,468.07 million in 2024 and P2,097.89 million in 2025. The increase was mainly due to income from the contribution of additional properties acquired in the third quarter of 2024. The Company's net income after tax increased by 42% from P1,443.31 million in 2024 to P2,045.97 million in 2025.

### **Revenues**

Total revenues increased by 38% from P2,111.55 million in 2024 to P2,920.73 million in 2025. This growth was mainly driven by higher rental income and dues.

Rental Income increased by 36% from P1,552.48 million in 2024 to P2,112.38 million in 2025. The increase was primarily attributable to the full year contribution of properties acquired in July 2024.

Dues increased by 16% from P363.64 million in 2024 to P423.56 million in 2025. The increase was attributable to the operations of new assets acquired in July 2024.

Interest income from finance leases increased by 97% from P195.43 million in 2024 to P384.79 million in 2025. The increase was due to additional lease agreements subjected to finance lease in 2024.

### **Cost and Expenses**

Direct operating expenses increased by 31% in 2025 from P584.78 million in 2024 to P763.42 million in 2025. The increase was primarily due to expenses from the operations of additional properties acquired in July 2024.

General and administrative expenses decreased by 12% from P17.32 million in 2024 to P15.24 million in 2025.

### **Other Income (charges)**

Interest Income decreased by 27% from P39.77 million in 2024 to P29.13 million in 2025. The decrease was mainly due to lower interest income from intercompany loans.

Interest expense and other charges decreased by 9% from P80.41 million in 2024 to P72.82 million in 2025. The decrease was due to lower interest expense from short term debt.

### **Net Fair Value Change in Investment Property**

The Company recognized a reduction in fair value in investment properties of (P51.92 million) and (P24.77 million) for three months ended March 31, 2025 and 2024, respectively.

### **Provision for Income Tax**

*Income tax provision* decreased from 721,679 in 2024 to P487,737 million in 2025 due to the final tax on interest income from banks.

### **Capital Expenditure**

The Company has no material commitments for capital expenditures.

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

#### **Balance Sheet items- March 31, 2025 versus December 31, 2024**

**Cash** decreased by 28% due to lower cash position

**Receivables current portion** increased by 9%, due to the addition of properties acquired effective July 1, 2024

**Other current assets** increased by 84%, mainly due to higher prepaid expenses from additional properties

**Property and equipment** decreased by 8% due to recognition of depreciation for the period.

**Other noncurrent assets** decreased by 10%, mainly due to lower input VAT.

**Accounts and other payables** increased by 15%, in line with the increase in operations due to additional properties.

**Deposits and other liabilities- current**, increased by 78% due to higher advance rental collection and deferred credits

**Construction bonds** increased by 7% due to additional bonds collected to be used as a guarantee against damages to properties resulting from construction, renovation, or improvements.

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### **Financial Condition**

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

As of March 31, 2025, total current assets, including cash, current portion of receivable, input VAT, prepaid expenses, and recoverable deposits, stood at P5,215.86 million, resulting in a current ratio of 0.83:1.

As of March 31, 2025, total debt registered at P2.00 billion, translating to a debt-to-equity ratio of 0.02:1 and a net debt-to-equity ratio of 0.02:1.

Return on equity is at 7% as of March 31, 2025.

<b>Key Financial Ratios</b>	<b>2025</b>	<b>2024</b>
Current Ratio <sup>(1)</sup>	0.83	0.83
Debt to Equity <sup>(2)</sup>	0.02	0.02
Profitability Ratios		
Return on Asset <sup>(3)</sup>	7%	7%
Return on Equity <sup>(4)</sup>	7%	7%
Asset to Equity Ratio <sup>(5)</sup>	1.09	1.09

<sup>(1)</sup> Current assets/current liabilities

<sup>(2)</sup> Total debt/Average Stockholder's equity

<sup>(3)</sup> Total Net Income/Total Average Assets

<sup>(4)</sup> Total Net Income/Average Stockholder's equity

<sup>(5)</sup> Total asset/Total Stockholder's equity

- The Company actively manages its liquidity position to ensure that all operating, investing, and financing needs are met. Working capital requirements are sufficiently funded through cash collections. The Company secured credit line facilities with various local banks as approved by Board of Directors. As of December 31, 2024 the Company's available credit line is ₱23.5 billion.
- There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.
- No known trend, event, or uncertainty has had or is reasonably expected to materially impact the net sales, revenues, or income from continuing operations.
- There is no significant element of income arising from continuing operations.
- There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.
- No known events and uncertainties will trigger direct or contingent financial obligation material to the Company, including any default or acceleration of an obligation.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.



**Property Performance as of March 31, 2025**

Property	Location	Valuation Date	Valuation cost (in Pesos, millions)	Total gross leasable area (GLA) (in sq.m)	Occupied GLA (in sq.m)	Occupancy rate	Remaining Land lease term	Rental Income (in Pesos, millions) <sup>1</sup>	Gross Revenues (in Pesos, millions)
Solaris	Makati	Dec 2024	7,377	46,768	44,016	94%	24	137	187
Ayala North Exchange <sup>1</sup>	Makati	Dec 2024	11,453	95,314	89,260	94%	33	205	277
MECC	Makati	Dec 2024	1,675	10,688	10,261	96%	30	38	46
TP Cebu	Cebu	Dec 2024	1,926	18,093	18,093	100%	27	42	53
The 30th	Pasig	Dec 2024	4,655	74,704	73,514	98%	31	103	147
Laguna Technopark Land	Laguna	Dec 2024	1,248	98,179	98,179	100%	n/a	23	23
Vertis <sup>1</sup>	Quezon City	Dec 2024	16,519	164,450	158,652	96%	34	303	379
BPI- Philam Makati	Makati	Dec 2024	86	1,072	660	62%	n/a	1	1
BPI- Philam Alabang	Muntinlupa	Dec 2024	30	212	212	100%	n/a	1	1
Bacolod Capitol	Negros Occidental	Dec 2024	769	11,313	11,313	100%	37	17	24
Ayala Northpoint	Negros Occidental	Dec 2024	209	4,654	4,654	100%	34	6	8
Evotech	Laguna	Dec 2024	2,986	23,727	23,222	98%	34	46	78
eBloc Towers 1 to 4	Cebu	Dec 2024	7,785	79,640	77,067	97%	34	157	214
ACC Tower	Cebu	Dec 2024	1,732	27,458	23,514	86%	34	46	45
Tech Tower	Cebu	Dec 2024	988	16,273	15,028	92%	34	21	25
One Ayala West and East Towers	Makati	Dec 2024	12,319	70,995	70,995	100%	40	375	420
Glorietta 1&2 BPOs and Mall <sup>1</sup>	Makati	Dec 2024	12,698	108,790	108,365	100%	34	136	240
Marque Mall <sup>1</sup>	Pampanga	Dec 2024	2,878	66,041	66,041	100%	24	-	46
SEDA Lio <sup>1</sup>	Palawan	Dec 2024	1,638	17,680	17,680	100%	25	-	26
Ayala Triangle Garden Tower 2	Makati	Dec 2024	13,954	63,150	63,150	100%	40	329	366
Greenbelt 3&5 Mall <sup>1</sup>	Makati	Dec 2024	7,055	93,732	93,732	100%	40	-	108
Holiday Inn <sup>1</sup>	Makati	Dec 2024	3,443	26,218	26,218	100%	25	-	53
Seda Ayala Center Cebu <sup>1</sup>	Cebu	Dec 2024	1,680	13,579	13,579	100%	40	-	28
Palauig Industrial land	Zambales	Dec 2024	6,857	2,759,135	2,759,135	100%	25	126	126

<sup>(1)</sup> Does not include portion of mall and hotel buildings under finance lease

## PART II- OTHER INFORMATION

### Item 3. Developments as of March 31, 2025

- |  |  |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
|--|--|--------------------------|----------|---------------------------|-----------------|--------------------|------------------------|------------------------|------------------------|------------------------------|------------------------|--------------|---------------------------|----------------|----------------------|------------------|----------------------|
| <b>A. New project or investments in another line of business or corporation</b>  | None   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| <b>B. Composition of Board of Directors<br/>(as of August 14, 2024)</b>  | <table border="0"> <tr> <td>Anna Ma. Margarita B. Dy</td> <td>Chairman</td> </tr> <tr> <td>Jose Eduardo A. Quimpo II</td> <td>President &amp; CEO</td> </tr> <tr> <td>Augusto D. Bengzon</td> <td>Non-Executive Director</td> </tr> <tr> <td>Mariana Zobel de Ayala</td> <td>Non-Executive Director</td> </tr> <tr> <td>Maria Theresa Marcial-Javier</td> <td>Non-Executive Director</td> </tr> <tr> <td>Omar T. Cruz</td> <td>Lead Independent Director</td> </tr> <tr> <td>Enrico S. Cruz</td> <td>Independent Director</td> </tr> <tr> <td>Sherisa P. Nuesa</td> <td>Independent Director</td> </tr> </table> | Anna Ma. Margarita B. Dy | Chairman | Jose Eduardo A. Quimpo II | President & CEO | Augusto D. Bengzon | Non-Executive Director | Mariana Zobel de Ayala | Non-Executive Director | Maria Theresa Marcial-Javier | Non-Executive Director | Omar T. Cruz | Lead Independent Director | Enrico S. Cruz | Independent Director | Sherisa P. Nuesa | Independent Director |
| Anna Ma. Margarita B. Dy   | Chairman   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| Jose Eduardo A. Quimpo II  | President & CEO  |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| Augusto D. Bengzon   | Non-Executive Director   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| Mariana Zobel de Ayala   | Non-Executive Director   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| Maria Theresa Marcial-Javier   | Non-Executive Director   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| Omar T. Cruz   | Lead Independent Director  |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| Enrico S. Cruz   | Independent Director   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| Sherisa P. Nuesa   | Independent Director   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| <b>C. Performance of the corporation or result/progress of operations</b>  | Please see the unaudited financial statements and management's discussion on the results of operations.  |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| <b>D. Declaration of dividends</b>   | <p>₱0.56 cash dividend per outstanding common share<br/>Declaration date: July 12, 2024<br/>Record date: July 26, 2024<br/>Payment date: August 11, 2024</p> <p>₱0.58 cash dividend per outstanding common share<br/>Declaration date: November 14, 2024<br/>Record date: November 27, 2024<br/>Payment date: December 13, 2024</p> <p>₱0.58 cash dividend per outstanding common share<br/>Declaration date: February 20, 2025<br/>Record date: March 5, 2025<br/>Payment date: March 21, 2025</p>  |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| <b>E. Contracts of merger, consolidation, or joint venture; contract of management, licensing, marketing, distributorship, technical assistance, or similar agreements</b> | None   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| <b>F. Offering of rights, granting of Stock Options, and corresponding plans, therefore</b>  | None   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |
| <b>G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate</b>   | None   |                          |          |                           |                 |                    |                        |                        |                        |                              |                        |              |                           |                |                      |                  |                      |

- |  |      |
|--|------|
| H. Other information, material events, or happenings that may have affected or may affect the market price of the security | None |
| I. Transferring of assets, except in the normal course of business   | None |

#### Item 4. Other Notes to 1Q 2025 Operations and Financials

- |   |   |
|---|---|
| J. Nature and amount of items affecting assets, liabilities, equity, or net income that are unusual because of their nature, size, or incidents   | Please see Item 2: Management's Discussion on Results of Operations and Analysis.   |
| K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period   | Please see page 23: Causes for any material changes (+/- 5% or more) in the financial statements  |
| L. New financing through loans / Issuances, repurchases, and repayments of debt and equity securities   | None  |
| M. Material events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period   | <b>May 13, 2025</b>   The Company's Board of Directors approved the declaration of cash dividends for the first quarter of 2025, amounting to P0.58 per outstanding common share to stockholders on record as of May 27, 2025, amounting to P1,861.72 million. Payment date is June 11, 2025.                 |
| N. The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations | None  |
| O. Changes in contingent liabilities or contingent assets since the last annual balance sheet date  | None  |
| P. Other material events or transactions during the interim period  | <b>February 19, 2025</b>   The Company's Board of Directors approved the declaration of regular cash dividends for the fourth quarter of 2024, amounting to P0.58 per outstanding common share to stockholders on record as of March 5, 2025, amounting to P1,861.72 million. Payment date is March 21, 2025. |

The Company's Board of Directors also approved a property-for-share swap transaction. The subscription of Ayala Land, Inc. (ALI) and its subsidiaries, Accendo Commercial Corp., Cagayan de Oro Gateway Corp., and Central Bloc Hotel Ventures, Inc. To 505,890,177 primary common shares, in exchange for eight (8) commercial properties with an aggregate value of P20,994,442,345.50, as validated by a third-party fairness opinion.

The proposed property-for-share swap is for approval of AREIT shareholders at their annual meeting on April 24, 2025 and regulatory bodies afterward.

**February 21, 2025** | AREIT, Inc. (AREIT) posted total revenues of P10.3 billion and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of P7.5 billion, 44% and 49% higher year-on-year, respectively. Net income registered at P7.4 billion, 49% higher year-on-year, excluding net fair value change in investment properties.

<b>Q. Existence of material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation</b>	None
<b>R. 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</b>	None
<b>S. Material commitments for capital expenditures, general-purpose and expected sources of funds</b>	None
<b>T. Known trends, events, or uncertainties that have had or that are reasonably expected to have an impact on sales/revenues/ income from continuing operations</b>	AREIT's performance will depend on the state of the Philippine Office Sector.
<b>U. Significant elements of income or loss that did not arise from continuing operations</b>	None
<b>V. Causes for any material change/s from period to period, in one, or more line items of the financial statements</b>	Please see Notes to Financial Statements (Item 2: Management's Discussion on Results of Operations and Analysis).

- |   |       |
|---|-------|
| <b>W. Seasonal aspects that had a material effect on the financial condition or results of operations</b> | None  |
| <b>X. Disclosures not made under SEC Form 17-C</b>  | None. |

## Item 5. Performance Indicators

The table below shows AREIT's performance indicators:

	End-March 2025 (Unaudited)	End-December 2024 (Audited)
Current ratio <sup>1</sup>	0.83:1	0.83:1
Debt-to-equity ratio <sup>2</sup>	0.02:1	0.02:1
Net debt-to-equity ratio <sup>3</sup>	0.02:1	0.02:1
Profitability Ratios:		
Return on Assets <sup>4</sup>	7%	7%
Return on Equity <sup>5</sup>	7%	7%
Asset to Equity Ratio <sup>6</sup>	1.09:1	1.09:1

*Notes:*

- (1) *The current ratio is derived by dividing current assets by current liabilities at the end of a given period. The current ratio measures our ability to pay short-term obligations.*
- (2) *The debt-to-equity ratio is derived by dividing our total loans and borrowings by total equity. The debt-to-equity ratio measures the degree of our financial leverage.*
- (3) *The net debt to equity ratio is derived by dividing our total loans and borrowings less cash by total equity.*
- (4) *Return on assets is derived by annualized net income by total assets*
- (5) *Return on equity is derived by dividing annualized net income by average shareholders' equity. Return on equity measures how profitable we are at generating profit from each unit of shareholder equity.*
- (6) *The asset-to-equity ratio is derived by dividing total assets by shareholders' equity. The asset-to-equity ratio measures our financial leverage and long-term solvency.*

**SIGNATURE**

Pursuant to the Securities Regulation Code requirements, the Issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **AREIT, INC.**

By:

A handwritten signature in black ink, appearing to read 'mfamy', written in a cursive style.

**MA. TERESA R. FAMY**  
Treasurer and Chief Finance Officer

Date: May 14, 2025

April 11, 2025

**THE PHILIPPINE STOCK EXCHANGE**

Philippine Stock Exchange Plaza  
6<sup>th</sup> Floor, PSE Tower  
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 First Quarter Progress Report on the Disbursement of Proceeds from the Sale  
of 75 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the First Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On September 24, 2024, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 75 million AREIT Shares amounting to Two Billion Six Hundred Ninety-Six Million Eight Hundred Twenty-Three Thousand Seventy-Five (Php 2,696,823,075.00).

As of March 31, 2025 the remaining balance of the net proceeds from the sale of 75 million AREIT Shares is One Billion Eight Hundred Sixty Million Eight Hundred Thirty-Nine Thousand Two Hundred Ninety-Three and 83/100 (Php 1,860,839,293.83).

The details of the disbursement for the First Quarter of 2025 are as follows:

Balance of Proceeds from sale of AREIT Shares as of December 31, 2024	Php 2,105,023,745.11
Less: Disbursements from January 1 to March 31, 2025 (Annex A)	244,184,451.28
Balance of Proceeds from sale of AREIT Shares as of March 31, 2025	<u>Php 1,860,839,293.83</u>

Thank you.

Very truly yours,



**Augusto D. Bengzon**  
Ayala Land, Inc.  
Chief Finance Officer and Treasurer



**Ma. Teresa R. Famy**  
AREIT, Inc.  
Treasurer and Chief Finance Officer



SUBSCRIBED AND SWORN to before me this APR 11 2025 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Augusto D. Bengzon	Passport No. P4323352B	Issued 08 January 2020 / DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 9;  
Page. No. 3;  
Book No. III;  
Series of 2025.

Notarial DST pursuant to Sec. 41 of the  
TRAIN Act (Amending Sec. 188 of the NIRC)  
affixed on Notary Public's copy



*Katrina*  
**KATRINA G. RIVERA**  
Notary Public - Makati City  
Appt. No. M-172 until December 31, 2025  
Roll of Attorneys No. 66011  
IBP No. 496179 - 01/03/2025 - Makati City  
PTR No. MKT10475700 - 01/09/2025 - Makati City  
MCLE Compliance No. VIII -0023851 - 03/11/2025  
28th Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines

**ANNEX A - Disbursements from January 1 to March 31, 2025**

<b>Project Name</b>	<b>Disbursing Entity</b>	<b>Amount (in PHP)</b>
Arbor Lanes	Ayala Land, Inc.	201,130,912.42
Mandarin Oriental	Ayala Land, Inc.	43,053,538.86
<b>Total</b>		<b>244,184,451.28</b>



## **Agreed-Upon Procedures Report**

To the Management of  
Ayala Land, Inc.  
31<sup>st</sup> Floor, Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

### **Purpose of this Agreed-Upon Procedures Report**

Our report is solely for the purpose of assisting Ayala Land, Inc. (the "Company") in connection with the Company's compliance with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company on the Quarterly Progress Report for the period from January 1 to March 31, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. ("AREIT") on September 24, 2024 and may not be suitable for another purpose.

### **Responsibilities of the Engaging Party**

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

### **Practitioner's Responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### **Professional Ethics and Quality Control**

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.



Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated January 9, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the "schedule") for the period from January 1 to March 31, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from January 1 to March 31, 2025, to the supporting documents such as progress billings, statement of account, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted.  We present in Appendix A the schedule for the period from January 1 to March 31, 2025, based on the information we obtained from the Company.
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted.  We have noted that the Sponsor Reinvestment Plan dated September 24, 2024, included the proceeds from the block sale of AREIT shares amounting to P2,696,823,075.00. Out of the total proceeds, P244,184,451.28 has been disbursed January 1 to March 31, 2025, based on the information we obtained from the Company as presented in Appendix A.





**Restriction on Distribution and Use**

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.

A handwritten signature in black ink, appearing to read "R. Danao", with a long horizontal stroke extending to the right.

Roderick M. Danao

Partner

CPA Cert No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City

April 11, 2025



## Appendix A

Summary of Quarterly Progress Report from January 1 to March 31, 2025 (Amounts are in PHP)

		Disbursements from
		January 1 to
Distributing Entity	Project name	March 31, 2025
Ayala Land, Inc.	Arbor Lanes	201,130,912.42
	Mandarin Oriental	43,053,538.86
		<b>244,184,451.28</b>

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY )S.S.

**ACKNOWLEDGEMENT**

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 16<sup>th</sup> day of April 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2025, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 164 ;  
Page No. 34 ;  
Book No. 1 ;  
Series of 2025.

  
**Atty. Charilyn R. Caliwag**

Notary Public for Makati  
Until December 31, 2025  
Appointment No. M-451  
Roll No. 70019

PTR No. 110444061012425 / Makati City  
IBP No. 572162 / 01-07-25 / Makati City  
MCLE Compliance No. VII- 002752  
10G One Pacific Place Residences  
106 H.V. Dela Costa St. Makati City

April 11, 2025

**THE PHILIPPINE STOCK EXCHANGE**

Philippine Stock Exchange Plaza  
6<sup>th</sup> Floor, PSE Tower  
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 First Quarter Progress Report on the Disbursement of Proceeds from the Sale  
of 75 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

We are pleased to submit our Progress Report on the Application of Proceeds for the First Quarter of 2025, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On December 12 2024, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 75 million AREIT Shares amounting to Two Billion Seven Hundred Fifty-Six Million Four Hundred Twenty-One Thousand and Three Hundred Seventy-Five (Php 2,756,421,375.00).

As of March 31, 2025, ALI has not yet disbursed any amount from the net proceeds from the sale of 75 million AREIT Shares.

The details of the disbursement for the First Quarter of 2025 are as follows:

Balance of Proceeds from sale of AREIT Shares as of December 12, 2024	Php 2,756,421,375.00
Less: Disbursements from January 1 to March 31, 2025	0
Balance of Proceeds from sale of AREIT Shares as of March 31, 2025	<u>Php 2,756,421,375.00</u>

Thank you.

Very truly yours,



**Augusto D. Bengzon**  
Ayala Land, Inc.  
Chief Finance Officer and Treasurer



**Ma. Teresa R. Famy**  
AREIT, Inc.  
Treasurer and Chief Finance Officer



SUBSCRIBED AND SWORN to before me this APR 11 2025 at Makati City, affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Augusto D. Bengzon	Passport No. P4323352B	Issued 08 January 2020 / DFA NCR East
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 10;  
Page. No. 3;  
Book No. 11;  
Notarized on Series 10 of 2025 to Sec. 61 of the  
TAEN Act (Amending Sec. 188 of the NIRC)  
affixed on Notary Public's copy



*Katrina*  
**KATRINA G. RIVERA**  
Notary Public - Makati City  
Appt. No. M-172 until December 31, 2025  
Roll of Attorneys No. 66011  
IBP No. 496179 - 01/03/2025 - Makati City  
PTR No. MKT10475700 - 01/09/2025 - Makati City  
MCLE Compliance No. VIII-0023851 - 03/11/2025  
28th Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines



## **Agreed-Upon Procedures Report**

To the Management of  
Ayala Land, Inc.  
31<sup>st</sup> Floor, Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

### **Purpose of this Agreed-Upon Procedures Report**

Our report is solely for the purpose of assisting Ayala Land, Inc. (the "Company") in connection with the Company's compliance with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company on the Quarterly Progress Report for the period from January 1 to March 31, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. ("AREIT") on December 12, 2024 and may not be suitable for another purpose.

### **Responsibilities of the Engaging Party**

The management of the Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

### **Practitioner's Responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### **Professional Ethics and Quality Control**

We have complied with the ethical requirements in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We have also complied with the independence requirements in accordance with Part 4A of the International Ethics Standards Board for Accountants (IESBA) Code.



Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated April 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the "schedule") for the period from January 1 to March 31, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted. No disbursements have been made from January 1 to March 31, 2025.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from January 1 to March 31, 2025, to the supporting documents such as progress billings, statement of account, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted.  We present in Appendix A the schedule for the period from January 1 to March 31, 2025, based on the information we obtained from the Company. No disbursements have been made from January 1 to March 31, 2025.
d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.	No exceptions were noted.  We have noted that the Sponsor Reinvestment Plan dated December 12, 2024, included the proceeds from the block sale of AREIT shares amounting to P2,756,421,375.00. Out of the total proceeds, no disbursements have been made from January 1 to March 31, 2025, based on the information we obtained from the Company as presented in Appendix A.





#### **Restriction on Distribution and Use**

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used for any other purpose or to be distributed to any other parties.

A handwritten signature in black ink, appearing to read "R. Danao", with a long, sweeping horizontal stroke extending to the right.

Roderick M. Danao

Partner

CPA Cert No. 88453

P.T.R. No. 0011280, issued on January 3, 2025, Makati City

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City

April 11, 2025



**Appendix A**

Summary of Quarterly Progress Report from January 1 to March 31, 2025 (Amounts are in PHP)

<b>Distributing Entity</b>	<b>Project name</b>	<b>Total disbursements</b>
		<b>from January 1 to March 31, 2025</b>
Ayala Land, Inc.	Metro Manila Property - Land 1	-
	Metro Manila Property - Land 2	-
	Metro Manila Property - Land 3	-
		-

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY )S.S.

**ACKNOWLEDGEMENT**

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 15<sup>th</sup> day of April 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2025, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 167 :  
Page No. 39 :  
Book No. 1 :  
Series of 2025.



  
**Atty. Charilyn R. Caliwag**

Notary Public for Makati  
Until December 31, 2025  
Appointment No. M-451  
Roll No. 70019

PTR No. 10464061 01.24.25 / Makati City  
IBP No. 5721821 01.07.25 / Makati City  
MCLE Compliance No. VII- 002752  
10G One Pacific Place Residences  
106 H.V. Dela Costa St. Makati City