



NOTICE OF SPECIAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the special meeting of stockholders of AREIT, INC. will be conducted virtually via <https://conveneagm.com/ph/AREIT2025SSM> on Thursday, December 11, 2025 at 10:00 o'clock in the morning with the following

A G E N D A¹

1. Call to Order
2. Certification of Notice and Quorum
3. Matters for Approval of Stockholders
 - a. Approval to decrease the Authorized Capital Stock from ₱40,500,000,000.00 to ₱39,826,700,300.00 through the retirement of the Corporation's existing Treasury Shares.

<u>From</u>	<u>To</u>	<u>Reason</u>
<u>₱40,500,000,000.00</u>	<u>₱39,826,700,300.00</u>	<u>Retirement of non-reissuable Treasury Shares</u>

- b. Approval of the increase in Authorized Capital Stock from ₱39,826,700,300.00 to ₱57,000,000,000.00, and the corresponding amendment of the Seventh Article of the Articles of Incorporation

<u>From</u>	<u>To</u>	<u>Reason</u>
<u>₱39,826,700,300.00</u>	<u>₱57,000,000,000.00</u>	<u>Enable the Company to grow its assets under management through various modes of acquisition, including a property-for-share swap</u>

- c. Approval of the Issuance of Common Shares in Exchange for Properties
4. Consideration of Such Other Business as May Properly Come Before the Meeting
5. Adjournment

Pursuant to the Company's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on October 28, 2025, has approved that the Special Stockholders' Meeting be conducted in a fully virtual format. Stockholders may only attend the meeting by remote communication and by voting *in absentia*, electronically or by proxy.

Only stockholders of record as of **November 12, 2025**, are entitled to notice of, and to vote at, this meeting. Stockholders intending to participate by remote communication should notify the Company by email on or before **December 1, 2025**. Stockholders may likewise register online via Convene AGM starting November 24, 2025. Voting may be *in absentia*, electronically or by proxy, subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting votes *in absentia*, electronically or by proxy, will be set forth in the Information Statement.²

Duly accomplished proxy form and voting instruction addressed to the Office of the Corporate Secretary shall be submitted on or before **December 1, 2025**, at 37/F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City or by email. Validation of proxies is set for December 3, 2025, at 9:00 o'clock in the morning.

Stockholders of record as of November 12, 2025, owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before **December 4, 2025**.³

All email communications should be sent to corporate.secretary@areit.com.ph on or before the designated deadlines.

Makati City, October 28, 2025.

MA. FLORENCE THERESE DG. MARTIREZ-CRUZ
Assistant Corporate Secretary

¹ See next page for the explanation for each agenda item.

² Stockholders should notify the Company by email of their preference to receive hard copies of the Information Statement and other SSM materials on or before November 11, 2025.

³ The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

EXPLANATION OF AGENDA ITEMS WITH PROPOSED RESOLUTIONS

Call to order

The Chairman will formally open the meeting at approximately 10:00 o' clock in the morning.

Certification of notice and quorum (and rules of conduct and procedures)

The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Company has set up a designated online web address, <https://conveneagm.com/ph/AREIT2025SSM>, which may be accessed by the stockholders to register and vote electronically *in absentia* on the matters for resolution at the meeting.¹ A stockholder participating by remote communication or voting *in absentia*, electronically or by proxy, shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

- (i) Stockholders may attend the meeting remotely through the online web address (URL) provided. Questions and comments may be sent prior to or during the meeting at corporate.secretary@areit.com.ph.
- (ii) Each of the proposed resolutions will be shown on the screen during the meeting as the same is taken up at the meeting.
- (iii) Stockholders must notify the Company through corporate.secretary@areit.com.ph on or before December 1, 2025 of their intention to participate in the Meeting by remote communication in order to be included in the determination of the existence of a quorum, together with the stockholders who voted *in absentia*, electronically and by proxy.
- (iv) Voting shall only be allowed for validated stockholders registered in Convene AGM or who submitted a duly accomplished proxy form. Stockholders registered in Convene AGM may cast their votes through the said system at any time prior to or at real time during the meeting. Vote tabulation shall be completed and finalized after the meeting.
- (v) All the items in the agenda for approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting unless the law requires otherwise.
- (vi) The Proxy Validation Committee will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of initial voting during the meeting.
- (vii) The meeting proceedings shall be recorded in audio and video format.

Matters for Stockholders Approval

1. Approval to decrease the Authorized Capital Stock from ₱40,500,000,000.00 to ₱39,826,700,300.00 through the retirement of the Corporation's existing Treasury Shares.

Approval of the stockholders will be sought to decrease the authorized capital stock from ₱40,500,000,000.00 to ₱39,826,700,300.00 through the retirement of 67,329,970 treasury common shares. The Board approved the decrease during its meeting on October 28, 2025.

A resolution on this agenda item must be approved by the stockholders owning at least two-thirds (2/3) of the outstanding capital stock voting *in absentia*, electronically, or by proxy.

Below is the proposed resolution:

“RESOLVED, to approve the decrease of the authorized capital stock of the Corporation from ₱40,500,000,000.00 to ₱39,826,700,300.00 through the retirement of 67,329,970 treasury common shares.”

2. Approval of the increase in Authorized Capital Stock from ₱39,826,700,300.00 to ₱57,000,000,000.00 and the corresponding amendment to the Seventh Article of the Articles of Incorporation.

Approval of the stockholders will be sought to increase the authorized capital stock from ₱39,826,700,300.00 divided into 3,982,670,030 common shares with a par value of ₱10.00 per share to ₱57,000,000,000.00 divided into 5,700,000,000 common shares with a par value of ₱10.00, and to amend the Seventh Article of the Articles of Incorporation to reflect such increase. The increase in capital stock will enable the Company to grow its assets under

¹ The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.

management through various modes of acquisition, including a property-for-share swap. The Board approved the increase and the corresponding amendment during its meeting on October 28, 2025.

A resolution on this agenda item must be approved by the stockholders owning at least two-thirds (2/3) of the outstanding capital stock voting *in absentia*, electronically, or by proxy.

Below is the proposed resolution:

“RESOLVED, to approve the increase in authorized capital stock of the Corporation from Thirty-Nine Billion Eight Hundred Twenty-Six Million Seven Hundred Thousand Three Hundred Pesos (P39,826,700,300.00), in lawful money of the Philippines, divided into Three Billion Nine Hundred Eighty-Two Million Six Hundred Seventy Thousand Thirty (3,982,670,030) Common Shares with par value of Ten Pesos (P10.00) per share to Fifty-Seven Billion Pesos (P57,000,000,000.00), in lawful money of the Philippines, divided into Five Billion Seven Hundred Million (5,700,000,000) Common Shares with par value of Ten Pesos (P10.00) per share, and for this purpose the amendment of the Seventh Article of the Articles of Incorporation. As amended, the Article shall henceforth read:

SEVENTH: The authorized capital stock of the Corporation is Fifty-Seven Billion Pesos (Php57,000,000,000.00), in lawful money of the Philippines, divided into Five Billion Seven Hundred Million (5,700,000,000) Common Shares with a par value of Ten Pesos (P10.00) per share.

xxx xxx xxx”

3. Approval of issuance of common shares in exchange for properties

Approval of the stockholders will be sought for the issuance of 441,131,656 primary common shares to Ayala Land, Inc. (“ALI”) and its wholly-owned subsidiary, Summerhill Commercial Ventures Corp. (“Summerhill”) in exchange for two (2) commercial properties with an aggregate value of P19,475,962,612.40, as validated by a third-party fairness opinion. A resolution on this agenda item will be presented to the stockholders for approval by the vote of the stockholders representing at least a majority of the outstanding capital stock. Below is the proposed resolution:

“RESOLVED, to approve the issuance of 441,131,656 primary common shares to Ayala Land, Inc. (ALI), and its subsidiary, Summerhill Commercial Ventures Corp. (“Summerhill”), in exchange of identified properties owned by ALI and Summerhill valued at Nineteen Billion Four Hundred Seventy-Five Million Nine Hundred Sixty-Two Thousand Six Hundred Twelve and 40/100 Pesos (P19,475,962,612.40), under a property-for-share swap, at an issue price of P44.15 per share, set at a premium over the thirty (30)-day volume weighted average price (30-day VWAP) of P43.93 or the prevailing Market Price.”

4. Consideration of such other business as may properly come before the meeting

The Chairman will take up agenda items received from stockholders on or before December 4, 2025, in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company’s internal guidelines.²

* * *

² SEC Memorandum Circular No. 14, series of 2020 or “Shareholders’ Right to Put items on the Agenda for Regular/Special Stockholders’ Meetings”: <https://www.sec.gov.ph/mc-2020/mc-no-14-s-2020shareholders-right-to-put-items-on-the-agenda-for-regular-special-stockholders-meetings/>.

PROXY AND VOTING INSTRUCTION

1. IDENTIFICATION

This Proxy is being solicited by **AREIT, INC.**, on and in its behalf, in connection with the Special Stockholders' Meeting of **AREIT, INC.**, to be held on December 11, 2025, at 10:00 o'clock in the morning.

2. INSTRUCTIONS

The undersigned stockholder of **AREIT, INC.** (the "Company") hereby appoints the *Chairman of the meeting of the stockholders*, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the special meeting of the stockholders of the Company on December 11, 2025 and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the box below how you wish your votes to be cast in respect of the matter to be taken up during the meeting.

If no specific direction as to voting is given, the votes will be cast for the election of all nominees and for the approval of the resolutions on the matter stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statements and as recommended by the Chairman.

Agenda Items

1. Approval to decrease the Authorized Capital Stock from ₱40,500,000,000.00 to ₱39,826,700,300.00 through the retirement of the Corporation's existing 67,329,970 Treasury Shares.
☐ For ☐ Against ☐ Abstain
2. Approval to increase the Authorized Capital Stock from ₱39,826,700,300.00 to ₱57,000,000,000.00, and the corresponding amendment of the Seventh Article of the Articles of Incorporation.
☐ For ☐ Against ☐ Abstain
3. Approval of issuance of common shares in exchange for properties.
☐ For ☐ Against ☐ Abstain
4. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.
☐ For ☐ Against ☐ Abstain

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER /
AUTHORIZED SIGNATORY

NUMBER OF SHARES HELD

DATE

Duly accomplished proxy form and voting instruction shall be submitted to the Office of the Corporate Secretary at 37/F Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City or by email to corporate.secretary@areit.com.ph on or before **December 1, 2025**, the deadline for submission of Proxies. For corporate stockholders, please attach to this Proxy form the Secretary's Certificate on the authority of the signatory to appoint the Proxy and sign this form.

3. REVOCABILITY OF PROXY

The Proxy and Voting Instruction may be revoked by the stockholder executing the same at any time by submitting to the Corporate Secretary a written notice of revocation not later than the start of the meeting. A Proxy and Voting Instruction is also considered revoked if the stockholder registers and votes on the Company's secured online voting system, <https://conveneagm.com/ph/AREIT2025SSM> (the "Voting System" or "Convene AGM"). This Proxy and Voting Instruction shall be deemed revoked after the right granted is exercised during the Special Stockholders' Meeting of the Company on December 11, 2025. Shares represented by a duly validated and unrevoked Proxy will be voted as authorized by the stockholder.

4. PERSON MAKING THE SOLICITATION

The solicitation is made by the Company. No director of the Company has informed the former in writing that s/he intends to oppose an action intended to be taken up by the Company at the Special Stockholders' Meeting. Solicitation of the proxies shall be made through the use of ordinary mail, electronic means of communication, or personal delivery. The total estimated amount to be spent in connection with the release and sending of the Proxy statements is approximately P20,000.00. Costs for solicitation will be shouldered by the Company.

5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon. The Company has not received any written information from anyone seeking to oppose any action to be taken up in the Special Stockholders' Meeting of the Company.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

* * *

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**Information Statement
of**

AREIT, INC.

(the "Company", "Corporation" or "AREIT")

Pursuant to Section 20 of the Securities Regulation Code (the "Code" or "SRC")

1. Check the appropriate box:

☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of registrant as specified in its charter: **AREIT, INC.**
3. Province, country or other jurisdiction of incorporation or organization: **REPUBLIC OF THE PHILIPPINES**
4. SEC Identification Number: **CS200613870**
5. BIR Tax Identification Code: **006-346-689**
6. Address of principal office: **28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City 1226**
7. Registrant's telephone number: **(632) 7908 3804**
8. Date, time and place of the meeting of stockholders:

Date: December 11, 2025

Time: 10:00 A.M.

Place: To conducted virtually through

<https://conveneagm.com/ph/AREIT2025SSM>

To be presided by the Chairman in Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City

9. Approximate date on which the Information Statement is first to be sent or given to stockholders:

Date: November 19, 2025

10. In case of Proxy Solicitations

Name of Person Filing the Statement/Solicitor	AREIT, Inc.
Address and Telephone No.	28th Floor Tower One and Exchange Plaza Ayala Triangle, Ayala Avenue Makati City, 1226 (632) 7908 3804

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the Revised Securities Act:

- a. Shares of stock as of September 30, 2025

<u>Title of each class</u>	<u>Par value</u>	<u>No. of shares</u>	<u>Amount</u>
Common	₱ 10.00	3,783,086,132	₱ 37,830,861,320.00

- b. Debt securities as of September 30, 2025: **₱2,000,000,000.00**

12. Are any or all of registrant's securities listed in a stock exchange?

☒ Yes ☐ No

1,576,240,780 common shares are listed in the Philippine Stock Exchange (“PSE”).¹

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

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of stockholders (hereafter, the “special stockholders’ meeting” or “meeting”)

- a. **Date** December 11, 2025
 Time 10:00 A.M.
 Place To conducted virtually through
 <https://conveneagm.com/ph/AREIT2025SSM>
 To be presided by the Chairman in Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City
 Principal Office 28th Floor, Tower One and Exchange Plaza
 Ayala Triangle, Ayala Avenue, Makati City, 1226
- b. Approximate date when the Information Statement is first to be sent to stockholders:
- The Information Statement may be accessed by the Company’s stockholders beginning November 19, 2025 at the Company’s website, <https://areit.com.ph>.

The enclosed Proxy and Voting Instruction is solicited for and on behalf of the Company for use in connection with the Special Stockholders’ Meeting of the Company on December 11, 2025.

Item 2. Dissenter’s right of appraisal

Under Sections 41 and 80, Titles IV and X, respectively of the Revised Corporation Code of the Philippines (“Revised Corporation Code”), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of corporate funds by the Company in any other corporation or business or for any purpose other than the primary purpose of the Corporation.

Sections 41 and 81 of the Revised Corporation Code provides:

“Section 41. Power to Invest Corporate Funds in Another Corporation or Business or for Any Other Purpose. – Subject to the provisions of this Code, a private corporation may invest its funds in any other corporation, business, or for any purpose other than the primary purpose for which it was organized, when approved by a majority of the board of directors or trustees and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, or by at least two-thirds (2/3) of the members in the case of nonstock corporations at a meeting duly called for the purpose. Notice of the proposed investment and the time and place of the meeting shall be addressed to each stockholder or member at the place of residence as shown in the books of the corporation and deposited to the addressee in the post office with postage prepaid, served personally, or sent electronically in accordance with the rules and regulations of the Commission on the use of electronic data message, when allowed by the bylaws or done with the consent of the stockholders: Provided, That any dissenting stockholder shall have appraisal right as provided in this Code: Provided, however, That where the investment by the corporation is reasonably necessary to accomplish its primary purpose as stated in the articles of incorporation, the approval of the stockholders or members shall not be necessary.

Section 81. How Right is Exercised. - The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the

corporation for the payment of the fair market value of shares held within thirty (30) days from the date on which the vote was taken: Provided, That the failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholders' shares, or the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom, shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the share to the corporation."

No matters or actions that may give rise to a possible exercise by stockholders of their appraisal rights will be taken up at the meeting.

Item 3. Interest of certain persons in or opposition to matters to be acted upon

None of the current Directors or Executive Officers of the Company have any personal involvement or substantial interest, either direct or indirect, by security holdings or otherwise, in the matters to be acted upon, other than election to office.

No Director has informed the Company of his opposition to any matter to be acted upon.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting securities and principal holders thereof

- (a) **Number of shares outstanding as of September 30, 2025:**
3,715,756,162 common shares

Number of votes per share: One (1) vote per share

- (b) All stockholders of record as of November 12, 2025 (the "Record Date") are entitled to notice and to vote at the annual stockholders' meeting.

- (c) **Manner of voting**

Article II, Section 7 of the By-Laws of the Company (the "By-Laws") provide:

"Section 7 - Unless otherwise provided by law, each stockholder entitled to vote may vote in person, through remote communication, in absentia, electronically or otherwise or be represented by proxy at any regular or special stockholders' meeting, subject to compliance with rules and regulations as may be issued by the Securities and Exchange Commission from time to time. At all meetings of the stockholders, all elections and all questions, except in cases where hereunder specified or where other provision is made by statute or by the Articles of Incorporation, shall be decided by the majority vote of the stockholders present in person, through remote communication, in absentia, electronically or otherwise or by proxy, a quorum being present. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him. (as amended in a meeting of the Board of Directors and stockholders on September 26, 2018; and as further amended in a meeting of the Board of Directors on October 22, 2020 and later ratified on June 14, 2021, pursuant to the delegation by the stockholders to the Board of Directors of the power to amend the By-Laws on 23 April 2021.)"

Stockholders may vote on the resolutions for approval at the meeting by appointing the Chairman of the Meeting as their proxy or electronically *in absentia* using the online web address, <https://conveneagm.com/ph/AREIT2025SSM>, subject to validation procedures. A stockholder voting electronically or *in absentia* shall be deemed present for purposes of quorum. The detailed instructions for electronic voting *in absentia* are set forth in Annex A.

Method of Voting: Straight and Cumulative Voting

In all items for approval, each share of stock entitles its registered owner as of the Record Date to one (1) vote. As explained in Item 20 below, stockholders will only be allowed to vote by appointing the Chairman of the meeting, or its alternates, as their proxy or electronically *in absentia* using the online web address, <https://conveneagm.com/ph/AREIT2025SSM>.

(d) Security ownership of certain record and beneficial owners and management

(i) Security ownership of record and beneficial owners of more than 5% as October 31, 2025:

TITLE OF CLASS OF SHARES	NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	PERCENT OF OUTSTANDING SHARES
Common	Ayala Land, Inc. (ALI) ¹ 31F, Tower One and Exchange Plaza Ayala Triangle Ayala Ave., Makati City	Ayala Land, Inc. ²	Filipino	1,567,728,665	42.191%
Common	PCD Nominee Corporation (Filipino) ³ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁴	Filipino	1,088,673,036	29.299%
Common	AyalaLand Malls, Inc. ⁵	AyalaLand Malls, Inc. ⁶	Filipino	287,186,771	7.729%
Common	Buendia Christiana Holdings Corp. ⁷	Buendia Christiana Holdings Corp. ⁸	Filipino	199,109,438	5.359%

(ii) Security ownership of directors and management (Executive Officers) as of October 31, 2025:

TITLE OF CLASS OF OUTSTANDING SHARES	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF TOTAL OUTSTANDING SHARES
Directors				
Common	Anna Ma. Margarita B. Dy	1 (direct)	Filipino	0.000%
Common	Alberto M. De Larrazabal	1 (direct)	Filipino	0.000%
Common	Maria Theresa D. Marcial	1 (direct)	Filipino	0.000%
Common	Jose Eduardo A. Quimpo II	1 (direct)	Filipino	0.000%
Common	Mariana Beatriz E. Zobel de Ayala	1 (direct)	Filipino	0.000%
Common	Sherisa P. Nuesa	242,900 (indirect)	Filipino	0.007%
Common	Omar T. Cruz	962,901 (direct & indirect)	Filipino	0.026%
Common	Enrico S. Cruz	2,550,001 (direct & indirect)	Filipino	0.069%

¹ ALI is the principal stockholder of the Company.

² Under the By-Laws of ALI and the Revised Corporation Code, the ALI Board has the power to decide how ALI's shares are to be voted.

³ PCD is not related to the Company.

⁴ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote in absentia or through the Chairman of the meeting as proxy. Out of the 1,088,673,036 common shares registered in the name of PCD Nominee Corporation (Filipino), 222,634,800 or 5.992% of the outstanding capital stock is for the account of the Government Service Insurance System (GSIS). GSIS has not coordinated with the Company for the submission of SEC Form 18-A for beneficially owning more than 5% of the Company's common shares.

⁵ AyalaLand Malls, Inc. is an affiliate of the Company for having ALI as their common stockholder owning at least 10% of their outstanding capital stock.

⁶ The Board of AyalaLand Malls, Inc. has the power to decide how the shares are to be voted.

⁷ Buendia Christiana Holdings Corporation is a related party of the Company.

⁸ The Board of Buendia Christiana Holdings Corporation has the power to decide how the shares are to be voted.

CEO and most highly compensated officers					
Common	Anna Ma. Margarita B. Dy (same as above)	-	-	-	-
Common	Alberto M. De Larrazabal (same as above)	-	-	-	-
Common	Ma. Teresa R. Famy	22,000	(indirect)	Filipino	0.001%
Common	Rowena P. Libunao	0		Filipino	0.000%
Other Officers					
Common	Maria Franchette M. Acosta	0		Filipino	0.000%
Common	Ma. Florence Therese dG. Martinez-Cruz	1,700	(indirect)	Filipino	0.000%
Common	Roscoe M. Pineda	0		Filipino	0.000%
All Directors and Officers as a group		3,779,507			0.102%

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

(iii) Voting trust holders of 5% or more

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

(iv) Changes in control

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

(e) Foreign owned shares as of October 31, 2025:

TYPE OF SHARES	TOTAL OUTSTANDING SHARES	SHARES OWNED BY FOREIGNERS	PERCENT OF OWNERSHIP
Common	3,715,756,162	152,040,447	4.092%

Item 5. Directors and executive officers

Article III, Section 2 of the By-Laws provides in part:

"Section 2. Number and Term of Office. The Board of Directors shall have eight (8) members who shall be elected by the stockholders entitled to vote at the annual stockholders' meeting, and shall hold office for one (1) year and until their successors are elected and qualified in accordance with these By-laws. (and as further amended in a meeting of the Board of Directors on October 22, 2020 and later ratified on June 4, 2021, pursuant to the delegation by the stockholders to the Board of Directors of the power to amend the By-Laws on 23 April 2021.)"
xxx.

All matters pertaining to the Directors and Executive Officers of the Company were part of the Definitive Information Statement for the Company's Annual Stockholders' Meeting which was held on April 24, 2025. No matter shall be taken up during the Special Stockholders' Meeting in relation to the directors and executive officers.

Item 6. Compensation of directors and executive

All matters pertaining to the compensation of Directors and Executive Officers of the Company were part of the Definitive Information Statement for the Company's Annual Stockholders' Meeting which was held on April 24, 2025. No matter shall be taken up during the Special Stockholders' Meeting in relation to the compensation directors and executive officers.

Item 7. Independent public accountants

The principal accountant and external auditor of the Company is the accounting firm of Isla Lipana & Co. (PWC) (Isla Lipana).

All matters pertaining to the Company's independent public accountant were part of the Definitive Information Statement for the Company's Annual Stockholders' Meeting which was held on April 24,

2025. No matter shall be taken up during the Special Stockholders' Meeting in relation to the Company's independent public accountant.

Item 8. Compensation Plans

No matter or action relating to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or issuance of securities other than for exchange

(a) Decrease and Increase in Authorized Capital Stock

The authorized capital stock is being proposed to be decreased by retiring the Corporation's existing 67,329,970 treasury common shares:

<u>From</u>	<u>To</u>	<u>Reason</u>
<u>₱40,500,000,000.00</u>	<u>₱39,826,700,300.00</u>	<u>Retirement of non-reissuable Treasury Shares</u>

Simultaneously with the decrease, the authorized capital stock is being proposed to be increased by 1,717,329,970 common shares:

<u>From</u>	<u>To</u>	<u>Reason</u>
<u>₱39,826,700,300.00</u>	<u>₱57,000,000,000.00</u>	<u>Enable the Company to grow its assets under management through various modes of acquisition, including a property-for-share swap</u>

An amendment to the Seventh Article of the Corporation's Articles of Incorporation will be submitted for approval during the special stockholders' meeting. The said amendment seeks to decrease the Corporation's authorized capital stock through the retirement of the 67,329,970 treasury common shares and likewise, increase the Corporation's authorized capital stock by 1,717,329,970 common shares, bringing the authorized capital stock of the Corporation to Fifty-Seven Billion Pesos (₱57,000,000,000.00) divided into Five Billion Seven Hundred Million (5,700,000,000) common shares. The sequence of the decrease and increase, and the resulting authorized capital stock are as follows:

	No. of Common Shares	Par Value	Authorized Capital Stock
Current	4,050,000,000	₱10.00	₱40,500,000,000.00
Proposed Decrease (Treasury Shares)	(67,329,970)	₱10.00	(₱673,299,700.00)
Resulting Capital Stock Post-Decrease	3,982,670,030	₱10.00	₱39,826,700,300.00
Proposed Increase	1,717,329,970	₱10.00	₱17,173,299,700.00
Resulting Capital Stock Post-Increase	<u>5,700,000,000</u>	<u>₱10.00</u>	<u>₱57,000,000,000.00</u>

The decrease in authorized capital stock is due to the retirement of non-reissuable treasury shares. The decrease has no effect to creditors and shareholders. The increase in authorized capital stock is to enable the Corporation to infuse more assets through various acquisitions including property-for-share swaps. Such infusions will increase the Assets Under Management of the Corporation and eventually redound to the benefit of its shareholders.

(b) Amount of Securities to be Authorized or Issued

To be presented for the approval of the stockholders is the issuance of 441,131,656 primary common shares (the "Shares") to ALI, and its subsidiary, Summerhill Commercial Ventures Corp.⁹ ("Summerhill"), in exchange for two (2) commercial buildings located in Cebu and Pasig City, with an aggregate value of ₱19,475,962,612.40 (the "Properties"), independently evaluated and recommended to the Company by AREIT Fund Managers, Inc. ("AFMI") under a property-for-share swap with an issue price of ₱44.15 per share ("Transaction Price"), set at a premium over the thirty (30)-day volume

⁹ 100% owned by ALI.

weighted average price (“30-day VWAP”) or the Market Price¹⁰ of ₱43.93, and as validated by a fairness opinion issued by FTI Consulting Philippines, Inc. (“FTI Consulting”), attached hereto as Annex “B.” The properties to be infused have been evaluated by AFMI and have been appraised by the Company’s property appraiser, Cuervo Appraisers, Inc. (“Cuervo”). The Valuation Reports issued by Cuervo are collectively attached hereto as Annex “C.”

The Company will ensure that ALI will sell some of its AREIT shareholdings before the approval of the Securities and Exchange Commission of the Transaction to ensure compliance with the minimum public ownership requirements imposed upon the Company. The relevant disclosures on the sale of shareholdings will be made in due course once its terms are finalized.

(c) **Description of the Registrant’s Securities**

The Company’s current authorized capital stock is Forty Billion Five Hundred Million Pesos (₱40,500,000,000) divided into Four Billion Fifty Million (4,050,000,000) common shares, with a par value of Ten Pesos (₱10.00) per share. As of February 28, 2025, 3,277,195,955 shares of the Company are issued, with 3,209,865,985 outstanding and 67,329,970 held in treasury. Stockholders of the Company enjoy full dividend and voting rights in accordance with the Revised Corporation Code, pro-rata to their shareholdings. Pursuant to the Seventh Article of the Company’s Articles of Incorporation, no stockholders of any class shall be entitled to any pre-emptive right to purchase, subscribe for, or receive any part of the shares of the Company, whether issued from its unissued capital, increase in its authorized capital, or its treasury stock. There are no class of shares which enjoy preferential rights as to voting or dividends.

(d) **Nature and approximate amount of consideration received or to be received by the Company and amounts devoted to each purpose**

i. *Decrease and Increase in Authorized Capital Stock*

The authorized capital stock is being proposed to be decreased by retiring the Corporation’s existing 67,329,970 treasury common shares. Simultaneously with the decrease, the authorized capital stock is being proposed to be increased by 1,717,329,970 common shares. An amendment to the Seventh Article of the Corporation’s Articles of Incorporation will be submitted for approval during the special stockholders’ meeting. The said amendment seeks to decrease the Corporation’s authorized capital stock through the retirement of the 67,329,970 treasury common shares and likewise, increase the Corporation’s authorized capital stock by 1,717,329,970 common shares, bringing the authorized capital stock of the Corporation to Fifty-Seven Billion Pesos (₱57,000,000,000.00) divided into Five Billion Seven Hundred Million (5,700,000,000) common shares. The sequence of the decrease and increase, and the resulting authorized capital stock are as follows:

	No. of Common Shares	Par Value	Authorized Capital Stock
Current	4,050,000,000	₱10.00	₱40,500,000,000.00
Proposed Decrease (Treasury Shares)	(67,329,970)	₱10.00	(₱673,299,700.00)
Resulting Capital Stock Post-Decrease	3,982,670,030	₱10.00	₱39,826,700,300.00
Proposed Increase	1,717,329,970	₱10.00	₱17,173,299,700.00
Resulting Capital Stock Post-Increase	<u>5,700,000,000</u>	<u>₱10.00</u>	<u>₱57,000,000,000.00</u>

Subject to the approval of the shareholders, 441,131,656 out of the 1,717,329,970 common shares subject of the increase is proposed to be issued to ALI and Summerhill, in exchange for identified properties owned by ALI and Summerhill valued at Nineteen Billion Four Hundred Seventy-Five Million Nine Hundred Sixty-Two Thousand Six Hundred Twelve and 40/100 (₱19,475,962,612.40), under a property-for-share swap with an issue price of ₱44.15, set at a premium over the 30-day VWAP or the Market Price of ₱43.93, as validated by a fairness opinion issued by FTI Consulting. The rest of the common share subject of the increase will be used for future acquisitions and allowable investments in accordance with Republic Act No. 9856, otherwise known as the Real Estate Investment Trust Act of 2009, and its implementing rules and regulations (REIT Law).

¹⁰ *Market Price* means the volume weighted average of the closing price for a period of thirty (30) trading days prior to the approval of the transaction (PSE Consolidated Listing and Disclosure Rules, Rule V, Section 3, paragraph (a)). Transaction date refers to the approval of the Board of Directors when issue price was set, or the meeting of the Board of Directors on October 28, 2025.

The decrease and increase in authorized capital stock of AREIT, and the subscription of ALI and Summerhill to AREIT's common shares in exchange of identified commercial properties through a property-for-share swap were approved by the Board of Directors on October 28, 2025.

ii. *Issuance of shares to ALI and Summerhill*

The Company, ALI, and Summerhill will execute a property-for-share swap transaction whereby the Company will issue the Shares to ALI and Summerhill (as illustrated in Table 2 below) in exchange for the following identified properties valued at Nineteen Billion Four Hundred Seventy-Five Million Nine Hundred Sixty-Two Thousand Six Hundred Twelve and 40/100 (P19,475,962,612.40) (the "Transaction"), at the Transaction Price of P44.15 per share, set at a premium over the 30-day VWAP of P43.93 or the Market Price.

Table 1 – Properties Subject of Property-For-Share Swap

PROPERTY	REGISTERED OWNER	FAIR MARKET VALUE (IN PHP)	TRANSACTION VALUE (IN PHP)
Ayala Center Cebu Mall	ALI	16,033,711,000.00	15,313,825,379.80
Feliz Mall	Summerhill*	4,351,901,000.00	4,162,137,232.60
Total		P 20,385,612,000.00	P19,475,962,612.40

*Summerhill is a wholly-owned subsidiary of ALI. (collectively, the "Properties")

Table 2 – Breakdown of Shares to be Issued to ALI and Summerhill

STOCKHOLDER	NUMBER OF SHARES
ALI	346,859,012
Summerhill	94,272,644
TOTAL	441,131,656

The Properties will be used by ALI and the Subsidiaries as payment for the Shares. The Transaction will be implemented as a tax-free exchange and is supported by a fairness opinion on the valuation of the Shares and of the Properties prepared and issued by FTI Consulting, an independent fairness opinion provider accredited by both the SEC and the Philippine Stock Exchange ("PSE"). The Properties have been evaluated by AFMI and have been appraised by Cuervo.

The range of fair values indicated in the fairness opinion issued by FTI Consulting are as follows:

Table 3 – FTI Consulting Range of Fair Values for the Properties

PROPERTY	LOW ESTIMATE	HIGH ESTIMATE
Ayala Center Cebu Mall	P14,870,000,000.00	P16,016,000,000.00
Feliz Mall	4,156,000,000.00	4,475,000,000.00
Total Range of Market Values	P19,026,000,000.00	P20,490,000,000.00

Table 4 – FTI Consulting Range of Fair Values for AREIT, Inc. Shares
(in PHP millions except for the per share values)

METHOD	EQUITY VALUE		VALUE PER SHARE ¹	
	LOW ESTIMATE	HIGH ESTIMATE	LOW ESTIMATE	HIGH ESTIMATE
Discounted Cash Flows Method	144,899	171,336	39.00	46.11
<i>Cross Checks:</i>				
Volume Weighted Average Price Method	150,718	166,041	40.56	44.69
Comparable Public Companies Method				
EV-to-NTM EBITDA	130,528	154,531	35.13	41.59
Price-to-NTM EPS	133,939	158,391	36.05	42.63
Range of Market Values	P144,899	P171,336	P39.00	P46.11

¹ Total number of shares equal 3,715.76 million based on outstanding shares as of Valuation Date.

Source: FTI Consulting Analysis

* NTM = next twelve months

The matter was approved by the Risk Management and Related Party Transactions Review Committee of the Company (composed of Omar T. Cruz, as Chairman, Enrico S. Cruz, and Sherisa P. Nuesa, all independent directors as members) and ratified by the Board of Directors of the Company by unanimous vote on October 28, 2025.

The Company will apply for the listing of new shares issued to ALI and Summerhill upon approval of all regulatory agencies, and the relevant exchange. The issuance of shares will be submitted for approval of the stockholders. A copy of the Comprehensive Corporate Disclosure will be available in the Company's website <https://areit.com.ph> and in PSE EDGE in due course.

The Company will pay the following appropriate fees in connection with the proposed property-for-share swap:

NATURE OF FEES		AMOUNTS IN (PHP)
(1)	Original Issuance of Shares out of the ACS	
	a. SEC	
	• Filing Fee	38,951,925.22
	• Legal Research Fee	389,519.25
	b. BIR	
	• DST on Original Issuance of Shares	44,113,165.60
(2)	Listing of Shares (PSE)	
	• Processing Fee	50,000.00
	• Additional Listing Fee for Shares-for-Property Swap	19,475,962.61
(3)	Property Transfer (Local Government Units)	
	• Local Transfer Tax	107,785,156.14
	• Registration Fees	97,379,813.06

(e) If the securities are to be issued other than in a public offering for cash, state reasons for the proposed authorization or issuance and the general effect upon the rights of existing stockholders

As the first Philippine Real Estate Investment Trust ("REIT") successfully listed and true to its commitment to diversify and expand its portfolio through constant, accretive asset infusions, AREIT aspires to further grow its leasing portfolio with prime and stable assets. Since its IPO, AREIT has delivered on its growth plan, resulting in a 99% total shareholder return from dividend yield and price appreciation, based on the closing price of ₱43.10 on October 27, 2025.

AREIT started with 153 thousand square meters equivalent to ₱30 billion of Assets Under Management ("AUM") in 2020. By December 2021, this has grown to 549 thousand square meters, equivalent to ₱53 billion in AUM. At the close of 2022, AREIT expanded to 673 thousand square meters, equivalent to ₱64 billion in AUM. In September 2023, AREIT further grew its portfolio to 861 thousand square meters and ₱87 billion in AUM, nearly tripling its size since AREIT went public, exceeding its target to double in size within two years from its IPO. By end 2024, AREIT's portfolio stands at 1.03 million square meters of building gross leasable area and 286 hectares of industrial land, with an AUM of ₱117.3 billion. In September 2025, AREIT further grew its building portfolio to over 1.39 million square meters in gross leasable area and 286 hectares of industrial land totaling ₱138.3 billion in AUM. With this asset infusion, AREIT will further grow its building portfolio to over 1.76 million square meters in gross leasable area and 286 hectares of industrial land and bring up its AUM to ₱158 billion. The new asset infusion of prime commercial buildings will expand, balance, and diversify AREIT's retail portfolio to capture growth opportunities across various types of real estate and key cities and growth centers in the country.

The Properties are expected to contribute further to AREIT's operating cashflows, boosting dividends per share. At an average capitalization rate of 6.82%, the Properties were valued based on a stable level of operating income and the expected yield of the property after considering long-term sustainable growth of 3% for office, mall and hotel assets. AREIT's dividend yield is approximately 5.4% from its existing assets based on the 30-day VWAP of ₱43.93. Hence, the asset-for-share swap will be accretive after the new assets are infused.

(f) Valuation

FTI Consulting was engaged by the Company for the issuance of the independent fairness opinion and valuation for the property-for-share swap. FTI Consulting was selected for their competency,

experience, and ability to deliver under a tight timeline. They have a long track record of providing professional services in the Philippines and is a market-leading global consulting firm that offers a comprehensive suite of services, including services for mergers and acquisitions, project finance advisory, valuation and purchase price allocation, and financial model preparation and review, among others.

The Company and all parties to the property-for-share swap have no special instruction or imposed no limitation to FTI Consulting that will compromise the independence of the latter and will invalidate the fairness opinion.

The Properties are valued at ₱19,475,962,612.40 within the range of values provided in the Fairness Opinion by FTI Consulting and the Appraisal Reports issued by Cuervo.

FTI Consulting used the Discounted Cashflows (“DCF”) Approach as the primary method to estimate the fair value of the Shares and Properties. Under the DCF approach, FTI Consulting discounted the cashflows of AREIT and the Properties based on a weighted average cost of capital (“WACC”) using the Capital Asset Pricing Model for the office asset and Built-up Method for the mall and hotel assets. The Comparable Public Companies Method and Volume Weighted Average Price Method were used as secondary methods to cross-check the value of the AREIT shares. The Direct Capitalization Approach was used to cross-check the value of the Properties.

Item 10. Modification or Exchange of Securities

The Company will not be presenting any matter or act involving the modification of any class of the Company’s securities or the issuance or authorization for issuance of one class of the Company’s securities in exchange for outstanding securities of another class during the meeting.

Item 11. Financial and other information

The audited financial statements as of December 31, 2024, Management’s Discussion and Analysis, market price of shares and dividends and other data related to the Company’s financial information were attached as Annex “C” to Definitive Information Statement for the Company’s Annual Stockholders’ Meeting which was held on April 24, 2025. The schedules required under Part IV(C) of Revised SRC Rule 68 were included in the Annual Report (Form 17-A) of the Company which was filed to the SEC and PSE on April 14, 2025.

The most recent Quarterly Report (SEC Form 17-Q) of the Company for the second quarter 2025 is attached herewith as Annex “D.”

Item 12. Mergers, consolidations, acquisitions and similar matters

There is no proposed merger, consolidation, sale or liquidation of the Company that will be presented during the meeting.

Item 13. Acquisition or disposition of property

Background of the Transaction

The acquisition of properties owned by ALI and Summerhill valued at Nineteen Billion Four Hundred Seventy-Five Million Nine Hundred Sixty-Two Thousand Six Hundred Twelve and 40/100 Pesos (₱19,475,962,612.40) in exchange for the issuance of 441,131,656 primary common shares to ALI and Summerhill, via a property-for-share swap, will be presented to the stockholders for approval. AFMI has recommended the acquisition of the Properties after independent valuation of the assets, based on the Properties’ background, track record, and available third-party appraisal and valuation reports, and in accordance with the Company’s investment policy.

The Company, ALI and Summerhill will execute a property-for-share swap transaction whereby the Company will issue the Shares to ALI and Summerhill (*as illustrated in Table 2 above*) in exchange for the following identified properties valued at ₱19,475,962,612.40 (the “Transaction”), at an issue price of ₱44.15 per share (“Transaction Price”).

Table 1 – Properties Subject of Property-For-Share Swap

PROPERTY	REGISTERED OWNER	FAIR MARKET VALUE (IN PHP)	TRANSACTION VALUE (IN PHP)
Ayala Center Cebu Mall	ALI	16,033,711,000.00	15,313,825,379.80
Feliz Mall	Summerhill*	4,351,901,000.00	4,162,137,232.60
Total		₱20,385,612,000.00	₱19,475,962,612.40
<i>*Summerhill is a wholly-owned subsidiary of ALI. (collectively, the “Properties”)</i>			

An overview of the Properties are as follows:

	AYALA CENTER CEBU MALL	FELIZ MALL
Location	Cebu City	Pasig City
Year Completed	1994	2017
Description	Flagship Mall	Lifestyle Mall
Project Owner	Ayala Land, Inc.	Summerhill Commercial Ventures Corp.
GLA (sq. m)	214,337	160,521
2025 Occupancy	91%	81%
Right over Land	Leasehold	Leasehold
Landowner	Ayala Land, Inc.	Summerhill Commercial Ventures Corp.
Land Lease Term	50 years	50 years
Master Lease Escalation	3%	3%

Table 2 – Breakdown of Shares to be Issued to ALI, and Summerhill

Stockholder	Number of Shares
ALI	346,859,012
Summerhill	94,272,644
TOTAL	441,131,656

The Properties will be used by ALI and Summerhill as payment for the Shares. The Transaction will be implemented as a tax-free exchange and is supported by a fairness opinion on the valuation of the Shares and of the Properties prepared and issued by FTI Consulting, an independent fairness opinion provider accredited by both the SEC and the PSE. The Properties have been evaluated by AFMI and have been appraised by Cuervo.

The infusion of the Properties into AREIT is in line with the objective of AREIT and its Sponsor, ALI to grow the asset base of AREIT through the infusion of several high-quality assets to maximize value accretion for AREIT's shareholders.

The Transaction is subject to the approval of AREIT stockholders at the Company's special meeting to be held on December 11, 2025.

AREIT will apply for the additional listing of the Shares resulting from the Transaction. The final Transaction Price is set at a premium over the 30-day VWAP of ₱43.93 or the Market Price. In accordance with the PSE Rules Article V, Part A, Section 3, paragraph (a), “Market Price” means the volume weighted average of the closing prices for a period of thirty (30) Trading Days prior to the transaction or the date of the approval of the Board of Directors. As such, the Transaction falls within the Exceptions to the conduct of a rights or public offering requirement of the PSE Rules, thus:

“ARTICLE V
ADDITIONAL LISTING OF SECURITIES

PART A
GENERAL

SECTION 3. Exceptions to the Rights or Public Offering Requirement – The Exchange shall grant an exception to the rights or public offering requirement in the following cases:

- (a) The transaction price for the shares subscribed is set at a premium over the prevailing market price. Market Price shall mean the weighted average of the closing prices for a period of thirty (30) Trading Days prior to the transaction;

***"

The exchange of the Shares for the Properties will qualify as a tax-free exchange under Section 40(C)(2) of the Tax Code, as amended, which provides that:

"Section 40. Determination of Amount and Recognition of Gain or Loss –

(C) Exchange of Property – * * *

(2) Exception. – * * *

No gain or loss shall also be recognized on a corporation or on its stock or securities if such corporation is a party to a reorganization and exchanges property in pursuance to a plan of reorganization solely for stock or securities in another corporation that is a party to the reorganization. A reorganization is defined as: ***

No gain or loss shall also be recognized if property is transferred to a corporation by a person alone or together with others, not exceeding four (4) persons, in exchange for stock or unit of participation in such a corporation of which as a result of such exchange the transferor or transferors, collectively, gains or maintains control of said corporation: *Provided*, That stocks issued for services shall not be considered as issued in return for property. ****"

Section 40(C)(2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of *Commissioner of Internal Revenue vs. Filinvest Development Corporation* (G.R. No. 167689, 9 July 2011), to mean that a tax-free exchange applies when the controlling person gains "further control" or transfers where the transferor already has control of the corporation at the time of the exchange.

Further, the case of *Commissioner of Internal Revenue vs. Lucio L. Co, et al.* (G.R. No. 241424, 26 February 2020) reiterated that Section 40(C)(2) applies even in cases where the transferors collectively gain or maintains control of the transferor, as such the Supreme Court "clarified that it is not necessary that, after the exchange, each of the transferors individually gains control of the transferee corporation." The Court explained that the application of Section 40(C)(2) "does not prohibit instances where the transferor gains further control of the transferee corporation" and that "the element of control is satisfied even if one of the transferors is already owning at least 51% of the shares of the transferee corporation, as long as after the exchange, the transferors, not more than five, collectively increase their equity in the transferee corporation by 51% or more."

The Company expects to execute the Deed of Exchange and file the application for approval of the original issuance of shares with the SEC within December 2025, and the issuance of the Certificates Authorizing Registration ("eCAR") with the relevant office of the Bureau of Internal Revenue ("BIR") within the first half of 2026. The SEC's approval of the Transaction is expected to be issued within the first half of 2026, and the BIR's eCAR issuance is expected to be issued within the first half of 2026. The Company shall likewise apply for the additional listing of shares with the Exchange by the second half of 2026. The indicative timetable for implementation of the Transaction is as follows:

Table 5 – Indicative Timetable for Implementation

MILESTONE	INDICATIVE TIMETABLE
Special Stockholders' Meeting	October 28, 2025
Deed of Exchange Execution	December 2025
SEC Approval	
(Issuance of Shares and Transaction)	1H 2026
Issuance of CAR	1H 2026
PSE Listing of Additional Shares	2H 2026

Nature and amount of consideration

The Properties were valued by the Company at ₱19,475,962,612.40 and the Transaction Price of ₱44.15 per share set at a premium over the 30-day VWAP or Market Price of ₱43.93. Both valuations for the Shares and the Properties fall within the range of fair values identified by FTI Consulting and the Appraisal Reports issued by Cuervo.

The Company will issue the Shares to ALI and the Subsidiaries at an issue price of ₱44.15 per share, set at a premium over the 30-day VWAP or the Market Price of ₱43.93 which is based on AFMI's valuation of the shares, and which the Company believes is fair to both the Company, as the issuer, and ALI and the Subsidiaries, as the subscribers. The issue price of ₱44.15 per share is within the range of fair values based on the fairness opinion issued by FTI Consulting.

Subject to regulatory approvals, including the BIR's eCAR issuance allowing the transfer of properties to AREIT as a tax-free exchange under the Tax Code, as amended, and SEC's approval of the original issuance of shares to ALI and the Subsidiaries, the Transaction will close upon the listing of the shares with the PSE.

Valuation

FTI Consulting used the Discounted Cashflows ("DCF") Approach as the primary method to estimate the fair value of the Shares and Properties. Under the DCF approach, FTI Consulting discounted the cashflows of AREIT and the Properties based on a weighted average cost of capital ("WACC") using the Capital Asset Pricing Model. The Comparable Public Companies Method and Volume Weighted Average Price Method were used as secondary methods to cross-check the value of the AREIT shares. The Direct Capitalization Approach was used to cross-check the value of the Properties.

Identities of the Beneficial Owners

Table 6 – Identity of Beneficial Owners of the Shares Subscribed

Beneficial Owners/ Subscribers	Nature of Business	Nature of any material relationship with the Issuer and the parties to the transaction, their directors/officers or any of their affiliates
Ayala Land, Inc.	ALI is a public corporation organized under the laws of the Philippines. ALI is the largest property developer in the Philippines with a solid track record in developing large-scale, integrated, mixed-use, sustainable estates that are thriving economic centers in their respective regions. ALI holds a balanced and complementary mix of residential developments, shopping centers, offices, hotels and resorts, and other businesses.	<p>ALI is the Sponsor of AREIT and, as of date hereof, directly and indirectly owns 61.25% of AREIT shares, as follows:</p> <p>ALI – direct ownership of 1,567,728,665 shares equivalent to 42.19%</p> <p>AyalaLand Malls, Inc. (ALMI) – direct ownership of 287,186,771 shares equivalent to 7.73% (ALMI is 100% owned by ALI)</p> <p>Northbeacon Commercial Corporation (NBCC) – direct ownership of 55,382,567 shares equivalent to 1.49% (NBCC is 100% owned by ALI)</p> <p>Greenhaven Property Ventures, Inc. (Greenhaven), a wholly-owned subsidiary of Ayala Hotels and Resorts Corporation (AHRC), a wholly-owned subsidiary of ALI – direct ownership of 77,505,974 shares equivalent to 2.09%</p>

		<p>Cebu Insular Hotel Co., Inc. (Cebu Insular), a subsidiary of ALI and AHRC – direct ownership of 38,326,934 shares equivalent to 1.03%</p> <p>Accendo Commercial Corp. (Accendo), a subsidiary of ALI, the latter owning 67% of Accendo – direct ownership of 112,424,084 shares equivalent to 3.03%</p> <p>Cagayan de Oro Gateway Corp. (CDOGC), a subsidiary of ALI, the latter owning 70% of CDOGC – direct ownership of 133,334,821 shares equivalent to 3.59%</p>
Summerhill Commercial Ventures Corp.	Summerhill is organized primarily to engage in the business of owning, holding, using, selling, assigning, transferring, mortgaging, pledging, exchanging, or otherwise disposing of real and personal property of any kind. It owns and operates AyalaMalls Feliz located in Pasig City.	Summerhill is a wholly-owned subsidiary of ALI.

Ownership Structure of the Company Before and After the Transaction

Table 7 – Ownership Structure of the Company Before and After the Transaction

STOCKHOLDER	CURRENT (BEFORE PROPERTY FOR SHARE SWAP)		INDICATIVE POST-TRANSACTION (AFTER THE PROPERTY FOR SHARE SWAP)	
	NUMBER OF SHARES	PERCENTAGE OF OWNERSHIP	NUMBER OF SHARES	PERCENTAGE OF OWNERSHIP
ALI	1,567,728,665	42.19%	1,766,587,677	42.50%
ALMI	287,186,771	7.73%	287,186,771	6.91%
NBCC	55,382,567	1.49%	55,382,567	1.33%
Greenhaven	77,505,974	2.09%	77,505,974	1.86%
Cebu Insular	38,326,934	1.03%	38,326,934	0.92%
BCHC	199,109,438	5.36%	199,109,438	4.79%
Accendo	112,424,084	3.03%	112,424,084	2.70%
CDOGC	133,334,821	3.59%	133,334,821	3.21 %
Summerhill	-	-	94,272,644	2.27%
Directors and Officers	3,779,507	0.10%	3,779,507	0.09%
Non-ALI/Public	1,240,977,401	33.40%	1,388,977,401	33.41%
TOTAL	3,715,756,162	100.00%	4,156,887,818	100.00%

The Company shall ensure that ALI sells some of its AREIT shareholdings prior to the approval by the SEC of the Transaction to ensure compliance with the minimum public ownership requirements imposed upon the Company. The relevant disclosures on the sale of shareholdings, as well as the Reinvestment Plan for the proceeds received by ALI from the sale of the shareholdings will be made in due course. The Transaction and the sale of ALI's shareholdings in the Company will not reduce the public float.

Item 14. Restatement of accounts

The accounting policies adopted will be disclosed in the Company's audited financial statements for full year 2025 and the Company's Definitive Information Statement for its Annual Stockholders' Meeting to be held on April 2026.

D. OTHER MATTERS

Item 15. Action with respect to reports

There are no matters or actions to be taken in the Special Stockholders' Meeting with respect to the Company's reports.

Item 16. Matters Not Required to be Submitted

There are no other matters or actions to be taken in the meeting that will not require the vote of the stockholders as of the record date.

Item 17. Amendment of Charter, By-laws or Other Documents

The approval of the stockholders will be sought for the following changes to the authorized capital stock and the corresponding amendment to the Articles of Incorporation of the Company, as approved by the Board of Directors during its regular meeting on October 28, 2025:

- (a) Decrease in the authorized capital stock by retiring the Corporation's existing 67,329,970 treasury common shares. Upon approval by the SEC of the decrease, the authorized capital stock of the Corporation will be revised from Forty Billion Five Hundred Million Pesos (P40,500,000,000.00), in lawful money of the Philippines, divided into Four Billion Fifty Million (4,050,000,000) common shares with a par value of Ten Pesos (P10.00) per share, to Thirty-Nine Billion Eight Hundred Twenty-Six Million Seven Hundred Thousand Three Hundred Pesos (P39,826,700,300.00), in lawful money of the Philippines, divided into Three Billion Nine Hundred Eighty-Two Million Six Hundred Seventy Thousand Thirty (3,982,670,030) common shares with a par value of Ten Pesos (P10.00).

The Corporation's 67,329,970 treasury common shares are considered retired and no longer re-issuable. The number of authorized capital stock is thereby reduced accordingly as stated above.

<u>From</u>	<u>To</u>	<u>Reason</u>
<u>P40,500,000,000.00</u>	<u>P39,826,700,300.00</u>	<u>Retirement of non-reissuable Treasury Shares</u>

- (b) Simultaneously, the authorized capital stock is being proposed to be increased from the resulting decrease at Thirty-Nine Billion Eight Hundred Twenty-Six Million Seven Hundred Thousand Three Hundred Pesos (P39,826,700,300.00), in lawful money of the Philippines, divided into Three Billion Nine Hundred Eighty-Two Million Six Hundred Seventy Thousand Thirty (3,982,670,030) common shares with a par value of Ten Pesos (P10.00), by One Billion Seven Hundred Seventeen Million Three Hundred Twenty-Nine Thousand Nine Hundred Seventy (1,717,329,970) common shares to a total authorized capital stock of Fifty-Seven Billion Pesos (P57,000,000,000.00), in lawful money of the Philippines, divided into Five Billion Seven Hundred Million (5,700,000,000) common shares with a par value of Ten Pesos (P10.00). The changes in the authorized capital stock are as follows:

	No. of Common Shares	Par Value	Authorized Capital Stock
Current	4,050,000,000	P10.00	P40,500,000,000.00
Proposed Decrease (Treasury Shares)	(67,329,970)	P10.00	(P673,299,700.00)
Resulting Capital Stock Post-Decrease	3,982,670,030	P10.00	P39,826,700,300.00
Proposed Increase	1,717,329,970	P10.00	P17,173,299,700.00
Resulting Capital Stock Post-Increase	<u>5,700,000,000</u>	<u>P10.00</u>	<u>P57,000,000,000.00</u>

<u>From</u>	<u>To</u>	<u>Reason</u>
<u>P39,826,700,300.00</u>	<u>P57,000,000,000.00</u>	<u>Enable the Company to grow its assets under management through various modes of acquisition, including a property-for-share swap</u>

- (c) Accordingly, the Seventh Article of the Articles of Incorporation is sought to be amended to increase the authorized capital stock of the Company to Fifty-Seven Billion Pesos (P57,000,000,000.00), in lawful money of the Philippines, divided into Five Billion Seven Hundred Million (5,700,000,000) common shares with a par value of Ten Pesos (P10.00). As proposed to be amended, Article VII of the Articles of Incorporation will read as follows:

SEVENTH: The authorized capital stock of the Corporation is **Fifty-Seven Billion Pesos (P57,000,000,000.00)**, in lawful money of the Philippines, divided into **Five Billion Seven**

Hundred Million (5,700,000,000) Common Shares with a par value of Ten Pesos (₱10.00) per share.

No stockholders of any class shall be entitled to any pre-emptive right to purchase, subscribe for, or receive any part of the shares of the Corporation, whether issued from its unissued capital, increase in its authorized capital, or its treasury stock. *(as amended on December 20, 2006; further amended on May 11, 2008; further amended on July 6, 2015; further amended in a meeting of the Board of Directors and stockholders on September 26, 2018; as further amended by the Board of Directors and stockholders on March 16, 2021 and April 23, 2021, respectively; as further amended by the Board of Directors and stockholders on February 24, 2023 and April 26, 2023, respectively; **and as further amended by the Board of Directors and stockholders on October 28, 2025 and December 11, 2025, respectively**)*

Item 18. Other proposed actions

There are no other matters or actions to be taken up in the meeting.

Item 19. Voting procedures

(a) Vote required

The affirmative vote of at least a majority of the outstanding capital stock entitled to vote and represented at the special stockholders' meeting is required for the approval of the matters presented to the stockholders for decision, except for the decrease and increase of the authorized capital stock and the corresponding amendment of the Articles of Incorporation which require the affirmative vote of at least two-thirds of the outstanding capital stock of the Company.

(b) Method of Voting

Each voting share of stock entitles its registered owner as of the Record Date to one (1) vote. As explained in Item 20 below, stockholders will only be allowed to vote *in absentia*, *electronically* or *by proxy*.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this Information Statement, and shall be received by the Corporate Secretary at 37/F, Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226 or by email at corporate.secretary@areit.com.ph on or before December 1, 2025.

A stockholder may vote electronically *in absentia* using the online web address, <https://conveneagm.com/ph/AREIT2025SSM>, subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

All votes will be counted and tabulated by the Proxy Validation Committee of the Company and the results will be validated by an independent third party.

Item 20. Participation of Shareholders by Remote Communication

Pursuant to the Company's By-Laws, the Chairman, acting on the authority delegated by the Board of Directors during its meeting on October 28, 2025, approved the conduct of the meeting in a fully virtual format. Stockholders may only attend the meeting by remote communication, as set forth below, and by voting *in absentia*, electronically or by proxy as provided in Item 4(c) and Item 19 above.

The live webcast of the meeting shall be accessible through the following online web address: <https://conveneagm.com/ph/AREIT2025SSM> to shareholders who registered in the Convene AGM (the "Voting System"). Access to the Meeting livestream will be available on the Stockholder's dashboard in the Voting System on the date set for the Meeting as indicated in the Company's Notice of Meeting. To enable the Company to identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Company by email to corporate.secretary@areit.com.ph on or before December 1, 2025, of their participation in the meeting by remote communication.

Stockholders may email questions or comments prior to or during the meeting to the following email address: corporate.secretary@areit.com.ph. The detailed instructions for participation through remote communication are set forth in Annex A (II).

Item 21. Acceptance of Stockholder Proposals on Agenda Item (for updating)

Stockholders of record as of November 12, 2025 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before December 4, 2025.¹¹

* * *

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on 11 November 2025.

AREIT, INC.

By: **MARIA FRANCHETTE M. ACOSTA** 
Corporate Secretary

* * *

¹¹ The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.

ANNEX “A”

2025 SPECIAL STOCKHOLDERS’ MEETING
OF
AREIT, INC.
(THE “MEETING”)

REQUIREMENTS AND PROCEDURE FOR
ELECTRONIC VOTING *IN ABSENTIA*
AND
PARTICIPATION BY REMOTE COMMUNICATION

Electronic voting *in absentia* and participation by remote communication shall be allowed only through complete registration and successful validation in ConveneAGM (the “Voting System”).

I. ELECTRONIC VOTING IN ABSENTIA

1. Stockholders as of November 12, 2025 (“Stockholders”) have the option of electronic voting *in absentia* on the matters in the Agenda after complete registration and successful validation in the Voting System. Only votes cast by duly validated stockholders would be included in the preliminary and final tally of votes.
2. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to the Voting System. To register in the Voting System, Stockholders shall simply follow the instructions sent in the e-mail.
3. Otherwise, Stockholders may access the link <https://conveneagm.com/ph/AREIT2025SSM> to create an account and register in the Voting System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 5 below. Once the online registration form has been completed and validated, the digital ballot will be available for the Stockholders to cast their votes.
4. All registered accounts shall be subject to validation requirements set forth in Item 5 below. The deadline for registration to vote *in absentia* is December 1, 2025. Registered stockholders may vote until the end of the meeting. The Voting System will be open for registration on **November 24, 2025**.
5. The following are needed for registration:
 - 5.1 For individual Stockholders –
 - 5.1.1 A scanned-copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.1.2 A valid and active e-mail address;
 - 5.1.3 A valid and active contact number;
 - 5.2 For Stockholders with joint accounts –

A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.3 For Stockholders under Broker accounts –
 - 5.3.1 A broker’s certification on the Stockholder’s number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.3.2 A scanned copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 5.3.3 A valid and active e-mail address;
 - 5.3.4 A valid and active contact number;

5.4 For corporate Stockholders –

- 5.4.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
- 5.4.2 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file-size should be no larger than 12MB;
- 5.4.3 A valid and active e-mail address of the Stockholder's representative;
- 5.4.4 A valid and active contact number of the Stockholder's representative.

Important Note:

Incomplete or inconsistent information may result in an unsuccessful registration. As a result, Stockholders will not be allowed access to vote electronically *in absentia*, but may still vote by submitting a duly accomplished proxy form, on or before December 1, 2025.

- 6. The validation process in the Voting System will be completed by the Company no later than three (3) business days from the date of the Stockholder's complete registration. The Stockholder's Dashboard in the Voting System will indicate the status of registration.

Once validated, the Stockholder will receive an e-mail confirmation on their successful registration. Registered Stockholders have until the end of the Meeting to cast their votes *in absentia*.

- 7. All agenda items indicated in the Notice of the Meeting will be set out in the digital ballot in the Voting System and the registered Stockholder may vote as follows:

- 7.1 For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all shares of the registered Stockholder.
- 7.2 For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

The votes cast electronically *in absentia* will have equal effect as votes cast by proxy.

Stockholders may still cancel or change their votes until the end of the voting period.

- 8. The Committee of Inspectors of Proxies and Ballots will tabulate all votes cast electronically *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

II. PARTICIPATION BY REMOTE COMMUNICATION

- 1. Stockholders as of November 12, 2025 ("Stockholders") intending to participate by remote communication should notify the Company by email on or before December 1, 2025. Together with the notification, Stockholders should provide validation requirements as follows:

1.1. For individual Stockholders –

- 1.1.1. A scanned-copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
- 1.1.2. A valid and active contact number;

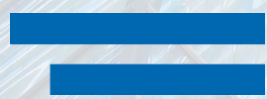
1.2. For Stockholders under Broker accounts –

- 1.2.1. A broker's certification on the Stockholder's number of shareholdings (in JPG or PNG or PDF format). The file size should be no larger than 12MB;

- 1.2.2. A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 1.2.3. A valid and active contact number;
- 1.3. For corporate Stockholders –
 - 1.3.1. A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PNG or PDF format). The file size should be no larger than 12MB;
 - 1.3.2. A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PNG or PDF format). The file-size should be no larger than 12MB;
 - 1.3.3. A valid and active contact number of the Stockholder's representative.
- 1.4 Duly validated proxies appointing the Chairman of the Meeting as proxy shall be counted for quorum and voting purposes. Proxies other than the Chairman of the Meeting must attend remotely through a link to the meeting livestream to be provided by the Company.
- 2. After successful validation, Stockholders will receive an email from ConveneAGM with instructions to sign up for the Meeting livestream. Validated Stockholders who attended the meeting remotely shall be included in the determination of quorum at the Meeting, together with the Stockholders who voted *in absentia* and by proxy. Access to the Meeting livestream will be available on the Stockholder's dashboard in the Voting System on the Meeting date as indicated in the Company's Notice of the Meeting.
- 3. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to corporate.secretary@areit.com.ph.
- 4. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to corporate.secretary@areit.com.ph.

For any clarifications, please contact our Office of the Corporate Secretary through corporate.secretary@areit.com.ph.

* * *



Property-for-Share Swap between AREIT, Inc., Ayala Land, Inc., and Summerhill Commercial Ventures Corp.

Fairness Opinion Report

Annex "B"

STRICTLY PRIVATE & CONFIDENTIAL

28 October 2025

AREIT Fund Managers, Inc.

28F, Tower One & Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City

Attention: Board of Directors of AREIT Fund Managers, Inc.

Re: Fairness Opinion Report

Ladies and Gentlemen:

FTI Consulting Philippines, Inc. ("FTI Consulting") is pleased to submit this Fairness Opinion Report ("Report") covering the property-for-share swap transaction in relation to the planned infusion of certain properties (the "Properties") owned by Ayala Land, Inc. ("ALI"), and Summerhill Commercial Ventures Corp. ("SCVC") into AREIT, Inc. ("AREIT"). ALI and SCVC intend to transfer the Properties to AREIT in exchange for primary shares to be issued by AREIT (the "Transaction").

The Properties consist of two shopping malls (i.e., Ayala Center Cebu Mall in Cebu City owned by ALI and AyalaMalls Feliz in Pasig City owned by SCVC). After the Transaction, ALI and SCVC will continue earning lease income from the malls. They will lease the malls back from AREIT.

In this regard, FTI Consulting has been asked to render an opinion on whether the proposed exchange of AREIT shares for the Properties is fair from a financial point of view.

FTI Consulting conducted a valuation study of AREIT and the Properties in accordance with the International Valuation Standards (“IVS”) to determine the fairness of the consideration to be transferred and consideration to be received by AREIT. The following standards were used:

- IVS 101 Scope of Work
- IVS 102 Bases of Value
- IVS 103 Valuation and Approaches
- IVS 104 Data and Inputs
- IVS 105 Valuation Models
- IVS 106 Documentation and Reporting
- IVS 200 Business and Business Interests
- IVS 400 Real Property Interests*

The Valuation Date is 30 September 2025, with the Philippine Peso (“PHP”) as the Valuation Currency. Market Value (also referred to as “Fair Value”) is the basis of value used in this engagement. Market Value is defined in the IVS as the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

The Philippine Stock Exchange, Inc.’s (“PSE”) Memorandum on Guidelines for Fairness Opinions and Valuation Reports (No. 2011-0104, amended No. 2024-0019) requires a fairness opinion covering the property-for-share swap transactions. Such fairness opinion must be supported by a valuation report.

FTI Consulting is an independent firm accredited by the PSE (PSE Accreditation CN – No. 2024-0063 released on December 13, 2024) for purposes of issuing fairness opinions and valuation reports of listed companies and prospective initial listing applicants of the Exchange in compliance with the PSE Memorandum on Guidelines for Fairness Opinions and Valuation Reports (No. 2011-0104). FTI Consulting is also accredited by the SEC (SEC Accreditation No. 032) as a Professional Services Organization (PSO) in accordance with SEC Memorandum No 2 Series of 2014 (Guideline on Asset Valuation).

*Provisions on valuation approaches and methods

Summary of Findings

The Properties were valued using the Discounted Cash Flows (“DCF”) Method and Direct Capitalization Method under the Income Approach. AREIT, on the other hand, was valued using the DCF Method as the primary method. The Volume Weighted Average Price (“VWAP”) Method and Comparable Public Companies Method under the Market Approach were used as cross-checks. The estimated valuation ranges of the Properties and AREIT as of the Valuation Date are presented in Exhibits 1 and 2, respectively.

Exhibit 1. Valuation Summary – Properties

Properties	Low Estimate	High Estimate
In PHP millions		
Ayala Center Cebu Mall	14,870	16,016
AyalaMalls Feliz	4,156	4,475
TOTAL RANGE OF MARKET VALUES	19,026	20,490

Sources: FTI Consulting Analysis

Exhibit 2. Valuation Summary – AREIT

Method	Equity Value		Value per Share ¹	
In PHP millions except for the per share values	Low Est.	High Est.	Low Est.	High Est.
Discounted Cash Flows Method²	144,899	171,336	39.00	46.11
<i>Cross-checks:</i>				
Volume Weighted Average Price Method	150,718	166,041	40.56	44.69
Comparable Public Companies Method				
EV-to-NTM EBITDA ²	130,528	154,531	35.13	41.59
EV-to-NTM EBIT ²	133,939	158,391	36.05	42.63
RANGE OF MARKET VALUES	144,899	171,336	39.00	46.11

¹Total number of shares equal 3,715.76 million based on outstanding shares as of Valuation Date

²Working capital, non-operating assets and liabilities, and net debt are based on unaudited balances as of the Valuation Date.

Source: FTI Consulting Analysis

*NTM = next twelve months

Fair Range of AREIT shares to be Exchanged

Given the range of market values of the Properties and the range of market values per share of AREIT, we determined the range of AREIT shares to be issued which is considered fair from a financial point of view as shown in Exhibit 3.

Exhibit 3. Fair Range of AREIT Shares to be Issued

Summary	Range of Market Values	
	Low Estimate	High Estimate
Amounts in PHP millions, except price per share		
Ayala Center Cebu Mall	14,870	16,016
AyalaMalls Feliz	4,156	4,475
AREIT (PHP/share) ¹	39.00	46.11
Fair Range of AREIT Shares to be Exchanged (in millions)	Low Estimate	High Estimate
Ayala Center Cebu Mall	322.49	410.70
AyalaMalls Feliz	90.13	114.75
Total Fair Range of AREIT Shares to be Exchanged	412.62	525.45

¹Rounded to two decimal places for presentation purposes

Source: FTI Consulting Analysis

Valuation Conclusion and Fairness Opinion

Exhibit 4 shows the comparison of the fair range of AREIT shares to be issued calculated by FTI Consulting and the proposed number of shares to be issued by AREIT's management in the Transaction.

Exhibit 4. Comparison of the Fair Range of AREIT Shares to be Issued and the Proposed Number of Shares to be Issued by AREIT

Total Number of Shares	Fair Range of Shares to be Issued		Proposed Number of Shares to be issued by AREIT
In Millions	Low	High	
Ayala Center Cebu Mall	322.49	410.70	346.86
AyalaMalls Feliz	90.13	114.75	94.27
Total number of shares	412.62	525.45	441.13

Source: FTI Consulting Analysis, AREIT Management

Given that the shares to be issued by AREIT fall within our fair ranges of shares that AREIT can issue in exchange for the Properties (as seen in Exhibit 4), we are of the opinion that the proposed Transaction is considered fair from a financial point of view.

Statement of Limitations

- This Report opines solely on the fairness of the number of shares to be issued by AREIT and the valuation of the Properties and AREIT. It does not opine as to the operational merits or strategic rationale of the Transaction.
- In the preparation of the valuation report, FTI Consulting relied on available information and records, including but not limited on the representation of AREIT, ALI, SCVC, audited and unaudited financial statements and such other relevant supporting documents.
- While our work may include an analysis of financial and accounting data, our work does not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls, or other attestation or review services in accordance with standards established by the Auditing and Assurance Standards Council ("AASC"). Accordingly, we do not express an opinion or any other form of assurance on the financial statements of the AREIT and the Properties or any financial or other information.
- With respect to prospective financial information relative to the AREIT and the Properties referenced throughout the valuation report, we did not examine, compile, or apply agreed-upon procedures to such information in accordance with standards established by the AASC and we express no assurance of any kind on such information. There will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We take no responsibility for the achievability of the expected results anticipated by the Management.
- Management is responsible for any and all financial information provided to us during the course of our work.

Statement of Compliance

- The Report is reviewed and approved by the Senior Managing Directors of FTI Consulting. The Report is not approved by an internal committee.
- The Report does not express an opinion about the fairness of the compensation in the Transaction to any of AREIT's, ALI's, SCVC's directors, officers, or employees relative to the compensation to AREIT's, ALI's, and SCVC's shareholders.
- FTI Consulting did not act as a financial advisor to any party to the Transaction and did not or will not receive a payment that is contingent on the successful completion of the Transaction, for rendering the fairness opinion.
- There is no material relationship between FTI Consulting and any party to the Transaction. During the prior two years, as it relates to the Transaction, FTI Consulting has not received or intends to receive compensation as a financial advisor.
- Information with respect to AREIT's and the Properties' operations and account balances purported to be in effect and described in our valuation report was obtained primarily through analyses provided by and discussions with AREIT's, ALI's, and SCVC's management ("Management").
- FTI Consulting performed appropriate analysis to evaluate inputs and assumptions, and their appropriateness for the valuation purpose.
- Members of FTI Consulting, particularly those who are registered Certified Public Accountants, Chartered Financial Analysts, and Chartered Valuer and Appraiser, are compliant with the Code of Ethics of the Philippine Institute of Certified Public Accountants, the CFA Institute Code of Ethics, and and Code for Ethical Principles for Professional Valuers.
- A brief description of FTI Consulting and the educational and professional qualification of its representatives who conducted the valuation is included in our valuation report.

Should you require clarification on any of the matters contained in this Report or any further information, we would be pleased to meet and discuss.

Yours faithfully,

FTI CONSULTING PHILIPPINES, INC.

Suite 2403 24th Floor, Discovery Center,

25 ADB Avenue, Ortigas Center


Pasig City, 1605 Philippines

PSE Accreditation CN-No. 2024-0063

Validity Date: 29 December 2024 to 28 December 2027

SEC Accreditation No. 032

Validity Date: 30 September 2025 to 30 September 2030



John B. Balce

Senior Managing Director

Suite 2403 Discovery Center, 25 ADB Avenue, Ortigas Center

Pasig City, Philippines

PRC License No: 0113153

Validity Date: until 27 June 2028

APO Receipt Number: 46787

PTR Number: 9588865

TIN: 236-703-421



Dominador T. Gregorio III

Senior Managing Director

Suite 2403 Discovery Center, 25 ADB Avenue, Ortigas Center

Pasig City, Philippines

PRC License No: 0057726

Validity Date: until 18 May 2028

APO Receipt Number: 46787

PTR Number: 9588864

TIN: 177-088-250



Valuation Report

Property-for-Share Swap between AREIT, Inc., Ayala Land, Inc., and Summerhill Commercial Ventures Corp.

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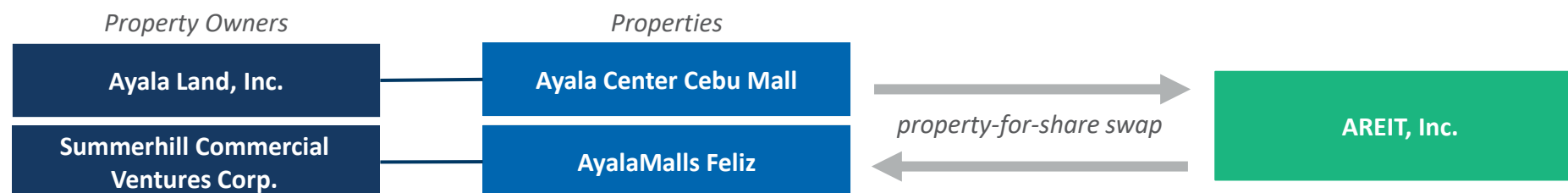
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Executive Summary

Executive Summary

- **Ayala Land, Inc. (“ALI”)** and **Summerhill Commercial Ventures Corp. (“SCVC”)** intend to transfer certain properties (the “Properties”) to **AREIT, Inc. (“AREIT”)** in exchange for primary shares to be issued by AREIT under a property-for-share swap (the “Transaction”).
- The Properties consist of two shopping malls (i.e., Ayala Center Cebu Mall in Cebu City and AyalaMalls Feliz in Pasig City). After the Transaction, ALI and SCVC will lease the malls back from AREIT.



- AREIT, formerly known as One Dela Rosa Property Development, was registered with the Philippine Securities and Exchange Commission (“SEC”) on 4 September 2006 and listed in the Philippine Stock Exchange (“PSE”) on 13 August 2020, primarily to engage in the business of a real estate investment trust as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations (the “REIT Act”), and other applicable laws.
- ALI is one of the leading real estate companies in the Philippines. ALI’s core businesses are strategic landbank management, residential development, retail shopping centers, offices, hotels and resorts. It also offers services in property management and construction. ALI operates the Ayala Center Cebu Mall which started commercial operations in 1994.
- SCVC is 100 percent owned by ALI. It operates AyalaMalls Feliz which started commercial operations in 2017.
- FTI Consulting Philippines, Inc. (“FTI Consulting”) conducted a valuation study of both the Properties and AREIT in accordance with the International Valuation Standards (“IVS”) to determine the fairness of the consideration to be transferred and consideration to be received by AREIT. We considered different methodologies under the Income Approach and Market Approach to value the Properties and AREIT. Detailed discussion of the different valuation methodologies considered in this valuation exercise is presented in *Valuation Approach* section of this report.
- The valuation date is 30 September 2025, with the Philippine Peso (“PHP”) as the Valuation Currency. Market Value (also referred to as “Fair Value”) is the basis of value used in this engagement. Market Value is defined in the IVS as the estimated amount for which an asset or liability should exchange on the between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

Executive Summary

Summary of Findings

The Properties were valued using the Discounted Cash Flows (“DCF”) Method and Direct Capitalization Method under the Income Approach. Based upon discussions with and representations of ALI’s and SCVC’s management, research conducted, and the valuation analyses performed and described herein, the total range of market values of the Properties was estimated within **PHP19,026 million to PHP20,490 million** as of Valuation Date.

Exhibit 1. Valuation Summary – Properties

Properties	Low Estimate	High Estimate
In PHP millions		
Ayala Center Cebu Mall	14,870	16,016
AyalaMalls Feliz	4,156	4,475
TOTAL RANGE OF MARKET VALUES	19,026	20,490

Sources: FTI Consulting Analysis

Executive Summary

Summary of Findings

AREIT was valued using the DCF Method as the primary method. The Volume Weighted Average Price (“VWAP”) Method and Comparable Public Companies Method under the Market Approach were used as cross-checks. Based upon discussions with and representations of AREIT’s management, research conducted, and the valuation analyses performed and described herein, the range of market values of AREIT is within **PHP144,899 million to PHP171,336 million** or **PHP39.00 to PHP46.11** on a per share basis as of Valuation Date.

Exhibit 2. Valuation Summary – AREIT, Inc.

Method	Equity Value		Value per Share ¹	
	Low Estimate	High Estimate	Low Estimate	High Estimate
In PHP millions except for the per share values				
Discounted Cash Flows Method²	144,899	171,336	39.00	46.11
<i>Cross-checks:</i>				
Volume Weighted Average Price Method	150,718	166,041	40.56	44.69
Comparable Public Companies Method				
EV-to-NTM EBITDA ²	130,528	154,531	35.13	41.59
EV-to-EBIT ²	133,939	158,391	36.05	42.63
RANGE OF MARKET VALUES	144,899	171,336	39.00	46.11

¹Total number of shares equal to 3,715.76 million based on outstanding shares as of 30 September 2025

²Working capital, non-operating assets and liabilities, and net debt are based on unaudited balances as of the Valuation Date.

Source: FTI Consulting Analysis

*NTM = next twelve months



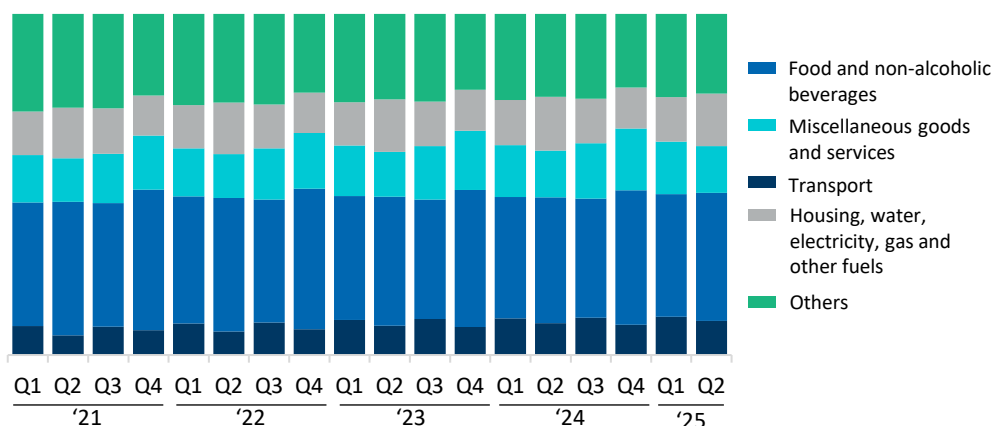
Market Overview

Market Overview

The Philippine Property Sector

- In the second quarter of 2025, the Philippines recorded a 5.5 percent year-on-year growth in Gross Domestic Product (“GDP”).
 - Real estate and ownership of dwellings sector contributed 5.5 percent share in the country’s GDP in the second quarter of 2025.

Household Final Consumption Expenditure by purpose, in PHP billions

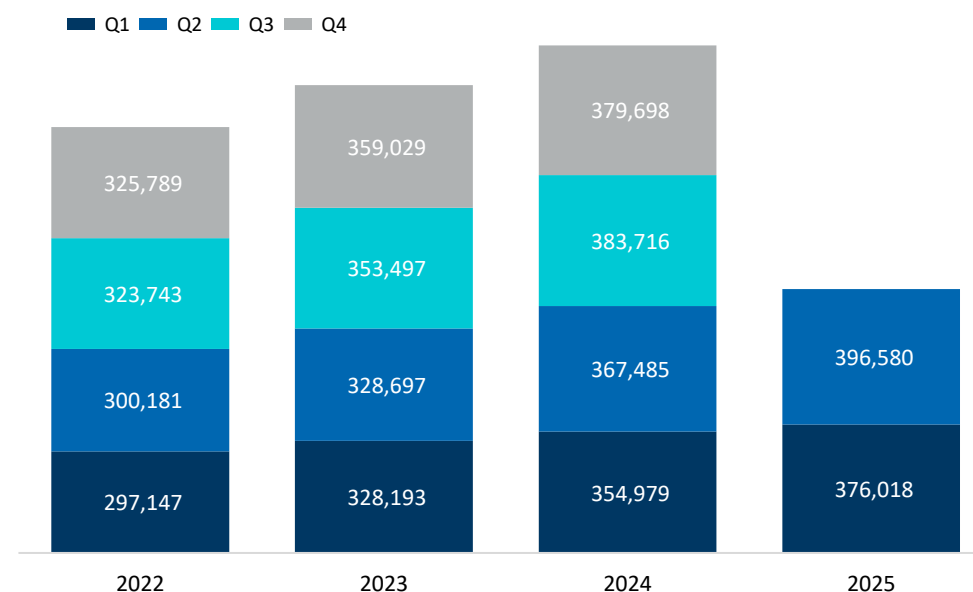


Source: Philippine Statistics Authority

- This economic growth in GDP was underpinned by strong domestic demand components.
 - Household Final Consumption Expenditure (“HFCE”) grew by 5.5 percent year-on-year as of 2Q25, with Food and non-alcoholic beverages as the leading contributors, followed by Housing, water, electricity, gas and other fuels.
 - This sustained, high level of consumer spending directly translates into favorable forecasts on the demand for physical retail spaces in 2H25, particularly for food and beverage establishments as they prepare for the holiday season.

Sources: Philippine Statistics Authority, Colliers

Gross Value Added in Real Estate and Ownership Dwellings At Current Prices, in PHP billions



Source: Philippine Statistics Authority

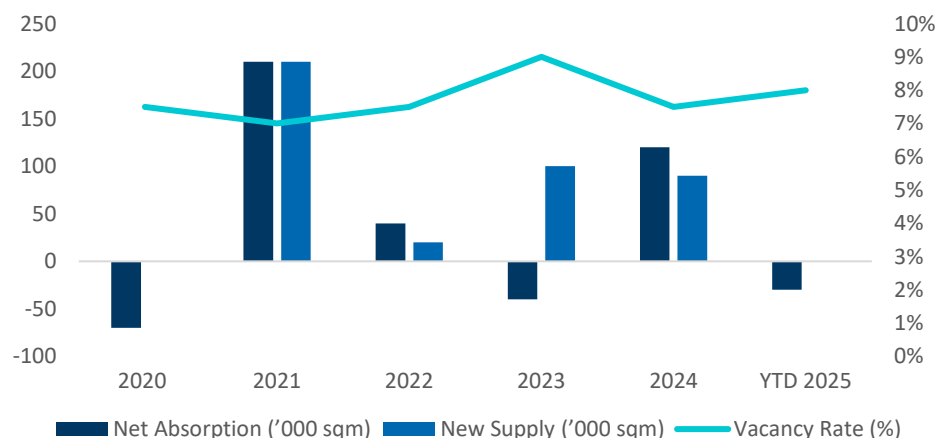
- As seen in the table above, Gross Value Added (“GVA”) in real estate has been accelerating through the years, indicating that the real estate market increasingly contributes to the Philippine economy.
 - Overall, the real estate market indicates a generally positive outlook, with office post-POGO surrenders begin to ease and expansions fueling lease transactions. However, the retail market showed limited activity in 2Q25 as openings slow down. International tourism is also falling behind DOT’s forecast, posing possible hindrances in the growth of the hotel sector.

Market Overview

Malls/Retail

- Research from JLL revealed that the Metro Manila retail market exhibited weak momentum in 2Q25, with a vacancy uptick at 7.5 percent. This is due to the reduced pace of store openings, leaving many spaces available throughout the market.
- To sustain demand, Metro Manila retail operators maintained steady rent prices at an average of PHP1,759 per sqm per month, an overall marginal increase of 0.5 percent per month.
 - Investment activity in retail real estate assets also showed minimal appreciation at PHP239,532 per sqm, though the interest rate cut rate cut of 25 basis points in August 2025 by the Bangko Sentral ng Pilipinas presents favorable economic tailwinds.
 - Moreover, Colliers and economic analysts expect additional cuts in the second half of 2025 to boost consumer spending power and boost retail demand.

Historical Supply and Demand Trends as of 2Q25



Source: JLL

¹Net absorption refers to the change in occupied space in the market over a specified period of time.

- JLL noted that net absorption¹ turned negative at 20,700 sqm in 2Q25, continuing the downtrend from the first quarter. This is largely due to move-outs from Mandaluyong and Muntinlupa. The market remained resilient, with the continued expansion of F&B outlets in key business districts helping to stabilize overall occupancy.
- As of 2Q25, Colliers expects 177,000 sqm of new retail space by the end of the year as tenants anticipate heightened consumer spending due to the holiday season. The positive outlook extends until 2027 considering key future projects like Ayala Malls Parklinks and Arca South.

New & upcoming retailers across malls in Metro Manila, by category



Source: Colliers

- Looking at who's taking up space, F&B is projected to lead with 45 percent of new leases, but the key trend is the aggressive expansion of foreign lifestyle retailers like Nitori, Flying Tiger, and KKV, especially large-format home furnishing brands, according to Colliers.
- Overall, despite the limited activity in the retail market for 1H25, market conditions point to continued growth for the rest of the year with an expected increase new store openings across prime malls in Metro Manila.



Valuation Approach

Valuation Approach

To arrive at our estimates of value, we have considered different methodologies under the Income Approach and Market Approach. The succeeding sections discuss the theoretical basis of both approaches as well as the specific methodologies relevant to the analyses performed.

Income Approach

The Income Approach is based on the premise that the value of an asset is the present value of the future earning capacity that is available for distribution to investors in the asset.

The Income Approach should be used as primary basis of valuation under the following circumstances:

- The income-producing ability of the asset is the critical element affecting value from a participant perspective; and/or
- Reasonable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, comparable assets in the market.

Under the Income Approach, the Discounted Cash Flows Method and Direct Capitalization Method were considered in the valuation analysis.

Discounted Cash Flows Method

This method involves forecasting the asset's appropriate cash flow stream over an appropriate period and discounting the forecasted cash flows back to present value using an appropriate discount rate. This discount rate should consider the time value of money, inflation, and the risk inherent in the ownership of the asset being valued.

Free Cash Flows to the Firm

Free Cash Flows to the Firm ("FCFF") represents the cash flows available for distribution to the capital holders of the asset after all operating expenses have been paid and all necessary investments in working capital and fixed assets have been made, as shown below:

$$FCFF = EBIT \times (1 - \text{Tax rate}) + \text{Noncash Charges} - FCInv - WCInv$$

where:

- EBIT* = Earnings before interest and taxes
- Noncash Charges* = Depreciation and amortization
- FCInv* = Fixed capital investments
- WCInv* = Working capital investments

FCFF are discounted using the weighted average cost of capital ("WACC"). WACC is computed by multiplying the weights of debt and equity in the company's financing by the after-tax costs of debt and equity, respectively. The formula for the calculation of WACC is presented below:

$$WACC = W_d K_d (1 - \text{Tax Rate}) + W_e K_e$$

where:

- W_d = Weight of debt
- W_e = Weight of equity
- K_d = Pre-tax cost of debt
- K_e = Cost of equity

Valuation Approach

The pre-tax cost of debt for the Properties was computed using the weighted average yield to maturity of ALI's listed and outstanding bonds with longer remaining maturities as of Valuation Date, sourced from Bloomberg. For AREIT, a build up method was used by adding an assumed spread to the risk-free rate.

The cost of equity, on the other hand, was computed using the Capital Asset Pricing Model ("CAPM"). CAPM is calculated as follows:

$$K_e = R_f + \beta_L \times MRP + \alpha$$

where: R_f = Risk-free rate
 β_L = Levered beta
 MRP = Market risk premium
 α = Alpha risk premium

The risk-free rate represents the return that would be earned from an investment in risk-free assets such as government bonds, while the market risk premium refers to the difference between the expected market return and the risk-free rate.

Beta measures the sensitivity of a stock's returns to changes in the market and is a measure of systematic risk. Levered beta is the beta of a firm inclusive of the effects of capital structure and is calculated using the Hamada equation, as follows:

$$\beta_L = \beta_U \times [1 + (1 - T) (D/E)]$$

where: β_L = Levered beta of the subject asset
 β_U = Unlevered beta

T = Effective tax rate of the subject asset

D/E = Debt-to-equity ratio

The unlevered beta was derived from the average unlevered beta of comparable publicly traded companies while the debt-to-equity ratio was based on the subject company's target capital structure.

Comparable companies were selected based on their business operations and risks. The process of filtering out the comparable companies considered in our valuation analysis and their corresponding business descriptions are presented in Appendices B, C, E, F, G.

To determine the unlevered betas of comparable companies, the following formula is used:

$$\beta_U = \beta \div [1 + (1 - T) (D/MC)]$$

where: β_U = Unlevered beta of comparable company
 β = Adjusted beta of comparable company
 T = Effective tax rate of comparable company
 D/MC = Debt-to-market capitalization ratio of comparable company

Please refer to Appendices D and H for the details of the unlevered beta computation.

Lastly, an alpha risk premium was added to the cost of equity to account for company-specific risks, such as size difference.

Valuation Approach

Direct Capitalization Method

This method values an asset by capitalizing the net operating income (“NOI”) at a predetermined capitalization rate. The formula for the Direct Capitalization Method is as follows:

$$\text{Value} = \text{Net Operating Income} / \text{Capitalization Rate}$$

Net operating income is the amount of income remaining after deducting vacancy and collection losses, and operating expenses from potential gross income.

The applied capitalization rate in the valuation exercise equals a pre-tax discount rate less an expected terminal growth rate.

Given that the agreements to the subject properties have a total finite term of 50 years (comprising a 25-year base period and a 25-year renewal), an adjusted approach to the Direct Capitalization Method was adopted to account for the limited duration of the income stream.

Market Approach

The Market Approach references actual transactions in the equity of the company being valued or transactions in similar companies that are traded in the public markets. Third-party transactions in the equity of a company generally represent the best estimate of fair market value if they are done at arm’s length.

This approach should be used as the primary basis for valuation under the following circumstances:

- The subject company has recently been sold in a transaction appropriate for consideration under the basis of value;
- The subject company or substantially similar companies are actively publicly traded; and/or
- There are frequent and/or recent observable transactions in substantially similar companies.

Under the Market Approach, the Comparable Public Companies Method and Volume Weighted Average Price Method were considered in the valuation analysis.

Valuation Approach

Comparable Public Companies Method

This method involves identifying and selecting publicly-traded companies with financial and operating characteristics similar to the subject company being valued.

Once comparable companies are identified, valuation multiples can be derived, adjusted for comparability, and then applied to the subject company's corresponding fundamental data to estimate the value of its equity.

Per IVS, this method should be used only when the subject company is sufficiently similar to the publicly traded comparable companies to allow for meaningful comparison.

We used S&P Capital IQ in extracting comparable companies and their corresponding multiples. The process of filtering out the comparable companies considered in our valuation analysis and their corresponding business descriptions are presented in Appendices B, C, E, F, G.

Volume Weighted Average Price ("VWAP") Method

This method involves analysis of the value of the company's shares based on its historical trading volume and price. VWAP is commonly used for subject companies that are actively traded. Given that prices may already reflect past and forward-looking available information of the subject company, this method may provide reliable basis of market value.



Valuation Analysis – Properties

Valuation Analysis | Properties Overview

The Properties to be transferred to AREIT comprise of **Ayala Center Cebu Mall** and **AyalaMalls Feliz** (the “Properties”). The following provides a brief overview of the Properties:

Ayala Center Cebu Mall

- Ayala Center Cebu Mall is a 4-storey large shopping mall located at Cebu Business Park, Brgy. Luz, Cebu City.
- Ayala Center Cebu Mall is fully owned by ALI.
- The Transaction involves the transfer of Ayala Center Cebu Mall to AREIT. AREIT will then lease Ayala Center Cebu Mall back to ALI, who will continue the mall’s operations.

AyalaMalls Feliz

- AyalaMalls Feliz is a 5-storey large shopping mall located at Brgy. Amang Rodriguez, cor. J. P. Rizal St., Pasig City.
- AyalaMalls Feliz is fully owned by SCVC.
- The Transaction involves the transfer of AyalaMalls Feliz to AREIT. AREIT will then lease AyalaMalls Feliz back to SCVC, who will continue the mall’s operations.

Valuation Analysis | Properties

Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method:

Discount Rate Estimation - Malls

Inputs to the determination of the WACC used to value the mall properties as of Valuation Date were based on the following parameters:

- Cost of equity was computed using the Capital Asset Pricing Model (“CAPM”).
 - Risk-free rate of 6.03 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
 - Market risk premium of 7.03 percent was obtained from Damodaran's Equity Risk Premium Assessment for the Philippines.
 - Levered beta was derived from the average unlevered beta of comparable companies and then re-levered based on the target capital structure of AREIT.
 - Alpha risk premiums were referenced from the Deciles Size Premia Study by Kroll. A range was considered to reflect the level of risks associated with the projected cash flow streams.
- Pre-tax cost of debt of 6.11 percent was based on weighted average yield to maturity (YTM) of the listed and outstanding bonds of ALI with longer remaining maturities as of Valuation Date, sourced from Bloomberg.

Discount Rate for the Malls As of 30 September 2025	Value (Low)	Value (High)
Risk-free Rate (RFR)	6.03%	6.03%
Market Risk Premium (MRP)	7.03%	7.03%
Unlevered Beta (β_U)	0.40	0.40
Debt-to-Equity Ratio (D/E)	0.43	0.43
Levered Beta (β_L)	0.57	0.57
Alpha Risk Premium (α)	1.24%	0.66%
Cost of Equity (Ke)	11.30%	10.72%
Cost of Debt, pre-tax (Kd)	6.11%	6.11%
Weight of Equity (We)	70.00%	70.00%
Weight of Debt (Wd)	30.00%	30.00%
WACC, rounded	9.75%	9.35%

Sources: Bloomberg, Kroll, ALI Financial Statements, FTI Consulting Analysis

Valuation Analysis | Properties

Discounted Cash Flows Method/Direct Capitalization Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method (cont'd):

Lease Revenues

Mall revenues pertain to AREIT's future lease collections from ALI and SCVC.

Lease revenues are derived from the leaseback of the Properties' leasable area in the master lease agreements between AREIT and ALI, and SCVC ("master tenants").

Lease revenues were estimated based on the lease rates and escalation agreed upon by the AREIT and the master tenants. An escalation rate of 3.0 percent was assumed.

Costs and Operating Expenses

Costs and expenses are composed of business taxes, land lease, management fees, and depreciation. These were based on budgeted amounts by management.

Management fees pertain to fund and property management fees.

The following are the **Key Valuation Inputs and Assumptions** used in the Direct Capitalization Method:

Net Operating Income ("NOI")

The forecasted revenues and cost and expenses in 2026 were used to determine NOI.

Capitalization Rate

The calculated NOI was divided by the capitalization rate to arrive at the estimated market value.

Capitalization rates ranging from 6.35 percent to 6.75 percent were used. The capitalization rates were obtained by obtaining the difference between the pre-tax WACCs of 9.35 percent to 9.75 percent and the terminal growth rate of 3.0 percent.

Valuation Analysis | Properties

Valuation Summary

Based upon discussions with and representations of management, research conducted, and the valuation analyses performed and described herein, the total market values of the Properties were estimated within the range of **PHP19,026 million to PHP20,490 million** as of Valuation Date.

Properties Amounts in PHP millions	FTI Valuation Range		Discounted Cash Flows Method		Direct Capitalization Method	
	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate
Ayala Center Cebu Mall	14,870	16,016	14,870	15,671	15,209	16,016
AyalaMalls Feliz	4,156	4,475	4,156	4,379	4,249	4,475
Total Range of Market Values	19,026	20,490				

Source: FTI Consulting Analysis



Valuation Analysis – AREIT, Inc.

Valuation Analysis | AREIT, Inc.

Company Overview

- **AREIT, Inc.** ("AREIT") was incorporated on 4 September 2006 as a real estate company. It was originally known as One Dela Rosa Property Development, Inc. before changing to its current name on 12 April 2019.
- AREIT is a subsidiary of Ayala Land, Inc ("ALI"), while Ayala Corporation ("AC") is the ultimate parent company.
- It is the first REIT in the Philippines, formed primarily to own and invest in an income-generating commercial portfolio of office, retail, and hotel properties in the country that meets its investment criteria.
- Revenues for the nine-month period ending 30 September 2025 were at PHP9,514.49 million* while net income was at PHP6,957.01 million*, posting a 70.72 percent net margin.
- AREIT's main financial highlights for the nine-month period ending 30 September 2025 are as follows:

Financial Item	Amounts in PHP millions
Total Revenues	9,514.49
Net Income	6,957.01

*Includes PAS 17 Adjustment on revenues
Source: Management

- AREIT was publicly listed on the Philippine Stock Exchange on 13 August 2020.
- As a commercial REIT, AREIT is focused on expanding its office, shopping center, and hotel properties. Its current properties portfolio includes:
 - Ayala North Exchange Properties
 - Teleperformance Cebu
 - The 30th Ayala Malls and Corporate Center
 - Solaris One Building
 - McKinley Exchange Corporate Center
 - Laguna Technopark Industrial Lots
 - Vertis North Mall and Corporate Centers
 - BPI-Philam Life Makati Office Units
 - BPI-Philam Life Alabang Office Units
 - The Bacolod Capitol Corporate Center
 - The Ayala North Point Technohub
 - The One and Two Evotech
 - eBloc Towers 1 to 4
 - Ayala Center Cebu Tower
 - The Tech Tower
 - One Ayala Tower 1 & 2
 - Glorietta BPO 1 & 2
 - Glorietta Mall
 - Marquee Mall
 - Seda Lio
 - Ayala Triangle Gardens Tower 2
 - Holiday Inn
 - Seda Ayala Center Cebu
 - Greenbelt 3 & 5
 - Palauig Lot
 - Abreeza BPO and Mall
 - Centrio BPO and Mall
 - Central Bloc 1 & 2
 - Central Bloc Mall
 - Seda Central Bloc

Valuation Analysis | AREIT, Inc.

Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method:

Discount Rate Estimation

Inputs to the determination of the WACC used to value AREIT as of Valuation Date were based on the following parameters:

- Cost of equity was computed using the Capital Asset Pricing Model (“CAPM”).
 - Risk-free rate of 6.03 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
 - Market risk premium of 7.03 percent was obtained from Damodaran's Equity Risk Premium Assessment for the Philippines.
 - Levered beta was derived from the average unlevered beta of comparable companies and then re-levered based on the target capital structure of AREIT.
 - Alpha risk premium of 1.24 percent was referenced from the CRSP Deciles Size Premia Study by Kroll.
- Pre-tax cost of debt of 6.62 percent was based on risk-free rate with a synthetic spread based on Damodaran's Default Spread table.
- Under the REIT Law, a Philippine REIT is subject to regular income tax, but it can claim as a deduction from its taxable net income any dividend distributed out of its distributable income. Since AREIT has been compliant with the REIT law, the effective tax rate applicable for AREIT is zero percent

Discount Rate For AREIT As of 30 September 2025	Value
Risk-free Rate (RFR)	6.03%
Market Risk Premium (MRP)	7.03%
Unlevered Beta (β_U)	0.28
Debt-to-Equity Ratio (D/E)	0.43
Levered Beta (β_L)	0.40
Alpha Risk Premium (α)	1.24%
Cost of Equity (Ke)	10.08%
Cost of Debt, pre-tax (Kd)	6.62%
Weight of Equity (We)	70.00%
Weight of Debt (Wd)	30.00%
WACC, rounded	9.05%

Sources: Bloomberg, Kroll, AREIT Financial Statements, FTI Consulting Analysis

Valuation Analysis | AREIT, Inc.

Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method (cont'd):

Revenues

- AREIT's revenues consist of rental income and net dues.
- Majority of the rental income is derived from office leases. Other sources of rental income are leases from retail, land, hotel, and parking.
- Net dues pertain to association dues charged to tenants, consisting of Common Usage Service Areas ("CUSA") and utility charges.
- To arrive at the low and high estimates of values, we sensitized lease rates and escalation assumed per office and retail property.
- Occupancy rates were based on management assumptions
- Lease rates were sensitized by taking either the provided management forecasts or the market-based lease rates in the respective locations of each property as of Valuation Date sourced from third-party market studies.
- For the escalation, management assumptions were sensitized by adjusting +/- 100 basis points from the base escalation rate assumed.

Direct Operating Expenses

- Direct operating expenses include outside services, repairs and maintenance ("R&M"), land and building leases, taxes and licenses, management fees, and insurance.
- Utilities expense, outside services and R&M costs were assumed % of rental income based on management assumptions.
- Land and building leases were based on contracted rates per land and building lease agreements.
- Taxes and licenses composed of business tax, real property tax, and other permits.

General and Administrative Expenses

- General and administrative expenses include professional fees, representations, directors' fees, and systems costs.
- Management assumptions were considered, which were generally assumed to grow by the inflation rate over the forecast period.

Valuation Analysis | AREIT, Inc.

Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method (cont'd):

Depreciation Expense

- AREIT uses fair value accounting and as such, no depreciation expense is being recognized.

Capital Expenditures

- Annual recurring maintenance capital expenditures were assumed to be 3.5 percent on average of rental income as provided by management.

Working Capital Requirements

- Working capital requirements were calculated based on the historical average collection and payment periods.

Terminal Value

- The terminal value was determined using Perpetuity Model given the long-term nature of the properties being managed.
- This was derived by dividing the terminal cash flow by the difference between WACC and the terminal growth rate. The terminal cash flow was computed based on last year's explicit forecast period cash flow. The terminal growth rate used was 3.0 percent.

Using the DCF method, the equity value of AREIT as of the Valuation Date was estimated within the range of **PHP144,899 million** to **PHP171,336 million**, or **PHP39.00** to **PHP46.11** on a per share basis.

Valuation Summary (in PHP millions)	Low Estimate	High Estimate
Estimated Value of Operating Assets	149,468	175,905
[-] Net Debt	(1,735)	(1,735)
[+] Non-operating assets and liabilities	(2,834)	(2,834)
Estimated Equity Value	144,899	171,336
Outstanding Shares* (in millions)	3,716	3,716
Estimated Equity Value per Share	39.00	46.11

Source: FTI Consulting Analysis

*Total number of shares equal to 3,715.76 million based on outstanding shares as of 30 September 2025.

Valuation Analysis | AREIT, Inc.

Volume Weighted Average Price Method

- As a cross-check to our DCF valuation and given that the shares of AREIT are listed on the local stock exchange, we also valued AREIT using the Volume Weighted Average Price ("VWAP") method.

- The VWAP method is computed using the following formula:

$$VWAP = \frac{\sum (Stock Price \times Volume Traded)}{\sum Volume Traded}$$

- We considered the stock prices and trading volume of AREIT over a one-year period from the Valuation Date. Stock prices were extracted from S&P Capital IQ and were weighted by their corresponding trading volume.
- Presented to the right are the 1-month, 3-month, 6-month, and 1-year VWAPs of AREIT as of the Valuation Date.
- Using the VWAP method, the equity value of AREIT as of Valuation Date was estimated within the range of **PHP150,718.42 million** to **PHP 166,040.78 million**, or **PHP40.56** to **PHP44.69** on a per share basis.

Valuation Summary	Low Estimate	High Estimate
	1-Year	1-Month
VWAP (in PHP per share)	40.56	44.69
Outstanding Shares* (in millions)	3,715.76	3,715.76
Estimated Equity Value (in PHP millions)	150,718.42	166,040.78

Source: FTI Consulting Analysis

*Total number of shares equal 3,715.76 million based on outstanding shares as of 30 September 2025.

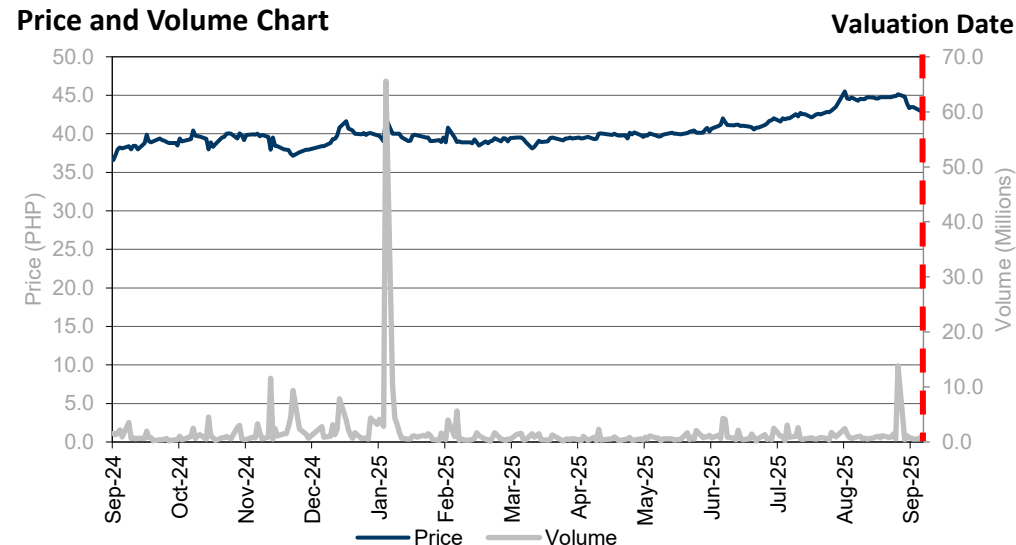
VWAP Computation as of 30 September 2025

Period	Price per Share ¹ (PHP per share)	Equity Value (In PHP millions)
1-year	40.56	150,718.42
6-month	42.08	156,342.64
3-month	43.28	160,819.98
1-month	44.69	166,040.78
VWAP as of 30 September 2025	42.95	159,591.73

¹Rounded to two decimal places for presentation purposes

Sources: Bloomberg, FTI Consulting Analysis

Price and Volume Chart



Sources: S&P Capital IQ, FTI Consulting Analysis

Valuation Analysis | AREIT, Inc.

Comparable Public Companies Method

- The Comparable Public Companies Method was also used as a cross-check to estimate the equity value of AREIT. This method involves the identification of publicly traded companies that are reasonably comparable to AREIT, and the analysis of the valuation indications that the multiples of comparable companies imply when applied to AREIT.
- Philippine REITs were determined as the comparable companies of AREIT. These consist of RL Commercial REIT, Inc. ("RCR"), MREIT, Inc. ("MREIT"), and Filinvest REIT Corp. ("FILRT").
- We examined the price multiples as of the Valuation Date of the selected comparable companies. The EV-to-NTM EBITDA and EV-to-NTM EBIT were considered.
- We took the first and third quartiles of the comparable companies' multiples gathered from S&P Capital IQ to estimate low and high case values. The calculated quartiles were multiplied by the EBITDA and EBIT of AREIT as of Valuation Date, adjusted for net debt, to arrive at the equity values.
- Using the Comparable Public Companies Method, the equity value of AREIT as of the Valuation Date was estimated within the range of **PHP130,528 million to PHP158,391 million**, or **PHP35.13 to PHP42.63** on a per share basis.

Price Multiples of Comparable Public Companies

Comparable Companies	EV-to-NTM EBITDA*	EV-to-NTM EBIT*
RCR	17.67	17.77
MREIT	12.63	12.63
FILRT	N/A	15.87
First Quartile	13.89	14.25
Third Quartile	16.41	16.82

Sources: S&P Capital IQ, PSE Edge, FTI Consulting Analysis

*NTM EBITDA = next twelve months EBITDA

*NTM EBIT = next twelve months EBIT

Implied Equity Values of AREIT using Comparable Public Companies Method

Multiple	Implied Equity Value (In PHP millions)		Value per Share ² (PHP per share)	
	First Quartile	Third Quartile	Low Est.	High Est.
EV-to-NTM EBITDA	130,528	154,431	35.13	41.59
EV-to-NTM EBIT	133,939	158,391	36.05	42.63
Estimated Equity Value	130,528	158,391	35.13	42.63

²Rounded to two decimal places for presentation purposes

Source: FTI Consulting Analysis

Valuation Analysis | AREIT, Inc.

Valuation Summary

Based upon discussions with and representations of AREIT's management, research conducted, and the valuation analyses performed and described herein, the range of market values of AREIT is within **PHP144,899 million to PHP171,336 million** or **PHP39.00 to PHP46.11** on a per share basis as of Valuation Date.

Method	Equity Value		Value per Share ¹	
	Low Estimate	High Estimate	Low Estimate	High Estimate
In PHP millions except for the per share values				
Discounted Cash Flows Method²	144,899	171,336	39.00	46.11
<i>Cross-checks:</i>				
Volume Weighted Average Price Method	150,718	166,041	40.56	44.69
Comparable Public Companies Method				
EV-to-NTM EBITDA ²	130,528	154,531	35.13	41.59
EV-to-NTM EBIT ²	133,939	158,391	36.05	42.63
RANGE OF MARKET VALUES	144,899	171,336	39.00	46.11

¹Total number of shares equal 3,715.76 million based on outstanding shares as of 30 September 2025

²Working capital, non-operating assets and liabilities, and net debt are based on unaudited balances as of the Valuation Date.

Source: FTI Consulting Analysis

*NTM = next twelve months



Valuation Conclusion

Valuation Conclusion

Based upon discussions with and representations of management, research conducted, and the valuation analyses performed and described herein, the market values of the Properties and AREIT are estimated as follows:

	Market Values (In PHP millions)		Value per Share (PHP per share) ¹	
	Low Estimate	High Estimate	Low Estimate	High Estimate
Properties	19,026	20,490		
AREIT, Inc.	144,899	171,336	39.00	46.11

¹Rounded to two decimal places for presentation purposes

Source: FTI Consulting Analysis



Appendices

Appendix A

Glossary of Terms

Term	Definition
Alpha risk premium	Risk premium associated with the level of unsystematic risk or risks specific to the subject company or asset
Beta	Measures the sensitivity of a stock's returns to changes in the market and is a measure of systematic risk
Book Value	Value of an asset or liability according to its balance sheet account balance
BVAL	Bloomberg Valuation
Capitalization rate	Rate of return on a property based on the net operating income that the property generates
CAPM	Capital Asset Pricing Model; Estimates the expected return on an investment given its systematic risk
Comparable companies	Publicly traded companies that are of similar characteristics (such as size, business of operations, or risks) and industry to the enterprise being valued
Comparable Public Companies Method	Valuation method that involves identification of publicly listed companies that are reasonably comparable to the subject company, and analysis of the valuation indications that the multiples of comparable companies imply when applied to the subject company
Cost of debt	The effective interest rate used by a company to pay its debts
Cost of equity	The return that stockholders require for a company; also called as required rate of return on equity
CUSA	Common Usage Service Area
Direct Capitalization Method	A real estate appraisal method that helps in converting income into value
Discount rate	A rate of return used to convert a future monetary sum or cash flow into present value
Discounted Cash Flows Analysis	Involves forecasting the appropriate cash flow stream over an appropriate period and then discounting it back to a present value at an appropriate discount rate
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EBT	Earnings Before Tax
EPS	Earnings per Share
Fairness Opinion	An opinion on whether the financial terms of a proposed corporate transaction are fair to the equity holders of an entity involved
FCFF	Free Cash Flows to the Firm; Represents the cash flows available for distribution to the capital holders of the asset after all operating expenses have been paid and all necessary investments in working capital and fixed assets have been made

Appendix A

Glossary of Terms

Term	Definition
GDP	Gross Domestic Product; The total market value of the goods and services produced by a country's economy during a specified period of time
GICS	Global Industry Classification Standard
GLA	Gross Leasable Area; Amount of floor space available to be rented
IVS	International Valuation Standards
Levered beta	Beta of a firm inclusive of the effects of capital structure
Market capitalization	Measure of the value of a company's value obtained by multiplying the number of shares outstanding by the company's share price
Market risk premium	The difference between the expected return of the market and the risk-free rate of return
Market Value	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
NOI	Net operating income; The amount of income remaining after deducting vacancy and collection losses, and operating expenses from potential gross income
NOPAT	Net Operating Profit After Tax
NTM	Next Twelve Months
Occupancy rate	Ratio of rented or used space to the total amount of available space
PHP	Philippine Peso
Raw beta	Historical beta that represents the relationship of a security's return and return of an index
REIT	Real Estate Investment Trust; A company that owns, operates, or finances income-generating real estate.
Rent roll	Comprehensive list of rental units owned by a landlord providing details such as the unit number and current tenants' lease arrangements
Risk premium	Excess return above the risk-free rate of risky assets
Risk-free rate	The rate of return with zero risk; represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time

Appendix A

Glossary of Terms

Term	Definition
sqm	Square meter
Unlevered beta	Beta of a company without debt; removes the financial effect of leverage
Vacancy Rate	Ratio of vacant or unoccupied space to the total amount of available space
Valuation	The process of establishing the value of an asset or liability
Valuation approach	One of three principal ways of estimating value; each valuation approach includes different methods that may be used to apply the principles of the approach to specific asset types or situations
Valuation date	The date on which the opinion of value applies
VWAP	Volume Weighted Average Price
VWAP Method	Valuation method that involves analysis of the value of the subject company's shares based on its historical trading volume and price
WACC	Weighted Average Cost of Capital; a calculation of a firm's cost of capital in which each source of capital is proportionately weighted

Appendix B

Selection of Comparable Companies | Mall Properties

Using S&P Capital IQ, we obtained the population of public companies with properties in their portfolios which are possibly comparable to the mall properties to be transferred to AREIT in the Transaction. We selected comparable public companies in the 'Retail REITs,' and 'Real Estate Management & Development' industries which operate in Southeast Asia and primarily lease office spaces. The table below presents the selection process of comparable public companies used in the analysis.

Selection Process of Comparable Companies	Number of Comparables Filtered out	Number of Comparables Remaining
GICS Industry Classification: Retail REITs/Real Estate Management & Development		846
Geographic Location: Within Southeast Asia	778	68
Business Line: Retail Space Leasing	61	7
Final Number of Comparable Companies Used		7

Appendix C

Comparable Companies | Mall Properties

Presented below are the selected comparable companies for the DCF Method of the mall Properties.

Comparable Companies	Country	Company Description
Axtra Future City Freehold And Leasehold Real Estate Investment Trust	Thailand	Axtra Future City Freehold And Leasehold Real Estate Investment Trust specializes in investments in freehold and leasehold of 17 shopping malls anchored by a Tesco Lotus hypermarket
Capitaland Malaysia Trust	Malaysia	Capitaland Malaysia Trust focuses on long-term investments in income-producing real estate primarily used for retail purposes. Capitaland Malaysia Trust serves customers in Malaysia.
Frasers Centrepoint Trust	Singapore	Frasers Centrepoint Trust ("FCT") is a leading developer-sponsored retail real estate investment trust ("REIT") and the largest suburban retail mall owner by net lettable area in Singapore with assets under management of approximately \$7.1 billion.
IGB Commercial Real Estate Investment Trust	Malaysia	IGB Commercial REIT (IGBCR) was listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa) on 20 September 2021. It was established with the principal investment policy of investing, directly and indirectly, in a portfolio of income producing real estate used primarily for commercial purposes in Malaysia and overseas.
Lippo Malls Indonesia Retail Trust	Singapore	LMIR Trust is a Singapore-based real estate investment trust established with the principal investment objective of owning and investing, on a long-term basis, in a diversified portfolio of income-producing real estate in Indonesia that are primarily used for retail and/or retail-related purposes.
LH Shopping Centers Leasehold Real Estate Investment Trust	Thailand	LH Shopping Centers Leasehold Real Estate Investment Trust is a real estate investment trust externally managed by Land and Houses Fund Management Company Limited.
Pavilion Real Estate Investment Trust	Malaysia	Pavilion REIT is a real estate investment trust listed on the Main Market of Bursa Malaysia since 7 December 2011 and managed by Pavilion REIT Management Sdn Bhd ("the Manager").

Source: Capital IQ

Appendix D

Unlevered Beta Computation | Mall Properties

The unlevered beta was derived from the average unlevered beta of comparable publicly traded companies. To determine the unlevered betas of comparable companies, the following formula is used:

$$\beta_U = \beta \div [1 + (1 - T) (D/MC)]$$

where:

- β_U = Unlevered beta of comparable company
- β = Adjusted beta of comparable company
- T = Effective tax rate of comparable company
- D/MC = Debt-to-market capitalization ratio of comparable company

Please see table below for the computed unlevered beta for the valuation of the mall Properties.

Comparable Companies	Adjusted Beta ^[1]	Debt-to-Market Cap ^[2]	Effective Tax Rate	Unlevered Beta
Astra Future City Freehold And Leasehold Real Estate Investment Trust	0.67	0.10	0.00%	0.61
Capitaland Malaysia Trust	0.53	1.11	4.13%	0.26
Frasers Centrepoint Trust	0.66	0.41	17.00%	0.49
IGB Commercial Real Estate Investment Trust	0.50	0.60	0.00%	0.31
LH Shopping Centers Leasehold Real Estate Investment Trust	0.60	0.33	0.00%	0.45
Lippo Malls Indonesia Retail Trust	0.69	5.84	81.51%	0.33
Pavilion Real Estate Investment Trust	0.52	0.48	0.00%	0.35
Average				0.40

^[1] Weekly Beta of the comparable companies from the Valuation Date adjusted using the Blume Method

^[2] Computed by dividing comparable companies' total debt balance over market capitalization as of Valuation Date

Sources: Capital IQ, FTI Consulting Analysis

Appendix E

Selection of Comparable Companies | AREIT, Inc.

Using the S&P Capital IQ, we obtained the population of public companies which are possibly comparable to the AREIT. We selected comparable public companies in the 'Office REITs,' 'Retail REITs,' and 'Diversified REITs' industries which operate in Southeast Asia and primarily lease office spaces. The table below presents the selection process of comparable public companies used in the analysis.

Selection Process of Comparable Companies	Number of Comparables Filtered out	Number of Comparables Remaining
GICS Industry Classification: Equity Real Estate Investment Trusts/Real Estate Management & Development		2957
Geographic Location: Within Southeast Asia	2123	474
Business Line: Office and Retail Space Leasing	468	6
Final Number of Comparable Companies Used		6

Appendix F

Comparable Companies | AREIT, Inc.

Presented below are the selected comparable companies for the DCF Method of AREIT.

Comparable Companies	Country	Company Description
AmFIRST REIT	Malaysia	AmFirst Real Estate Investment Trust is engaged mainly in owning and investing in real estate and related assets, through the ownership of single-purpose companies whose principal assets comprise of real estate and real estate-related assets.
Golden Ventures Leasehold REIT	Thailand	Golden Ventures Leasehold REIT operates leasehold properties, focusing on office buildings. The Company invests in properties located in Thailand.
Sentral REIT	Malaysia	Sentral REIT is a real estate investment trust. Its objective is to acquire and invest in commercial properties mainly in Malaysia. The Trust's portfolio includes 10 buildings - 7 of which operate as office / office-cum-retail buildings.
Thailand Prime Property Freehold and Leasehold REIT	Thailand	Thailand Prime Property Freehold and Leasehold REIT invests in real estate properties. Thailand Prime Property Freehold and Leasehold serves customers in Thailand.
UOA Real Estate Investment Trust	Malaysia	UOA Real Estate Investment Trust is a real estate investment trust. The trust invests in and owns commercial real estate and real estate related assets
Wha Business Complex Freehold and Leasehold REIT	Thailand	WHA Business Complex Freehold and Leasehold Real Estate Investment Trust operates as a real estate investment trust.

Source: S&P Capital IQ

Appendix G

Comparable Companies | AREIT, Inc.

Presented below are the selected comparable companies for the Comparable Public Companies Method of AREIT.

Comparable Companies	Country	Business Description
Filinvest REIT Corp.	Philippines	Filinvest REIT Corp. operates as a real estate investment trust. The Company owns and operates office buildings which cater mainly to technology based companies, including those engaged in the business process outsourcing industry and knowledge process outsourcing. Filinvest REIT provides its services throughout Philippines.
MREIT, Inc.	Philippines	MREIT, Inc. operates as a real estate investment trust. The Company leases portfolio of office and commercial assets. MREIT serves customers in Philippines.
RL Commercial REIT, Inc.	Philippines	RL Commercial REIT, Inc. operates as a real estate investment trust. The Company manages a portfolio of office and commercial assets. RL Commercial REIT serves customers in Philippines.

Source: S&P Capital IQ

Appendix H

Unlevered Beta Computation | AREIT, Inc.

The unlevered beta was derived from the average unlevered beta of comparable publicly traded companies. To determine the unlevered betas of comparable companies, the following formula is used:

$$\beta_U = \beta \div [1 + (1 - T) (D/MC)]$$

where: β_U = Unlevered beta of comparable company
 β = Adjusted beta of comparable company
 T = Effective tax rate of comparable company
 D/MC = Debt-to-market capitalization ratio of comparable company

Please see table below for the computed unlevered beta for the valuation of AREIT.

Comparable Companies	Adjusted Beta ^[1]	Debt-to-Market Cap ^[2]	Effective Tax Rate	Unlevered Beta
AmFIRST Real Estate Investment Trust	0.46	3.46	0.00%	0.10
Golden Ventures Leasehold Real Estate Investment Trust	0.61	0.50	0.00%	0.40
Sentral REIT	0.52	1.21	24.00%	0.27
Thailand Prime Property Freehold And Leasehold Real Estate Investment Trust	0.51	0.59	21.36%	0.35
UOA Real Estate Investment Trust	0.44	1.23	24.00%	0.23
Wha Business Complex Freehold And Leasehold Real Estate Investment Trust	0.46	0.40	0.00%	0.33
Average				0.31

^[1] Weekly beta of the comparable companies from the Valuation Date adjusted using the Blume Method

^[2] Computed by dividing comparable companies' total debt balance over market capitalization as of the Valuation Date

Appendix I

DCF Summary – Low Estimate | Properties

Ayala Center Cebu Mall

Amounts in PHP Millions (except Present Value Factors)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
Revenues	-	1,178.00	1,213.34	1,249.74	1,287.23	1,325.84	1,365.62	1,406.59	1,448.79	1,492.25	1,537.02
(-) Operating Expenses	-	(133.21)	(136.78)	(140.46)	(144.25)	(148.15)	(152.16)	(156.30)	(160.56)	(164.95)	(169.48)
(-) Depreciation	-	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	-	760.04	791.81	824.54	858.24	892.96	928.72	965.55	1,003.48	1,042.56	1,082.80
(-) Income Tax	-	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	-	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	-	1,044.78	1,076.55	1,109.28	1,142.98	1,177.70	1,213.45	1,250.29	1,288.22	1,327.30	1,367.54
Present Value Factor	0.98	0.91	0.83	0.76	0.69	0.63	0.57	0.52	0.47	0.43	0.39
Total Discounted Cash Flows to the Firm	-	951.60	893.43	838.70	787.31	739.15	693.94	651.40	611.46	574.04	538.90

Amounts in PHP Millions (except Present Value Factors)	2036F	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F
Revenues	1,583.13	1,630.62	1,679.54	1,729.93	1,781.82	1,835.28	1,890.34	1,947.05	2,005.46	2,065.62
(-) Operating Expenses	(174.13)	(178.93)	(183.87)	(188.96)	(194.20)	(199.60)	(205.16)	(210.89)	(216.79)	(222.86)
(-) Depreciation	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	1,124.26	1,166.95	1,210.93	1,256.23	1,302.89	1,350.94	1,400.44	1,451.42	1,503.93	1,558.02
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	1,408.99	1,451.69	1,495.67	1,540.97	1,587.62	1,635.68	1,685.18	1,736.16	1,788.67	1,842.76
Present Value Factor	0.36	0.33	0.30	0.27	0.25	0.23	0.21	0.19	0.17	0.16
Total Discounted Cash Flows to the Firm	505.84	474.81	445.74	418.44	392.76	368.65	346.07	324.86	304.92	286.19

Appendix I

DCF Summary – Low Estimate | Properties

Ayala Center Cebu Mall

Amounts in PHP Millions (except Present Value Factors)	2046F	2047F	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F
Revenues	2,127.59	2,191.42	2,257.16	2,324.88	2,394.62	2,466.46	2,540.45	2,616.67	2,695.17	2,776.02
(-) Operating Expenses	(229.12)	(235.57)	(242.21)	(249.05)	(256.09)	(263.35)	(270.82)	(278.52)	(286.45)	(294.62)
(-) Depreciation	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	1,613.73	1,671.11	1,730.21	1,791.09	1,853.79	1,918.37	1,984.89	2,053.41	2,123.98	2,196.67
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	1,898.47	1,955.85	2,014.95	2,075.83	2,138.53	2,203.11	2,269.63	2,338.15	2,408.72	2,481.41
	0.14	0.13	0.12	0.11	0.10	0.09	0.08	0.07	0.07	0.06
Total Discounted Cash Flows to the Firm	268.65	252.18	236.69	222.15	208.53	195.74	183.72	172.43	161.85	151.92

Amounts in PHP Millions (except Present Value Factors)	2056F	2057F	2058F	2059F	2060F	2061F	2062F	2063F	2064F	2065F
Revenues	2,859.30	2,945.08	3,033.44	3,124.44	3,218.17	3,314.72	3,416.16	3,516.58	3,622.08	3,730.74
(-) Operating Expenses	(303.03)	(311.69)	(320.61)	(329.81)	(339.27)	(349.02)	(359.07)	(369.41)	(380.07)	(391.04)
(-) Depreciation	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	2,271.54	2,348.66	2,428.08	2,509.90	2,594.16	2,680.96	2,770.35	2,862.43	2,957.28	3,054.96
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	2,556.28	2,633.39	2,712.82	2,794.63	2,878.90	2,965.69	3,055.09	3,147.17	3,242.01	3,339.70
Present Value Factor	0.06	0.05	0.05	0.04	0.04	0.04	0.03	0.03	0.03	0.02
Total Discounted Cash Flows to the Firm	142.58	133.82	125.61	117.90	110.65	103.85	97.48	91.49	85.87	80.58

Appendix I

DCF Summary – Low Estimate | Properties

Ayala Center Cebu Mall

Amounts in PHP Millions (except Present Value Factors)	2066F	2067F	2068F	2069F	2070F	2071F	2072F	2073F	2074F	2075F
Revenues	3,842.66	3,957.94	4,076.68	4,198.98	4,324.95	4,454.70	4,588.34	4,725.99	4,867.77	5,013.81
(-) Operating Expenses	(402.35)	(413.99)	(425.98)	(438.33)	(451.06)	(464.16)	(477.66)	(491.56)	(505.88)	(520.63)
(-) Depreciation	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	3,155.58	3,259.22	3,365.96	3,475.91	3,589.16	3,705.80	3,825.95	3,949.69	4,077.15	4,208.44
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	3,440.32	3,543.96	3,650.70	3,760.65	3,873.90	3,990.54	4,110.68	4,234.43	4,361.89	4,493.17
Present Value Factor	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01
Total Discounted Cash Flows to the Firm	75.64	70.99	66.63	62.53	58.69	55.09	51.70	48.52	45.54	42.74

Market Value of the Property (rounded)	14,870.00
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Appendix I

DCF Summary – High Estimate | Properties

Ayala Center Cebu Mall

Amounts in PHP Millions (except Present Value Factors)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
Revenues	-	1,178.00	1,213.34	1,249.74	1,287.23	1,325.84	1,365.62	1,406.59	1,448.79	1,492.25	1,537.02
(-) Operating Expenses	-	(133.21)	(136.78)	(140.46)	(144.25)	(148.15)	(152.16)	(156.30)	(160.56)	(164.95)	(169.48)
(-) Depreciation	-	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	-	760.04	791.81	824.54	858.24	892.96	928.72	965.55	1,003.48	1,042.56	1,082.80
(-) Income Tax	-	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	-	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	-	1,044.78	1,076.55	1,109.28	1,142.98	1,177.70	1,213.45	1,250.29	1,288.22	1,327.30	1,367.54
Present Value Factor	0.98	0.91	0.84	0.76	0.70	0.64	0.58	0.53	0.49	0.45	0.41
Total Discounted Cash Flows to the Firm	-	955.10	899.99	847.95	798.91	752.79	709.32	668.28	629.60	593.23	558.96

Amounts in PHP Millions (except Present Value Factors)	2036F	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F
Revenues	1,583.13	1,630.62	1,679.54	1,729.93	1,781.82	1,835.28	1,890.34	1,947.05	2,005.46	2,065.62
(-) Operating Expenses	(174.13)	(178.93)	(183.87)	(188.96)	(194.20)	(199.60)	(205.16)	(210.89)	(216.79)	(222.86)
(-) Depreciation	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	1,124.26	1,166.95	1,210.93	1,256.23	1,302.89	1,350.94	1,400.44	1,451.42	1,503.93	1,558.02
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	1,408.99	1,451.69	1,495.67	1,540.97	1,587.62	1,635.68	1,685.18	1,736.16	1,788.67	1,842.76
Present Value Factor	0.37	0.34	0.31	0.29	0.26	0.24	0.22	0.20	0.18	0.17
Total Discounted Cash Flows to the Firm	526.60	496.10	467.43	440.40	414.89	390.85	368.25	346.95	326.84	307.89

Sources: FTI Consulting Analysis

Appendix I

DCF Summary – High Estimate | Properties

Ayala Center Cebu Mall

Amounts in PHP Millions (except Present Value Factors)	2046F	2047F	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F
Revenues	2,127.59	2,191.42	2,257.16	2,324.88	2,394.62	2,466.46	2,540.45	2,616.67	2,695.17	2,776.02
(-) Operating Expenses	(229.12)	(235.57)	(242.21)	(249.05)	(256.09)	(263.35)	(270.82)	(278.52)	(286.45)	(294.62)
(-) Depreciation	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	1,613.73	1,671.11	1,730.21	1,791.09	1,853.79	1,918.37	1,984.89	2,053.41	2,123.98	2,196.67
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	1,898.47	1,955.85	2,014.95	2,075.83	2,138.53	2,203.11	2,269.63	2,338.15	2,408.72	2,481.41
Present Value Factor	0.15	0.14	0.13	0.12	0.11	0.10	0.09	0.08	0.07	0.07
Total Discounted Cash Flows to the Firm	290.08	273.29	257.45	242.52	228.48	215.25	202.77	191.00	179.94	169.52

Amounts in PHP Millions (except Present Value Factors)	2056F	2057F	2058F	2059F	2060F	2061F	2062F	2063F	2064F	2065F
Revenues	2,859.30	2,945.08	3,033.44	3,124.44	3,218.17	3,314.72	3,414.16	3,516.58	3,622.08	3,730.74
(-) Operating Expenses	(303.03)	(311.69)	(320.61)	(329.81)	(339.27)	(349.02)	(359.07)	(369.41)	(380.07)	(391.04)
(-) Depreciation	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	2,271.54	2,348.66	2,428.08	2,509.90	2,594.16	2,680.96	2,770.35	2,862.43	2,957.28	3,054.96
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	2,556.28	2,633.39	2,712.82	2,794.63	2,878.90	2,965.69	3,055.09	3,147.17	3,242.01	3,339.70
Present Value Factor	0.06	0.06	0.05	0.05	0.04	0.04	0.04	0.03	0.03	0.03
Total Discounted Cash Flows to the Firm	159.69	150.42	141.71	133.50	125.75	118.45	111.59	105.12	99.02	93.27

Sources: FTI Consulting Analysis

Appendix I

DCF Summary – High Estimate | Properties

Ayala Center Cebu Mall

Amounts in PHP Millions (except Present Value Factors)	2066F	2067F	2068F	2069F	2070F	2071F	2072F	2073F	2074F	2075F
Revenues	3,842.66	3,957.94	4,076.68	4,198.98	4,324.95	4,454.70	4,588.34	4,725.99	4,867.77	5,013.81
(-) Operating Expenses	(402.35)	(413.99)	(425.98)	(438.33)	(415.06)	(464.16)	(477.66)	(491.56)	(505.88)	(520.63)
(-) Depreciation	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)	(284.74)
NOPAT	3,155.58	3,259.22	3,365.96	3,475.91	3,589.16	3,705.80	3,825.95	3,949.69	4,077.15	4,208.44
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74	284.74
Total Cash Flows to the Firm	3,440.32	3,543.96	3,650.70	3,760.65	3,873.90	3,990.54	4,110.68	4,234.43	4,361.89	4,493.17
Present Value Factor	0.03	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01
Total Discounted Cash Flows to the Firm	87.86	82.77	77.96	73.44	69.18	65.17	61.38	57.82	54.47	51.31

Market Value of the Property (rounded)	15,671.00
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Appendix J

DCF Summary – Low Estimate | Properties

AyalaMalls Feliz

Amounts in PHP Millions (except Present Value Factors)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
Revenues	-	329.39	339.27	349.45	359.93	370.73	381.85	393.31	405.11	417.26	429.78
(-) Operating Expenses	-	(37.47)	(38.47)	(39.50)	(40.56)	(41.65)	(42.77)	(43.93)	(45.12)	(46.35)	(47.61)
(-) Depreciation	-	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	-	207.83	216.71	225.86	235.29	244.99	254.99	265.29	275.90	286.82	298.08
(-) Income Tax	-	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	-	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	-	291.92	300.80	309.95	319.37	329.08	339.08	349.38	359.99	370.91	382.17
Present Value Factor	0.98	0.91	0.83	0.76	0.69	0.63	0.57	0.52	0.47	0.43	0.39
Total Discounted Cash Flows to the Firm	-	265.88	249.63	234.35	219.99	206.54	193.91	182.03	170.87	160.41	150.60

Amounts in PHP Millions (except Present Value Factors)	2036F	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F
Revenues	442.67	455.95	469.63	483.72	498.23	513.18	528.57	544.43	560.76	577.58
(-) Operating Expenses	(48.91)	(50.26)	(51.64)	(53.06)	(54.53)	(56.04)	(57.59)	(59.19)	(60.84)	(62.54)
(-) Depreciation	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	309.67	321.61	333.90	346.57	359.62	373.05	386.89	401.15	415.83	430.96
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	393.76	405.70	417.99	430.66	443.70	457.14	470.98	485.24	499.92	515.04
Present Value Factor	0.36	0.33	0.30	0.27	0.25	0.23	0.21	0.19	0.17	0.16
Total Discounted Cash Flows to the Firm	141.36	132.69	124.57	116.94	109.77	103.03	96.72	90.80	85.22	79.99

Appendix J

DCF Summary – Low Estimate | Properties

AyalaMalls Feliz

Amounts in PHP Millions (except Present Value Factors)	2046F	2047F	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F
Revenues	594.91	612.76	631.14	650.08	669.58	689.67	710.36	731.67	753.62	776.23
(-) Operating Expenses	(64.29)	(66.09)	(67.95)	(69.86)	(71.83)	(73.86)	(75.95)	(78.10)	(80.32)	(82.60)
(-) Depreciation	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	446.53	462.58	479.10	496.13	513.66	531.72	550.32	569.48	589.21	609.53
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	530.62	546.67	563.19	580.21	597.75	615.81	634.41	653.56	673.30	693.62
Present Value Factor	0.14	0.13	0.12	0.11	0.10	0.09	0.08	0.07	0.07	0.06
Total Discounted Cash Flows to the Firm	75.09	70.49	66.16	62.09	58.29	54.71	51.35	48.20	45.24	42.47

Amounts in PHP Millions (except Present Value Factors)	2056F	2057F	2058F	2059F	2060F	2061F	2062F	2063F	2064F	2065F
Revenues	799.51	823.50	848.20	873.65	899.86	926.85	954.66	983.30	1,012.80	1,043.18
(-) Operating Expenses	(84.96)	(87.38)	(89.87)	(92.44)	(95.09)	(97.82)	(100.63)	(103.52)	(106.50)	(109.57)
(-) Depreciation	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	630.47	652.03	674.24	697.12	720.68	744.95	769.95	795.69	822.21	849.53
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	714.56	736.12	758.33	781.21	804.77	829.04	854.03	879.78	906.30	933.62
Present Value Factor	0.06	0.05	0.05	0.04	0.04	0.04	0.03	0.03	0.03	0.02
Total Discounted Cash Flows to the Firm	39.86	37.41	35.11	32.96	30.93	29.03	27.25	25.58	24.00	22.53

Appendix J

DCF Summary – Low Estimate | Properties

AyalaMalls Feliz

Amounts in PHP Millions (except Present Value Factors)	2066F	2067F	2068F	2069F	2070F	2071F	2072F	2073F	2074F	2075F
Revenues	1,074.48	1,106.71	1,139.91	1,174.11	1,209.33	1,245.61	1,282.98	1,321.47	1,361.12	1,401.95
(-) Operating Expenses	(112.73)	(115.98)	(119.34)	(122.79)	(126.35)	(130.01)	(133.79)	(137.67)	(141.68)	(145.80)
(-) Depreciation	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	877.66	906.64	936.49	967.23	998.90	1,031.51	1,065.11	1,099.71	1,135.35	1,172.06
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	961.75	990.73	1,020.58	1,051.32	1,082.99	1,115.60	1,149.20	1,183.80	1,219.44	1,256.15
Present Value Factor	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01
Total Discounted Cash Flows to the Firm	21.14	19.85	18.63	17.48	16.41	15.40	14.45	13.56	12.73	11.95

Market Value of the Property (rounded)	4,156.00
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Appendix J

DCF Summary – High Estimate | Properties

AyalaMalls Feliz

Amounts in PHP Millions (except Present Value Factors)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
Revenues	-	329.39	339.27	349.45	359.93	370.73	381.85	393.31	405.11	417.26	429.78
(-) Operating Expenses	-	(37.47)	(38.47)	(39.50)	(40.56)	(41.65)	(42.77)	(43.93)	(45.12)	(46.35)	(47.61)
(-) Depreciation	-	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	-	207.83	216.71	225.86	235.29	244.99	254.99	265.29	275.90	286.82	298.08
(-) Income Tax	-	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	-	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	-	291.92	300.80	309.95	319.37	329.08	339.08	349.38	359.99	370.91	382.17
Present Value Factor	0.98	0.91	0.84	0.76	0.70	0.64	0.58	0.53	0.49	0.45	0.41
Total Discounted Cash Flows to the Firm	-	266.86	251.47	236.93	223.23	210.35	198.21	186.74	175.94	165.78	156.20

Amounts in PHP Millions (except Present Value Factors)	2036F	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F
Revenues	442.67	455.95	469.63	483.72	498.23	513.18	528.57	544.43	560.76	577.58
(-) Operating Expenses	(48.91)	(50.26)	(51.64)	(53.06)	(54.53)	(56.04)	(57.59)	(59.19)	(60.84)	(62.54)
(-) Depreciation	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	309.67	321.61	333.90	346.57	359.62	373.05	386.89	401.15	415.83	430.96
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	393.76	405.70	417.99	430.66	443.70	457.14	470.98	485.24	499.92	515.04
Present Value Factor	0.37	0.34	0.31	0.29	0.26	0.24	0.22	0.20	0.18	0.17
0.17Total Discounted Cash Flows to the Firm	147.16	138.64	130.63	123.08	115.95	109.24	102.92	96.97	91.35	86.06

Appendix J

DCF Summary – High Estimate | Properties

AyalaMalls Feliz

Amounts in PHP Millions (except Present Value Factors)	2046F	2047F	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F
Revenues	594.91	612.76	631.14	650.08	669.58	689.67	710.36	731.67	753.62	776.23
(-) Operating Expenses	(64.29)	(66.09)	(67.95)	(69.86)	(71.83)	(73.86)	(75.95)	(78.10)	(80.32)	(82.60)
(-) Depreciation	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	446.53	462.58	479.10	496.13	513.66	531.72	550.32	569.48	589.21	609.53
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	530.62	546.67	563.19	580.21	597.75	615.81	634.41	653.56	673.30	693.62
Present Value Factor	0.15	0.14	0.13	0.12	0.11	0.10	0.09	0.08	0.07	0.07
Total Discounted Cash Flows to the Firm	81.08	76.39	71.96	67.79	63.86	60.17	56.68	53.39	50.30	47.39

Amounts in PHP Millions (except Present Value Factors)	2056F	2057F	2058F	2059F	2060F	2061F	2062F	2063F	2064F	2065F
Revenues	799.51	823.50	848.20	873.65	899.86	926.85	954.66	983.30	1,012.80	1,043.18
(-) Operating Expenses	(84.96)	(87.38)	(89.87)	(92.44)	(95.09)	(97.82)	(100.63)	(103.52)	(106.50)	(109.57)
(-) Depreciation	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	630.47	652.03	674.24	697.12	720.68	744.95	769.95	795.69	822.21	849.53
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	714.56	736.12	758.33	781.21	804.77	829.04	854.03	879.78	906.30	933.62
Present Value Factor	0.06	0.06	0.05	0.05	0.04	0.04	0.04	0.03	0.03	0.03
Total Discounted Cash Flows to the Firm	44.64	42.05	39.61	37.32	35.15	33.11	31.19	29.39	27.68	26.07

Sources: FTI Consulting Analysis

Appendix J

DCF Summary – High Estimate | Properties

AyalaMalls Feliz

Amounts in PHP Millions (except Present Value Factors)	2066F	2067F	2068F	2069F	2070F	2071F	2072F	2073F	2074F	2075F
Revenues	1,074.48	1,106.71	1,139.91	1,174.11	1,209.33	1,245.61	1,282.98	1,321.47	1,361.12	1,401.95
(-) Operating Expenses	(112.73)	(115.98)	(119.34)	(122.79)	(126.35)	(130.01)	(133.79)	(137.67)	(141.68)	(145.80)
(-) Depreciation	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)	(84.09)
NOPAT	877.66	906.64	936.49	967.23	998.90	1,031.51	1,065.11	1,099.71	1,135.35	1,172.06
(-) Income Tax	-	-	-	-	-	-	-	-	-	-
(+) Depreciation	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09	84.09
Total Cash Flows to the Firm	961.75	990.73	1,020.58	1,051.32	1,082.99	1,115.60	1,149.20	1,183.80	1,219.44	1,256.15
Present Value Factor	0.03	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01
Total Discounted Cash Flows to the Firm	24.56	23.14	21.80	20.53	19.34	18.22	17.16	16.16	15.23	14.34

Market Value of the Property (rounded)	4,379.00
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Appendix K

DCM Summary – Low Estimate | Properties

Ayala Center Cebu Mall

Direct Capitalization Method		
Operating Year	year	2026
Revenues	PHP mn	1,178.00
(-) Other Operating Expenses	PHP mn	(133.21)
Net Operating Income	PHP mn	1,044.78
Terminal Growth Rate	%	3.00%
Discount Rate	%	9.75%
Capitalization Rate	%	6.75%

Market Value of the Property	PHP mn	15,209
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AyalaMalls Feliz

Direct Capitalization Method		
Operating Year	year	2026
Revenues	PHP mn	329.39
(-) Other Operating Expenses	PHP mn	(37.47)
Net Operating Income	PHP mn	291.92
Terminal Growth Rate	%	3.00%
Discount Rate	%	9.35%
Capitalization Rate	%	6.35%

Market Value of the Property	PHP mn	4,249
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Appendix K

DCM Summary – High Estimate | Properties

Ayala Center Cebu Mall

Direct Capitalization Method		
Operating Year	year	2026
Revenues	PHP mn	1,178.00
(-) Other Operating Expenses	PHP mn	(133.21)
Net Operating Income	PHP mn	1,044.78
Terminal Growth Rate	%	3.00%
Discount Rate	%	9.35%
Capitalization Rate	%	6.35%

Market Value of the Property	PHP mn	16,016
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AyalaMalls Feliz

Direct Capitalization Method		
Operating Year	year	2026
Revenues	PHP mn	329.39
(-) Other Operating Expenses	PHP mn	(37.47)
Net Operating Income	PHP mn	291.92
Terminal Growth Rate	%	3.00%
Discount Rate	%	9.75%
Capitalization Rate	%	6.75%

Market Value of the Property	PHP mn	4,475
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Appendix L

DCF Summary – Low Estimate | AREIT

Amounts in PHP millions (except Present Value Factors)		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues	PHP Mn	3,005	13,796	14,316	14,657	15,120	14,945	15,170	15,399	15,633	15,869	16,110
[-] Direct Operating Expenses	PHP Mn	(790)	(3,592)	(3,695)	(3,780)	(3,883)	(3,971)	(4,079)	(4,190)	(4,302)	(4,418)	(4,537)
[-] General and Admin Expenses	PHP Mn	(15)	(66)	(68)	(70)	(72)	(74)	(76)	(78)	(80)	(83)	(85)
EBITDA	PHP Mn	2,199	10,138	10,553	10,807	11,166	10,900	11,015	11,131	11,250	11,368	11,487
[-] Taxes	PHP Mn	-	-	-	-	-	-	-	-	-	-	-
NOPAT	PHP Mn	2,199	10,138	10,553	10,807	11,166	10,900	11,015	11,131	11,250	11,368	11,487
[-] Working Capital Requirements	PHP Mn	(1,619)	338	(142)	(57)	(114)	167	(8)	(7)	(8)	(6)	(5)
[-] Capital Expenditures	PHP Mn	(130)	(542)	(467)	(406)	(419)	(414)	(435)	(442)	(449)	(455)	(462)
Total Free CF to the Firm	PHP Mn	451	9,934	9,944	10,344	10,633	10,653	10,572	10,682	10,794	10,907	11,020
[+] Terminal Value	PHP Mn	-	-	-	-	-	-	-	-	-	-	187,613
Total Free CF to the Firm with TV	PHP Mn	451	9,934	9,944	10,344	10,633	10,653	10,572	10,682	10,794	10,907	198,633
Present Value Factor	x	0.99	0.94	0.86	0.79	0.72	0.66	0.61	0.56	0.51	0.47	0.43
Discounted Free CF to the Firm	PHP Mn	446	9,308	8,544	8,150	7,680	7,056	6,421	5,950	5,512	5,107	85,294

Estimated Enterprise Value	PHP Mn	149,468
Less: Net Debt	PHP Mn	(1,735)
Add/Less: Non-operating assets and liabilities	PHP Mn	(2,834)
Estimated Equity Value	PHP Mn	144,899

Source: FTI Consulting Analysis

Appendix L

DCF Summary – High Estimate | AREIT

Amounts in PHP millions (except Present Value Factors)		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues	PHP Mn	3,005	13,827	14,398	14,792	15,310	16,208	16,762	17,336	17,933	18,548	19,185
[-] Direct Operating Expenses	PHP Mn	(790)	(3,592)	(3,695)	(3,780)	(3,883)	(3,971)	(4,079)	(4,190)	(4,302)	(4,418)	(4,537)
[-] General and Admin Expenses	PHP Mn	(15)	(66)	(68)	(70)	(72)	(74)	(76)	(78)	(80)	(83)	(85)
EBITDA	PHP Mn	2,199	10,168	10,635	10,942	11,356	12,164	12,608	13,069	13,551	14,047	14,563
[-] Taxes	PHP Mn	-	-	-	-	-	-	-	-	-	-	-
NOPAT	PHP Mn	2,199	10,168	10,635	10,942	11,356	12,164	12,608	13,069	13,551	14,047	14,563
[-] Working Capital Requirements	PHP Mn	(1,619)	324	(166)	(81)	(140)	(331)	(161)	(167)	(176)	(182)	(189)
[-] Capital Expenditures	PHP Mn	(130)	(543)	(470)	(410)	(424)	(449)	(481)	(497)	(515)	(532)	(551)
Total Free CF to the Firm	PHP Mn	451	9,949	10,000	10,451	10,792	11,383	11,966	12,404	12,860	13,334	13,823
[+] Terminal Value	PHP Mn	-	-	-	-	-	-	-	-	-	-	235,335
Total Free CF to the Firm with TV	PHP Mn	451	9,949	10,000	10,451	10,792	11,383	11,966	12,404	12,860	13,334	249,158
Present Value Factor	x	0.99	0.94	0.86	0.79	0.72	0.66	0.61	0.56	0.51	0.47	0.43
Discounted Free CF to the Firm	PHP Mn	446	9,322	8,591	8,234	7,795	7,540	7,268	6,909	6,567	6,244	106,990

Estimated Enterprise Value	PHP Mn	175,905
Less: Net Debt	PHP Mn	(1,735)
Add/Less: Non-operating assets and liabilities	PHP Mn	(2,834)
Estimated Equity Value	PHP Mn	171,336

Source: FTI Consulting Analysis



About FTI Consulting Philippines, Inc.

FTI Consulting Philippines at a Glance

FTI Consulting Philippines, Inc. (FTI PH) is a financial/business advisory firm assisting clients with major events that can significantly influence the reputation and valuation of their organization. We help companies **build, grow, defend, or repair** their businesses.

FTI PH is a 100 percent Filipino-owned company with an exclusive franchise agreement with **FTI Consulting, Inc.**, a US-based global consulting firm listed on the New York Stock Exchange (NYSE: FCN). FTI PH was incorporated in 2006.

What Makes us Unique



Definitive Expertise

FTI PH employs **highly qualified professionals** particularly, MBAs, CPAs, and CFA charterholders with extensive, practical experience in applying that expertise to generate a decisive impact.



Accredited by SEC and PSE

FTI PH is accredited by the **Securities and Exchange Commission (SEC)** for the valuation of shares of stock and intangible assets, and is also accredited by the **Philippine Stock Exchange (PSE)** to issue fairness opinions and valuation reports of listed companies of the Exchange.



A Culture that Delivers

Our culture and working style reflect a **bias for the tangible** and a **tenacity for solutions** that make a meaningful difference. Our practices, as standalone offerings and comprehensive solutions, address the many interconnected issues our clients face.



Wide Client Reach

Our clients encompass a **diverse spectrum** of global and domestic: publicly-listed companies, financial institutions, family-owned corporations, funds/investors, and government-owned and controlled corporations.

Our Services

- Lead M&A Advisory
- Infrastructure Advisory
- Corporate & Debt Restructuring
- Valuations
- Fairness Opinion
- Purchase Price Allocation
- Financial Model Preparation
- Financial Model Review
- Financial Due Diligence
- Funds Advisory
- Distressed Debt Advisory

Industry Experience



Power & Renewables



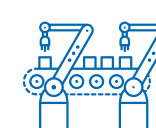
Financial Services



Real Estate



Retail & Consumer Products



Manufacturing

Comprehensive Services

We capitalize on our technical proficiency and extensive knowledge in various industries in **valuing shares of stock and intangible assets**. We utilize three general approaches to valuation: income, market, and cost approaches. We also provide post-acquisition support to clients through an independent **purchase price allocation** of their acquired assets and assumed liabilities, as part of their financial reporting requirements.



As one of the most well known names in the industry, we bring credibility and a proven track record of results to rebuild or extract value from underperforming companies. FTI PH has expertise in providing the following services: **performance improvement, CRO (Chief Restructuring Officer)/Interim Management, Restructuring Advisory, and Liquidity Management**. An objective third party specializing in rebuilding value is often the catalyst necessary to revitalize a company.



LEAD M&A AND INFRASTRUCTURE ADVISORY

As a trusted partner to companies, boards of directors, investors, lenders, and creditors around the world, the Corporate Finance & Restructuring segment is focused on delivering **restructuring, business transformation, and transaction solutions**. Committed to our clients' success, our award-winning professionals address the full spectrum of financial, operational, and transactional risks and opportunities across diverse industries. Among our core strengths is providing expertise in guiding companies through the value-creation life cycle.



VALUATION/PURCHASE PRICE ALLOCATION

We assist clients in their financial modeling needs through either **financial model construction** or **review**. Financial model construction involves preparing a model based on the needs of the client, using the project documents and/or technical studies commissioned by a client to evaluate a project. Our expertise in building financial models allows us to conduct an effective review of the models of other parties. We provide critical feedback to clients by assessing the integrity and structure of the model, checking for calculation errors, and documenting findings for immediate and future reference.



FINANCIAL MODEL PREPARATION AND REVIEW

RESTRUCTURING

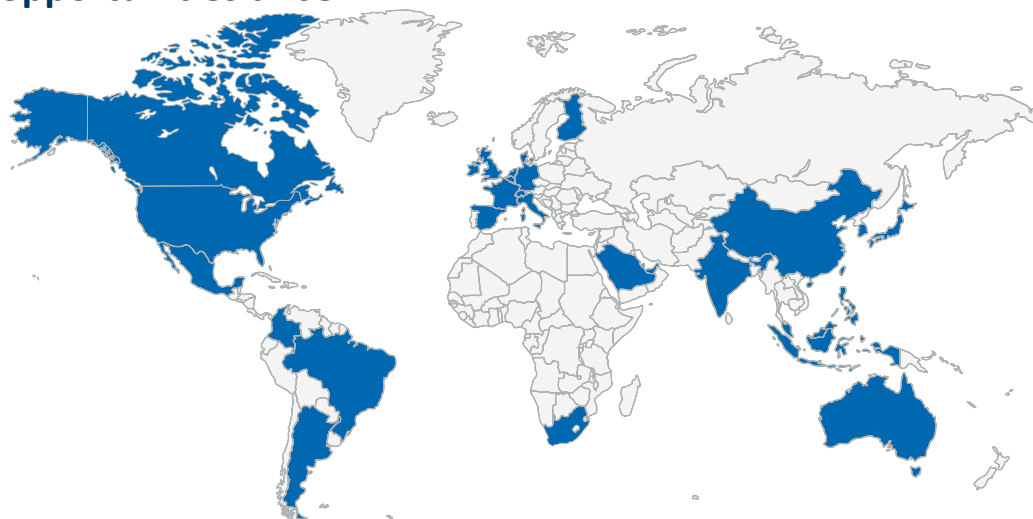
OTHER SERVICES

FTI PH's expertise extends to other services including **distressed debt advisory, financial due diligence, funds advisory**, and other transaction-related services.



Our Global Reach

With offices in every major financial center and every corner of the globe, we successfully serve our clients wherever challenges and opportunities arise.



North America

Canada

Calgary Toronto
Montreal Vancouver

United States

Atlanta	Great Neck	Palm Beach	Walnut Creek
Bethesda	Houston	Philadelphia	Washington, D.C.
Boston	Indianapolis	Pittsburgh	Wayne
Bowie	Irvine	Portland	
Brentwood	Las Vegas	Redwood	
Charlotte	Los Angeles	City	
Chicago	McLean	Richmond	
Columbia	Miami	Roseland	
Dallas	Milwaukee	San Francisco	
Denver	New York	Santa	
Detroit	Oakland	Barbara	
		Scottsdale	
		Seattle	

1. Affiliate

Latin America

Argentina

Buenos Aires

Colombia

Bogotá

Mexico

Mexico City

Brazil

São Paulo

Caribbean

British Virgin Islands
Cayman Islands

Europe, Middle East, Africa

Belgium

Brussels
Ixelles

Denmark

Copenhagen

Finland

Helsinki

France

Paris

Germany

Berlin
Düsseldorf
Frankfurt
Hamburg
Munich

Ireland

Dublin

Italy

Milan

Netherlands

Amsterdam

Qatar

Doha

Saudi Arabia

Riyadh

South Africa

Cape Town
Johannesburg
Sandton

Spain

Barcelona
Madrid

Switzerland

Zurich

United Arab Emirates

Abu Dhabi
Dubai

United Kingdom

London
Stirling

Asia

China

Beijing
Hong Kong
Shanghai
Shenzhen

India

Mumbai
New Delhi

Indonesia

Jakarta

Japan

Tokyo

Korea

Seoul

Malaysia

Kuala Lumpur

Philippines¹

Manila

Singapore

Australia

Brisbane
Melbourne
Perth
Sydney



Our Team

Dominador (“Butch”) Gregorio III

Senior Managing Director

+63 920.928.3514

butch.gregorio@fticonsulting-ph.com



Location

Manila, Philippines

Certifications

Certified Public Accountant
Licensed Real Estate Broker
Institute of Corporate Directors,
Graduate Member

Professional Affiliations

Finance Executives of the
Philippines
Philippine Institute of Certified
Public Accountants

Education

MBA – Wharton Business School
MA in International Studies –
Lauder Institute of Management
and International Studies,
University of Pennsylvania

Dominador (Butch) Gregorio III is a Senior Managing Director in FTI Consulting Philippines’ Corporate Finance practice, based in Manila, Philippines. He has more than 30 years of professional experience in restructuring, transaction support, mergers and acquisitions (“M&A”), and financial advisory.

Mr. Gregorio has advised clients in healthy and distressed situations in connection with M&A, debt restructuring, corporate reorganizations, recapitalizations, funds advisory, and strategic business issues.

Mr. Gregorio’s experience covers all aspects of financial and operating transaction support, including business enterprise valuation, identifying value drivers and risk issues critical to the investment decision, structuring considerations, due diligence of the quality of earnings, cash flows, and balance sheet, fairness opinions, project finance, supporting negotiating financing covenants, advice on sale and purchase agreements, forensic investigation, business process reviews, interim management roles, and corporate directorships. He is an independent director of Sun Life Investment Management & Trust Corporation, Home Credit Philippines and Cebuana Lhuillier Bank.

Prior to joining, Mr. Gregorio provided similar services as a partner and head of the Financial Advisory Services group for Deloitte in Almaty, Kazakhstan. From 2003 to 2007, he was the COO and Managing Director of Ernst & Young Transaction Advisory Services, Inc. in the Philippines. He was a partner in SGV & Co. and head of the Corporate Finance Division. Mr. Gregorio spent seven years with Citicorp Real Estate, Inc. (Citibank N.A.) in New York, Minneapolis, and Dallas, U.S.A.

Relevant Experience

- Fairness opinion and valuation engagement for the property-for-share swap of a listed energy company for an international renewable energy portfolio
- Fairness opinion on the consideration to be transferred and received by a listed technology company in its acquisition of a Singapore technology company
- Valuation of a private holding company with wide network of hospitals, surgical centers, laboratories, and other healthcare facilities across the country
- Valuation study of one of the biggest thrift banks in terms of assets in the Philippines
- Valuation of a premiere optical retail store for a potential sale

John Balce

Senior Managing Director



Location

Manila, Philippines

Certifications

Certified Public Accountant
Chartered Financial Analyst

Professional Affiliations

CFA Institute
CFA Society Philippines
Philippine Institute of
Certified Public Accountants
Finance Executives Institute
of the Philippines

Education

Executive Masters in
Business Administration,
Asian Institute of
Management

John Balce is a Senior Managing Director in FTI Consulting Philippines' Corporate Finance practice, based in Manila, Philippines. His industry expertise includes infrastructure, energy, mining, and financial institutions. He has more than 15 years of professional experience in financial modeling, valuation, deal advisory, project finance, and corporate restructuring.

Mr. Balce has been involved in several deals, including mergers & acquisitions ("M&A"), capital raising, debt refinancing, public-private partnerships, non-performing loan ("NPL") portfolio sales, and corporate rehabilitation. Mr. Balce has assisted in several cross-border engagements in the Philippines, China, Hong Kong, Indonesia, and Singapore.

Mr. Balce has extensive experience in building complex financial models for infrastructure and energy projects for evaluating financial viability for purposes of contractual negotiations, regulatory considerations and financing. He likewise has extensive experience in performing valuation of companies in various industries, whether public or private, including embedded intangible assets in M&A transactions.

Mr. Balce holds an executive master's degree in Business Administration, with honors, from the Asian Institute of Management. He graduated Magna Cum Laude from the University of the Philippines - Diliman with a bachelor's degree in Business Administration and Accountancy. He is a Certified Public Accountant and a Chartered Financial Analyst ("CFA") Charterholder. He is a member of the CFA Society Philippines, the CFA Institute, the Philippine Institute of Certified Public Accountants, and an officer of the Finance Executives Institute of the Philippines.

+63 928.503.9492

john.balce@fticonsulting-ph.com

Relevant Experience

- Fairness opinion and valuation on the property-for-share swap between AC Energy Inc. and AC Energy Philippines, Inc. for the former's international renewable energy business held through Presage Corporation
- Fairness opinion and valuation for the proposed backdoor listing of Udenna Corporation into ISM Communications
- Intangible asset valuation and purchase price allocation for the acquisition of Global Business Power Corporation of 50%+1 equity interest in Alsons Thermal Energy Corporation
- Fairness opinion on the acquisition of Xurpas Inc. of Art of Click Pte. Ltd.
- Valuation of the 51% Equity Stake in PNB Life Insurance Inc. and the Bancassurance Access (intangible) transferred by PNB to Allianz SE

Alvin Tan

Senior Managing Director



Location

Manila, Philippines

Certifications

Chartered Financial Analyst
Chartered Valuer and Appraiser
Advanced Financial Modeler
Certified Financial Consultant

Professional Affiliations

CFA Institute
CFA Society Philippines
Institute of Valuers and
Appraisers, Singapore
Financial Modeling Institute
Institute of Financial
Consultants

Education

BS in Commerce Major in
Financial Management,
University of Santo Tomas –
Magna Cum Laude

Alvin Tan is a Senior Managing Director in FTI Consulting Philippines' Corporate Finance practice, based in Manila, Philippines. Mr. Tan has more than 13 years of experience in financial advisory services with a strong focus on shares and intangible assets valuations, fairness opinions, and purchase price allocation exercises.

Mr. Tan has meaningful corporate advisory and transaction support experience providing strategic advice to clients across several industry sectors, including banking & other financial institutions, real estate & REITs, power & renewable energy, infrastructure, utilities, technology, consumer, retail, healthcare, and education.

Mr. Tan has significant experience in the valuation of shares and intangible assets. He has spearheaded and performed a number of complex valuation engagements, including fairness opinions and valuations of majority and minority stakes in public and private firms both locally and internationally. He has conducted intangible asset valuations and purchase price allocation exercises for mergers and acquisitions in different industry sectors. He has also assisted engagements covering financial due diligence, fraud investigation, restructuring, and sell-side M&As in the Philippines.

Mr. Tan graduated valedictorian from the University of Santo Tomas and was awarded the most outstanding graduate. He is a CFA Charterholder, a CVA Charterholder, and a Certified Advanced Financial Modeler. He serves as the current head of the CFA Society Philippines' Institute Research Challenge.

+63 998.844.0835

alvin.tan@fticonsulting-ph.com

Relevant Experience

- Managed the team performing a valuation of an investment holding company that owns a majority stake in one of the Philippines' largest publicly-listed conglomerates
- Spearheaded the fairness opinion engagement for the property-for-share swap of a publicly-listed energy company in the Philippines with an international renewable energy portfolio
- Led the fairness opinion engagement supported by a valuation exercise for a large real estate company in the Philippines regarding its property-for-share swap transaction between its parent company
- Prepared various financial models for a power generation company which were submitted to power distributors, bank lenders, and the Energy Regulatory Commission
- Managed the review of various financial models in the renewable energy space for the lenders' financing purposes
- Assisted in the successful sale of the largest rural bank in the Philippines in terms of branches in Metro Manila
- Performed financial due diligence on the potential acquisition of a publicly-listed chemicals company



Certificate of Reliance

Certificate of Reliance

CERTIFICATE OF RELIANCE

21 October 2025

FTI Consulting Philippines, Inc.
Pasig City, Philippines

Attention: Dominador T. Gregorio III
Senior Managing Director

Subject: Certificate of Reliance

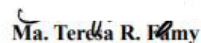
Gentlemen:

This Certificate of Reliance is provided to you in connection with your engagement with AREIT Fund Managers, Inc. (AFMI), to render a fairness opinion, supported by a valuation report, on the proposed property-for-share swap between AREIT, Inc., Ayala Land, Inc. (ALI) and Summerhill Commercial Ventures Corp. (SCVC).

This is to certify that to the best of my knowledge, the financial statements, forecasts and supporting schedules listed in Annex A and submitted to FTI Consulting Philippines, Inc. (FTI Consulting), for the purpose of valuing AREIT (the Shares) and the Properties to be transferred (the Properties), represent the best estimates as to the future operating performance, financial results and cashflows of the said Shares and Properties, and are true, accurate, and free from material misstatements. We have provided you with access to all information which we are aware are relevant to the engagement.

We further certify that information we disclosed about the current operations, structure, and organization, regulatory/legal disclosures and other similar information relating to AREIT and the Properties are accurate to the best of our knowledge and belief at the time of the disclosure. Further, AFMI shall indemnify and hold harmless FTI Consulting and its directors, officers, employees and/or agents from any liability, loss or damage relating to or arising out of FTI Consulting's reliance on all information provided in performing the said valuation in accordance with clause 6 of the Terms and Conditions.

Sincerely,


Ma. Teresa R. Pamy
Chief Financial Officer
AREIT, Inc.

Certificate of Reliance

Annex A - List of Financial Schedules, Reports, and Other Documents

	File Name	Information
1	2024-2035 AREIT Historical and Forecast Opstats vf.xlsx	Historical and Forecasted Operating Statistics with breakdown per property from 2024-2035
2	2024-2035 AREIT Financial Historical and Forecast PnL vF.xlsx	Historical and Forecasted Income Statements from 2024-2035
3	MSRD_AREIT, Inc._SEC Form 17-Q_14May2025.pdf	Audited Financial Statements of AREIT as of March 31, 2025
4	MSRD_AREIT Inc._SEC Form 17-Q_14Aug2025.pdf	Audited Financial Statements of AREIT as of June 31, 2025
5	2024 AREIT Audited FS with SMR.pdf	Audited Financial Statements of AREIT as of December 31, 2024
6	2023 AREIT Audited Financial Statement with SMR and BIR received.pdf	Audited Financial Statements of AREIT as of December 31, 2023
7	AREIT 2022 AFS_BIR and SEC Received.pdf	Audited Financial Statements of AREIT as of December 31, 2022
8	AI_FS1221 AREIT Inc_SEC_SIGNED.pdf_2021-12-31.pdf	Audited Financial Statements of AREIT as of December 31, 2021
9	AREIT – ALI and SCVC Forecasts.xlsx	Forecasted income statements of the 2 mall properties.
10	AREIT 9M Interim Financials.xlsx	Interim Unaudited Income Statement as of September 30, 2025
11	Re_AREIT Property-for-share Swap 2025_20Oct2025.eml	Email from Client containing initial NOAL and Net Debt balances as of September 30, 2025





FTI Consulting Philippines, Inc.'s SEC and PSE Accreditation

PSE and SEC Accreditation

PSE Accreditation

CN - No. 2024-0063

 MEMORANDUM																			
THE PHILIPPINE STOCK EXCHANGE, INC.																			
<input type="checkbox"/> Listing <input type="checkbox"/> Market Education <input type="checkbox"/> Market Information <input type="checkbox"/> Products and Services	<input type="checkbox"/> Public Advisory <input type="checkbox"/> Regulatory Updates <input type="checkbox"/> TP Announcements <input checked="" type="checkbox"/> Others <u>Accredited Firms</u>																		
<p>TO : INVESTING PUBLIC AND ALL TRADING PARTICIPANTS</p> <p>DATE : December 13, 2024</p> <p>SUBJECT : <u>FTI Consulting Philippines, Inc.</u> <u>Accredited Firm for Issuing Fairness Opinions and Valuation Reports</u></p>																			
<p>Please be informed that the Exchange approved the application of FTI Consulting Philippines, Inc. (the "Firm") for renewal of accreditation as a fairness opinion and valuation report provider of listed companies and prospective initial listing applicants of the Exchange.</p> <p>All fairness opinions and valuation reports submitted to the Exchange as part of a listing application should be prepared by an independent fairness opinion and valuation report provider duly accredited by the Exchange, in accordance with the Consolidated Listing and Disclosure Rules of the Exchange and the Guidelines for Fairness Opinions and Valuation Reports and the Policy on Validity Period of Accreditation of Firms for Valuation or Appraisal Purposes, as amended, and the PSE Amended Voluntary Delisting Rules.</p> <p>In view thereof, the accreditation of the Firm shall be effective for a period of three (3) years from December 29, 2024¹, subject to the Firm's compliance with the reportorial requirements.</p> <p>For your information and guidance.</p> <p style="text-align: center;">  RAMON S. MONZON President and Chief Executive Officer </p>																			
<p><small>¹ As previously announced, the existing accreditation of FTI Consulting Philippines, Inc. is valid from December 29, 2023 to December 29, 2024.</small></p>																			
<table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.8em;"> <tr> <td style="width: 10%;">CMO</td> <td style="width: 10%;">FD</td> <td style="width: 10%;">IRD</td> <td style="width: 10%;">MOD</td> <td style="width: 10%;">TD</td> <td style="width: 10%;">HRD / RISK / SU</td> <td style="width: 10%;">CCD / FMD / AD</td> <td style="width: 10%;">OSG</td> <td style="width: 10%;">COO</td> </tr> <tr> <td colspan="9">Tel. No. (632) 6876-4888 E-mail Address: info@pse.com.ph</td> </tr> </table>		CMO	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OSG	COO	Tel. No. (632) 6876-4888 E-mail Address: info@pse.com.ph								
CMO	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OSG	COO											
Tel. No. (632) 6876-4888 E-mail Address: info@pse.com.ph																			

SEC Accreditation


Accreditation No. 032-PSO
CERTIFICATE OF ACCREDITATION
THIS IS TO CERTIFY that
FTI CONSULTING PHILIPPINES, INC.
<p>has been accredited by the Commission on 30 September 2025 as a Professional Service Organization (PSO) after its compliance with the documentary and qualification requirements of SEC Memorandum Circular No. 02, Series of 2014 (Guidelines on Asset Valuations).</p> <p>The effectivity of this Certificate shall be from September 30, 2025 to September 30, 2030 and shall be subject to the requirements set forth under said Circular or any amendments thereto and such orders as may be issued by the Commission.</p> <p>The accreditation by the Commission of the company named herein is permissive only and does not constitute a recommendation or indorsement of its engagement and practice. The review of the qualifications and sample valuation report of the company was based only on the documents submitted and the representations made therein by the company. Parties directly concerned on a report issued by the PSO are expected to conduct due diligence towards reliance of the contents thereof.</p> <p>Issued at Makati City, Philippines this 30th day of September, Two Thousand and Twenty-Five.</p>
<p>FIDELIS D. DE BENITO Officer-in-Charge Office of the General Accountant</p>



Mandate Letter

Mandate Letter



FAIRNESS OPINION SERVICES ENGAGEMENT LETTER

STRICTLY PRIVATE & CONFIDENTIAL

June 28, 2025

Tomas Julian R. Santos
President and CEO
AREIT Fund Managers, Inc.
28F Tower One & Exchange Plaza,
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

Re: Fairness Opinion supported by a Valuation Report

Dear Mr. Santos:

1. Introduction

We understand that AREIT Fund Managers, Inc. ("AFMI" or the "Client") is looking for an independent valuation specialist who will provide a fairness opinion supported by a valuation report on the market values of certain properties (the "Properties") owned by Ayala Land, Inc. ("ALI") and Summerhill Commercial Ventures Corporation ("SCVC") and the shares of AREIT, Inc. ("AREIT" or the "Shares") for a proposed property-for-share swap (the "Transaction").

AREIT is a real estate investment trust company listed in the Philippine Stock Exchange ("PSE") with a portfolio comprising offices, hotels, retail, and industrial lots. The Properties include the following:

Asset Owner	Property	Gross Floor Area
Ayala Land, Inc.	Ayala Center Cebu Mall	214,336.83 sqm
Summerhill Commercial Ventures Corporation	AyalaMalls Feliz	160,520.65 sqm

FTI Consulting Philippines, Inc. ("FTI Consulting") is being requested to issue for the Board of Directors of AREIT, the PSE, and the Securities and Exchange Commission ("SEC") a fairness opinion in accordance with applicable PSE and SEC requirements, supported by a valuation report of both the Shares and the Properties to determine whether the number of shares to be issued in exchange for the properties to be infused is fair from a financial point of view.

FTI Consulting Philippines Inc.
fticonsulting.com

FTI Consulting Philippines Inc. (FTI PH) is independently owned and operated.
FTI Consulting is a registered trademark of FTI Consulting, Inc. licensed for use by FTI PH as franchisee in the Republic of the Philippines.

FTI Consulting is a corporate finance advisory firm that offers a wide array of services including valuation, transaction advisory, and mergers and acquisitions. We are experienced corporate finance professionals. FTI Consulting also has the requisite accreditation, experience, and skills to properly undertake this engagement.

FTI Consulting is accredited by the PSE for purposes of issuing fairness opinions and valuation reports of listed companies and prospective initial listing applicants of the Exchange (PSE Accreditation CN 2024-0063) in accordance with the PSE Memorandum on Guidelines for Fairness Opinions and Valuation Reports (No. 2011-0104), as amended. FTI Consulting is also accredited by the SEC (SEC Accreditation No. 032) as a Professional Services Organization ("PSO") in accordance with SEC Memorandum Circular No. 2, Series of 2014.

This letter of engagement (the "Engagement") and the related Terms and Conditions constitute the engagement contract (the "Engagement Contract") pursuant to which our services will be provided.

2. Scope of Services and Time Frame

Fairness Opinion

- On the basis of our independent valuation of the range of market values calculated for the Shares and the Properties, determine the fair range of exchange ratio for each of the Properties to be exchanged and whether the number of shares to be issued in exchange for the Properties to be infused is fair from a financial point of view.

Valuation

- In support of the fairness opinion, analyze and estimate a range of market values¹ of the Shares and the Properties as of the Valuation Date², with Philippine Peso (PHP) as the valuation currency, using the generally accepted valuation approaches, as appropriate and applicable, under the International Valuation Standards (IVS):

The Properties	The Shares
<ul style="list-style-type: none"> Income Approach: Discounted Cash Flows Method Income Approach: Direct Capitalization Method 	<ul style="list-style-type: none"> Income Approach: Discounted Cash Flows Method Market Approach: Volume-Weighted Average Price ("VWAP") Method Market Approach: Comparable Companies Method

¹ Market value, as defined by the IVS, is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

² Valuation Date is the date on which the estimation of value applies using information that is known or knowable as of that date.

The following are the activities to be performed in the valuation:

- Discuss with the Client the business operations, revenue mix, key operating metrics, tenants' lease terms, developments and plans, market dynamics, etc. to understand the business and operations of AREIT, the Properties and the industry.
- Review the audited and/or unaudited interim financial statements and related management reports of the Shares as of the Valuation Date.
- Review at least three-year historical and performance data of the Properties.
- Review the financial forecasts of the Shares and the Properties (with a focus on the tenant leases and rent rolls for the Shares and the lease payments with AREIT for the Properties).
- Perform appropriate analysis to evaluate inputs and assumptions of the financial forecasts and appropriateness for the valuation.
- Hold discussions and Q&A sessions with the Client's management regarding the bases of assumptions used in the financial forecasts.
- Conduct research on historical trading prices of AREIT and calculate volume-weighted average prices ("VWAPs").
- Review key contracts and agreements pertinent to the valuation such as lease agreements, loan agreements, shareholders agreements, etc.
- Conduct a site visit, as appropriate.
- Review appraisal reports on land, and property and equipment.
- Review publicly available industry reports for understanding of industry dynamics.
- Conduct meetings and interviews with Client's management and other company advisors (i.e., legal, regulatory, tax, accounting, technical, etc.) and such other activities as may be necessary and desirable to arrive at the valuation.

Excluded Services

We note that our proposed scope of work does not include the appraisal of land, property and equipment. The Client shall be responsible for providing current appraisals for land, property and equipment. We are not providing financial modelling services and will not deliver a financial model.

Reporting

- Internal
 - Drafting of valuation study of the Shares and the Properties and opining on the fairness of the Transaction;
 - Submission to the Client of the draft valuation and fairness opinion report for comments;
 - Finalization of valuation study and fairness opinion report (the "Report"); and
 - Presentation of final results to management and the Board of Directors of AREIT, if necessary.
- Regulatory

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- Submit the Report that will be used in the regulatory filings of the Client to the PSE and SEC;
- Coordinate with the Client on presentations to the PSE and SEC, if necessary.

Timetable

Presented below is the proposed timetable.

Phases	Responsibility	Duration (in weeks)	Timeframe (in weeks)
Provision of documents needed for confirmation of independence	FTI and Client	0.5	0.5
Confirmation of Independence*	FTI and PSE	2.0 to 4.0	2.5 to 4.5
Provision of information requirements for valuation exercise	Client	0.5	3.0 to 5.0
Valuation Exercise	FTI	2.0	5.0 to 7.0
Submission and review of draft results and presentation materials	FTI and Client	0.5	5.5 to 7.5
Submission, review, and receipt of comments on draft report	FTI and Client	1.0	6.5 to 8.5
Report finalization and submission of soft copy of the Report*	FTI	0.5	7.0 to 9.0

* Indicative duration for securing a confirmation of independence from the PSE which may be 2-4 weeks from submission of documents

**Please note that it will take 2-3 days from submission of the soft copy to deliver the hard copies of the Report.

Please note that our timetable may be affected by the need to secure a confirmation of independence from the PSE. It is a requirement by the PSE that we are independent of the Transaction and the parties to the Transaction. We will submit our request for clearance of independence to the PSE as soon as we are engaged. We have no control over the time it will take for PSE to approve our request for clearance of independence. We are not aware of any conflicts of interest in undertaking this engagement.

The proposed schedule assumes that (1) all required information and documents will be made available, on a timely basis, and (2) there will be no unexpected delays that may occur which are beyond our control, which includes the confirmation of independence by the PSE. In any event, we shall exert our best efforts to ensure an efficient and concise process to meet the Client's objectives.

3. Working Arrangements

Our performance of the Services is dependent upon the Client providing us with such information and assistance as we may reasonably require from time to time. To facilitate our work, it is understood that the Client will appoint a contact person who will be the primary

point of contact for our information requirements and will coordinate meetings between our team and key persons such as management, technical advisors, legal advisors, accounting/tax advisors, other financial advisors.

Conference calls using the mutually preferred channel of communication shall be preferred over face-to-face meetings. We request that face-to-face meetings be limited on an as-needed basis. The Client agrees that, to expedite communication, correspondence, letters, memos, information and data requirements can be transmitted via electronic mail. We will transmit report in soft copy format. Hard copies will be provided if requested and given an appropriate lead time so that logistics can be arranged. Billings will be sent electronically via email. We request that payment of our bills be made via wire transfer to our designated bank account.

The Client shall use reasonable skill, care and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete. We will assume no responsibility and make no representations with respect to the accuracy or completeness of information provided by the Client. You shall also notify us immediately if you subsequently learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

4. Our Responsibilities and Limitations

FTI Consulting will rely, in whole or in part, on information provided by the Client. In the course of our Engagement, we may also rely on work done by third party service providers engaged or to be engaged by the Client. We will assume no responsibility and make no representations with respect to the accuracy or completeness of information provided by the Client or the third-party service providers engaged by the Client.

Our work does not include the provision of technical, accounting, tax, legal, and regulatory advice and we make no representations regarding questions of technical, accounting, tax, legal, and regulatory interpretation. We will consult with the Client's technical, accounting, tax, legal advisor/s for any technical, accounting, tax, legal and regulatory assumptions needed in the valuation.

FTI Consulting shall be engaged by the Client to provide a fairness opinion. As such, the Client is expected to already have determined the values in which they intend to execute the Transaction. FTI Consulting is limited only to render an opinion on whether these values are fair from a financial point of view. FTI Consulting and its individual employees will not make any management decisions for the Client and will not be responsible for communicating information concerning AREIT, ALI, and SCVC, to the public or all companies' shareholders.

The PSE and SEC require an independent assessment of the fairness of the exchange ratio in the property-for-share swap deal between AREIT and the Properties of ALI and SCVC. The

results of our evaluation will be discussed with the Client and be reflected in our report accordingly.

5. Certificate of Reliance

The Scope of Services and the results will be based on information provided by AREIT, ALI, and SCVC, and publicly available information. Prior to issuing the final report, we will require that management of AREIT, ALI, and SCVC, provide us with a Certificate of Reliance, that any projected financial forecasts and other supporting schedules for the purpose of the valuation represent to the best of their knowledge the best estimates as to the future operating performance, financial results and cash flows of the Shares and the Properties, and that unaudited financial statements provided are to the best of their knowledge true, accurate and free from material misstatements due to fraud or error. A draft Certificate of Reliance is set out in Exhibit III. The final fairness opinion and valuation report will only be released upon issuance by AFMI, ALI, and SCVC of their respective signed Certificates of Reliance.

6. Professional Fees

For Services rendered in connection with this Engagement, we propose to charge a total fixed fee of [REDACTED] net of value added taxes (VAT), payable as follows:

- [REDACTED] upon signing of the Engagement Letter;
- [REDACTED] upon receipt of confirmation of our independence from the PSE; and
- [REDACTED] upon release of the final Report.

Our proposed fee for Services rendered under this Engagement will be for the account of and to be paid by AFMI.

Our proposed fees are exclusive of any applicable taxes (including, but not limited to, value-added taxes). We shall therefore add the 12 percent VAT to our billings for professional fees as required by existing regulations unless our billing qualifies for zero-rating. We shall request the name, Tax Identification Number (TIN) and address of AFMI for billing purposes. If AFMI qualifies for zero-rating, we shall also request for any of the following: Certificate of Residence, Articles of Incorporation, or Certificate of Registration.

Our proposed fee is based on the proposed scope of work for this Engagement. Should you wish to amend the scope or require us to perform additional tasks, and upon written agreement on the amended or additional scope of work, the additional hours spent will be charged at our standard hourly rates discounted by [REDACTED] if there is no agreement on the rates to be charged for the amended or additional scope of work.

After the completion of the engagement, if there is a need for us to meet with or make presentations to the SEC or PSE or other third parties, with your approval, we will comply with

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these requests. We will bill you for the additional time spent in excess of ten (10) hours for the preparation, presentation and subsequent work that may be required by the SEC, PSE or other third parties. We will apply a [REDACTED] discount to our standard hourly rates. We will inform you in case we anticipate that the hours required will exceed 10 hours.

Furthermore, in the event that this Engagement is discontinued or terminated as a result of your decision not to proceed with our assistance relative to this Engagement, any prior billings shall be considered as our fees for services rendered thus far. In addition, we shall bill you for actual time charges incurred in excess of such prior billings and any unbilled out-of-pocket expenses (OPEs).

For reference, presented below are our billing rates, net of VAT:

Staff Classification	Standard Hourly Rate (PHP)	Discounted Hourly Rate (PHP)
Senior Managing Director	[REDACTED]	[REDACTED]
Managing Director	[REDACTED]	[REDACTED]
Director	[REDACTED]	[REDACTED]
Associate Director	[REDACTED]	[REDACTED]
Manager	[REDACTED]	[REDACTED]
Senior Associate II	[REDACTED]	[REDACTED]
Senior Associate I	[REDACTED]	[REDACTED]
Associate II	[REDACTED]	[REDACTED]
Associate I	[REDACTED]	[REDACTED]

Out-of-Pocket Expenses:

In addition, our fees do not yet include our disbursements for applicable Out of Pocket Expenses (OPE) including the Fee for Confirmation of Independence required by the PSE upon filing, courier service, report printing, specialized databases, transportation, accommodations, meals, staffs per diems, and other expenses specifically related to the Engagement. We will charge an advance OPE [REDACTED] which includes the PSE fee for confirmation of independence. The total amount for OPEs shall be capped at [REDACTED] for the scope of work related to this Engagement.

Other Related Matters

Further, if FTI Consulting and/or any of its employees are required to testify or provide evidence at or in connection with any judicial or administrative proceeding relating to this Engagement, FTI Consulting will be compensated by you at its regular hourly rates and reimbursed for reasonable allocated and direct expenses (including counsel fees) with respect thereto.

Invoices for fees and expenses incurred in connection with this Engagement will be billed based on the payment milestones discussed above, and are due upon receipt. If we do not receive payment of any invoice within ten (10) calendar days of the invoice date, we shall be entitled, without prejudice to any other rights that we may have and to immediately suspend provision of the Services until all sums due are paid in full. We will also charge interest on unpaid fees and expenses at an annual rate of 10 percent.

If withholding taxes are required to be deducted from the amounts payable to FTI Consulting, the Client shall pay such taxes to the appropriate tax authority. The Client shall promptly submit to FTI Consulting the Certificate of Creditable Withheld at Source (BIR Form 2307) to enable FTI Consulting to claim a tax credit. If no certificate is issued, the Client shall pay the equivalent amount withheld as if no tax has been withheld.

The Client agrees to promptly notify FTI Consulting if the Client or any of their subsidiaries or affiliates extends (or solicits the possible interest in receiving) an offer of employment to a principal or employee of FTI Consulting involved in this Engagement and agrees that FTI Consulting has earned and will be entitled to a cash fee, upon hiring, equal to [REDACTED] of the aggregate first year's annualized compensation, including any guaranteed or target bonus and equity award, to be paid to FTI Consulting's former principal or employee that the Client or any of their subsidiaries or affiliates hires at any time up to one year subsequent to the date of the final invoice rendered by FTI Consulting with respect to this Engagement.

7. Terms and Conditions

The attached Terms and Conditions set forth the duties of each party with respect to the Services. Further, this letter and the Terms and Conditions attached comprise the entire Engagement Contract for the provision of the Services to the exclusion of any other express or implied terms, whether expressed orally or in writing, including any conditions, warranties and representations, and shall supersede all previous proposals, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services.

8. Relationships with Other Parties

Based on our understanding of interested parties to this Transaction (the "Potentially Interested Parties"), we have undertaken a limited review of our records to determine FTI Consulting's professional relationships with the Client. From the results of such review, we were not made aware of any conflicts of interest or additional relationships that we believe would preclude us from performing the Services. However, as you know, we are a large consulting firm with numerous offices throughout the world. We are regularly engaged by new client, which may include one or more of the Potentially Interested Parties. We will not knowingly accept an engagement that directly conflicts with this Engagement without your prior written consent, which you agree shall not be unreasonably withheld.

9. Other Matters

Either of us may request changes to the work we will perform. Changes must be agreed upon between us and will be subject to reasonable adjustments to fees and timetables. Changes which amount to the provision of significant additional services, rather than adjustments to the services already agreed, must be agreed to in writing.

Please note that accredited PSOs of the SEC may be required to submit copies of valuation reports that they have prepared for purposes of complying with the requirements of their accreditation. As Valuation Specialists, FTI Consulting adheres to the latest version of the International Valuation Standards. FTI Consulting confirms that this valuation exercise will be undertaken in accordance with the IVS.

* * * * *

If you have any questions, please call Dominador "Butch" T. Gregorio III, Senior Managing Director, at +63.920.928.3514. If the services outlined herein are in accordance with your requirements and if the above terms are acceptable to you, please have one copy of this letter signed in the space provided below and returned to us.

Yours sincerely,

FTI CONSULTING PHILIPPINES, INC.


By: [REDACTED]
Dominador T. Gregorio III
 Senior Managing Director

Mandate Letter

Confirmation of Terms of Engagement

We agree to engage FTI Consulting Philippines, Inc. upon the terms set forth herein and in the attached Terms and Conditions.

AREIT Fund Managers, Inc.

By: 
Name: Tomas Julian R. Santos
Position: President & CEO

Date: June 30, 2025

EXHIBIT I - TERMS AND CONDITIONS

The following are the Terms and Conditions on which we will provide the Services to you set forth within the attached Letter of Engagement with AREIT Fund Managers, Inc. dated June 28, 2025. The Letter of Engagement and the Exhibits (collectively, the "Engagement Contract") form the entire agreement between us relating to the Services. It replaces and supersedes any previous proposals, correspondence understandings or other communications whether written or oral. The headings and titles in the Engagement Contract are included to make it easier to read but do not form part of the Engagement Contract.

1. Reports and Advice

- 1.1. **Reliance on drafts** – You acknowledge that no reliance shall be placed on draft reports, conclusions or advice, whether oral or written, issued by us as the same may be subject to further work, revision and other factors which may mean that such drafts are substantially different from any final report or advice issued.
- 1.2. **Use and purpose of advice and reports** – Any advice given or report issued by us is provided solely for your use and benefit and only in connection with the purpose in respect of which the Services are provided. Unless required by law, you shall not provide any advice given or report issued by us to any third party or refer to us or the Services without our prior written consent or the receipt of the signed third party release letter included in Exhibit II. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.
- 1.3. **Scope of Analysis** – The valuation of any financial instrument or business is a matter of informed judgment. The accompanying valuation has been prepared on the basis of information and assumptions set forth in the report, appendices, our underlying work papers, and the limiting conditions and assumptions.
- 1.4. **Going Concern Assumption, No Undisclosed Contingencies** – Our analysis: (i) assumes that as of the Valuation Date, the Properties will continue to operate as configured as a going concern; (ii) is based on the past and present financial condition of the Properties as of the Valuation Date; and (iii) assumes that the Properties had no undisclosed real or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business, nor had any litigation pending or threatened that would have a material effect on our analysis.
- 1.5. **Subsequent Events** – The terms of our engagement are such that we have no obligation to update the valuation report or to revise the valuation because of events and transactions occurring subsequent to the Valuation Date.

2. Information and Assistance

- 2.1. **Provision of information and assistance** – Our performance of the Services is dependent upon you providing us with such information and assistance as we may reasonably require from time to time.
- 2.2. **Punctual and accurate information** – Each party shall use reasonable skill, care and attention to ensure that all information to which the other party may reasonably require is provided on a timely basis and is accurate and complete. Each party shall also notify the other party if such party subsequently learns that the information provided is incorrect or inaccurate or otherwise should not be relied upon.
- 2.3. **No assurance on financial data** – While our work may include an analysis of financial accounting data, the Services will not include an audit, compilation or review of any kind of any financial statements or components thereof. Moreover, the circumstances of the Engagement may cause our advice to be limited in certain respects based upon, among other matters, the extent of sufficient and available data and the opportunity for supporting investigations in the time period. The Client will be responsible for any and all financial information they provide to us during the course of this Engagement, and we will not examine or compile any such financial information. Accordingly, as part of this Engagement, we will not express any opinion or other form of assurance on the financial statements or financial components of the Properties.
- 2.4. **Prospective financial information** – In the event the Services involve prospective financial information, our work will not constitute an examination, compilation or apply agreed-upon procedures in accordance with standards established by the Philippine Institute of Certified Public Accountants, and we will express no assurance of any kind on such information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We will take no responsibility for the achievability of the expected results anticipated by the management of the Client.
- 2.5. **Legal Matters** – We assume no responsibility for legal matters including interpretations of either the law or contracts. We have made no investigation of legal title and have assumed that owner(s) claim(s) to property are valid. We have given no consideration to liens or encumbrances except as specifically stated. We assumed that all required licenses, permits, etc. are in full force and effect. We assume no responsibility for the acceptability of the valuation approaches used in our report as legal evidence in any particular court or jurisdiction. The suitability of our report and opinion for any legal forum is a matter for the Client and the Client's legal advisor to determine.

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- 2.6 **Verification of Legal Description or Title** – No investigation of legal description or title to the properties will be made and we will assume that your claim to the properties are valid. No consideration will be given to liens or encumbrances which may be against the property, except as specifically stated as part of the financial statements you provide to us as part of this engagement. Full compliance with all applicable national, local government, local zoning, environmental and similar laws and regulations is assumed, unless otherwise stated and responsible ownership and competent property management are assumed.
- 2.7 **Verification of Hazardous Conditions** – We will not investigate the extent of any hazardous substances that may exist, as we are not qualified to test for such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation or other hazardous substances or environmental conditions may affect the value of the property, the value will be estimated predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility will be assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
- 2.8 **Condition of Property** – We assume no liability whatsoever with respect to the condition of the subject property or for hidden or unapparent conditions, if any, of the subject property, subsoil or structures, and further assume no liability or responsibility whatsoever with respect to the correction of any defects which may now exist or which may develop in the future. Equipment components considered, if any, were assumed to be adequate for the needs of the property's improvements, and in good working condition, unless otherwise reported.
- 2.9 **Zoning** – It was assumed that all public and private zoning and use restrictions and regulations had been complied with, unless non-conformity was stated, defined and considered in the report.
3. **Additional Services**
- 3.1 **Your responsibility for other parties** – You shall be solely responsible for the work and fees of any other party engaged by you to participate in the Engagement regardless of whether such party was introduced to you by us. Except as provided in the Letter of Engagement, we shall not be responsible for providing or reviewing specialist advice or services including legal, regulatory, accounting or taxation matters. Further, we acknowledge that we are not authorized to engage any third party under our Engagement Contract without your written authorization.

Confidentiality

Restrictions on confidential information – All parties agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving Services under this or any other contract between us. Except as provided below, neither party will disclose the other party's confidential information to any third party without the other party's consent. Confidential information shall not include information that:

- 4.1.1 is or becomes generally available to the public other than as a result of a breach of an obligation under this clause;
- 4.1.2 is acquired from a third party who, to our knowledge, owes no obligation of confidence in respect of the information; or
- 4.1.3 is or has been independently developed by the recipient.

Disclosing confidential information – Notwithstanding clause 1.2 and 4.1 above, either party will be entitled to disclose confidential information of the other to a third party to the extent that this is required by valid legal process provided that (and without breaching any legal or regulatory requirement) where reasonably practicable or legally allowed not less than 2 business days notice in writing is first given to the other party.

Citation of engagement – Without prejudice to Clause 4.1 and Clause 4.2 above, we may cite generally the performance of the Services to our client and prospective clients as an indication of our experience, unless we both specifically agree otherwise in writing.

Internal quality reviews – Notwithstanding the above, we may disclose any information referred to in this Clause 4 to any other FTI Consulting entity or use it for internal quality reviews.

Maintenance of workpapers – Notwithstanding the above, we may keep one archival set of our working papers from the Engagement, including working papers containing or reflecting confidential information, in accordance with our professional standards and internal quality review.

Data privacy – All parties are expected to comply strictly to the data protection requirements under applicable law and professional regulations, including but not limited to the Data Privacy Act of 2012.

5. Termination

- 5.1 **Termination of Engagement with notice** – Either party may terminate the Engagement Contract for whatever reason upon written notice to the other party. Upon receipt of such notice, we will stop all work immediately. You will be responsible for all fees and expenses incurred by FTI Consulting through the date termination notice is received subject to any claims and liabilities you may have for antecedent breaches against FTI Consulting.
- 5.2 **Continuation of terms** – The terms of the Engagement Contract, including but not limited to, Clauses 4 and 6 of the Engagement Letter, and Clauses 1.2, 4, 6 and 7 of the Terms and Conditions, are intended to survive such termination or expiration and shall continue to bind all parties.

6. Indemnification and Liability Limitation

- 6.1 **Indemnification** – You agree to indemnify and to hold harmless FTI Consulting and any of its subsidiaries and affiliates, officers, directors, principals, shareholders, agents, independent contractors and employees (collectively "Indemnified Persons") from and against any and all claims, liabilities, damages, obligations, costs and expenses (including reasonable attorneys' fees and expenses and costs of investigation) arising out of or relating to your retention of FTI Consulting, the execution and delivery of this Engagement Contract, the provision of Services or other matters relating to or arising from this Engagement Contract, except to the extent that any such claim, liability, obligation, damage, cost or expense shall have been determined by final non-appealable order of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons in respect of whom such liability is asserted.

Promptly after the commencement of any action or proceeding against FTI Consulting which could give rise to a claim for indemnification under this Agreement, FTI Consulting shall give notice to the Client if it wishes to assert a claim for indemnification under this Agreement. The Client shall then be entitled to participate in such action or proceeding and, to the extent that it shall wish, to assume the defense thereof with counsel reasonably satisfactory to FTI Consulting and, after notice from the Client to FTI Consulting of its election so to assume the defense thereof, the Client shall not be liable to FTI Consulting for any fees of other counsel or any other expenses subsequently incurred by FTI Consulting in connection with the defense thereof. If the Client assumes the defense of such an action, (a) no compromise or settlement thereof may be effected by the Client without FTI Consulting's consent (which shall not be unreasonably withheld) unless (i) there is no finding or admission of any violation of law or any violation of the rights of any person by FTI Consulting and (ii) the sole relief provided is monetary damages that are paid in full by the Client and (b) the Client shall

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have no liability with respect to any compromise or settlement thereof effected by the FTI Consulting without its consent (which shall not be unreasonably withheld).

- 6.2 **Limitation of liability** – You agree that no Indemnified Person shall have any liability as a result of your retention of FTI Consulting, the execution and delivery of this Engagement Contract, the provision of Services or other matters relating to or arising from this Engagement Contract, other than liabilities that shall have been determined by final non-appealable order of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons in respect of whom such liability is asserted.

You agree that our liability shall be limited to the extent of the fees actually paid to FTI Consulting. Without limiting the generality of the foregoing, in no event shall any Indemnified Person be liable for consequential, indirect or punitive damages, damages for lost profits or opportunities or other like damages or claims of any kind, except if due to gross negligence or willfull misconduct.

7. Governing Law and Jurisdiction

- 7.1 **Governing Law and Jurisdiction** - The Engagement Contract shall be governed by and interpreted in accordance with the laws of the Republic of the Philippines. The Regional Trial Court of Pasig City shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Contract and any matter arising from it. The parties irrevocably waive any right they may have to object to any action being brought in these Courts, to claim that the action has been brought to an inconvenient forum or to claim that those Courts do not have jurisdiction.

FTI CONSULTING PHILIPPINES, INC.



Scope of Work

Scope of Work

Fairness Opinion

- On the basis of our independent valuation of the range of market values calculated for the Shares and the Properties, determine the fair range of exchange ratio for each of the Properties to be exchanged and whether the number of shares to be issued in exchange for the Properties to be infused is fair from a financial point of view.

Valuation

- In support of the fairness opinion, analyze and estimate a range of market values of the Shares and the Properties as of the Valuation Date, with Philippine Peso (PHP) as the valuation currency, using the generally accepted valuation approaches, as appropriate and applicable, under the International Valuation Standards (IVS):
 - Income Approach: Discounted Cash Flows Method
 - Income Approach: Direct Capitalization Method
 - Asset-based Approach: Net Asset Value Method
 - Market Approach: Market Capitalization Method
 - Market Approach: Comparable Companies/Transactions Method
- Discuss with the Clients the business operations, revenue mix, key operating metrics, tenants' lease terms, developments and plans, market dynamics, etc. to understand the business and operations of AREIT, the Properties and the industry.
- Review the audited and/or unaudited interim financial statements and related management reports of the Shares as of Valuation Date.
- Review at least three-year historical and performance data of the Properties.
- Review at least five-year financial forecasts of the Shares and the Properties (with a focus on the tenant leases and rent rolls and lease payments with AREIT).
- Perform appropriate analysis to evaluate inputs and assumptions of the financial forecasts and appropriateness for the valuation.
- Hold discussions and Q&A sessions with the Clients' management regarding the bases of assumptions used in the financial forecasts.

Scope of Work

Valuation (cont'd)

- Conduct research on historical trading prices of AREIT and calculate volume-weighted average prices ("VWAPs").
- Review key contracts and agreements pertinent to the valuation such as lease agreements, loan agreements, shareholders agreements, etc.
- Conduct a site visit, as appropriate.
- Review appraisal reports on land, and property and equipment.
- Review publicly available industry reports for understanding of industry dynamics.
- Conduct meetings and interviews with Client's management and other company advisors (i.e., legal, regulatory, tax, accounting, technical, etc.) and such other activities as may be necessary and desirable to arrive at the valuation.

Reporting

- Drafting of valuation study of the Shares and the Properties and opining on the fairness of the Transaction;
- Submission to the Clients of the draft valuation and fairness opinion report for comments;
- Finalization of valuation study and fairness opinion report (the "Report");
- Presentation of final results to management and the Board of Directors of AREIT if necessary.
- Submit the Report that will be used in the regulatory filings of the Clients to the PSE and SEC; and
- Coordinate with the Clients on presentations to the PSE and SEC, if necessary.



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- <https://www.colliers.com/download-article?itemId=2ff15999-120f-4ef9-9433-f16263efecb3>



Experts with Impact™

MARKET VALUE APPRAISAL

Property exhibited to us by the
AREIT FUND MANAGERS, INC.

Ayala Malls Feliz

Located in

**Barangay Dela Paz
Pasig City, Metro Manila**

28 October 2025

AREIT FUND MANAGERS, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Avenue, Bel-Air
Makati City, Metro Manila

Attention : **MR. TOMAS JULIAN SANTOS**
President and CEO

We express our professional statement of opinion on the valuation of certain assets described in the attached Independent Valuation Report dated 28 October 2025. Our Independent Valuation Report was made on the basis of certain information and internal data provided to us by the **AREIT FUND MANAGERS, INC.**, as well as on our inspections, research and analyses of market data which we have deemed reasonable, appropriate and applicable based on our experience as valuation professionals.

Management Responsibility of Client

The Client and its management are responsible for the preparation and fair presentation of information and internal data provided to us. Where the valuation requires actual property inspections, Client warrants that all properties inspected properly refer to the actual and only subjects of this valuation report. While we verify information and data in cases where such verification is required, our services do not cover certification on the accuracy and completeness of information provided to us by the Client and its management.

Responsibility of the Valuation Professional

Our responsibility as valuation professionals is to come up with an appropriate reasonable valuation for the subject assets and properties based on information, internal data and market data available to us, as well as on actual inspections, where such are required. Our valuation reports are made based on reasonable and adequate data that support our conclusions to establish the market value of the subject assets as of the stated date.

Our valuation procedures have been performed in accordance with the International Valuation Standards (2025 Edition) and Philippine Valuation Standards (2nd Edition, 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP). The development of the International Valuation Standards serves as a professional benchmark, or beacon, for valuation professionals globally, thereby enabling them to respond to client requirements for reliable valuations.

Prohibitions

Neither the whole nor any part of this report, any reference thereto may be published, included in or with, attached to any document or used for any purpose other than that specifically stated in this report, without the written consent of Cuervo Appraisers, Inc. in accordance and exclusively for the purpose, form and context in which it may appear.

Representations

Cuervo Appraisers, Inc., through its Manila, Cebu, Davao and Iloilo offices has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible, and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.

By: 

LIBERTY SANTIAGO-AÑO, IPA, MRICS

Vice President and General Manager

Real Estate Appraiser

Valid until: 07/17/2026

PRC Registration Number: 0000167

IPREA Membership No. 849

PTR No. 3040621

06 January 2025

City of Pasig

28 October 2025

AREIT FUND MANAGERS, INC.

28th Floor, Tower One and Exchange Plaza
Ayala Avenue, Bel-Air
Makati City, Metro Manila

Attention : **MR. TOMAS JULIAN SANTOS**
President and CEO

Subject : **CAI File No. 06-2025-0577A**
Market Value Appraisal of Property

Gentlemen :

As requested, we appraised of certain real property exhibited to us by the **AREIT FUND MANAGERS, INC.** for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **19 June 2025**.

The appraised property is the **Ayala Malls Feliz (building including its facilities)**, located **along Marcos Highway corner J.P. Rizal Street, within Barangay Dela Paz, Pasig City, Metro Manila**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset for any associated taxes.

In the market value appraisal of any fixed land improvements, the land where the said improvements stand should be included to satisfy its definition. Being an appraisal of a building only, this report pertaining to the said item, therefore, partakes in the nature of a fractional appraisal and is rendered as such.

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Discounting and capitalization rates;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **19 June 2025** is reasonably presented as under –

Approaches to Value	Market Value (Php)
Income Approach	
<i>By Discounted Cash Flow</i>	<u>Php4,351,901,000</u>
<i>By Direct Capitalization</i>	<u>Php4,159,488,000</u>

We made no investigation of and assume no responsibility for titles to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By: 

ENGR. ANGELO V. SAN ANTONIO

Senior Real Estate Manager

PRC Registration Number: 0000407

Valid Until: 05/10/2026

IPREA Membership No. 1024

PTR No. 3346304

10 January 2025

City of Malolos

VMC:rvp

CAI File No. 06-2025-0577A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 06-2025-577A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of certain real property located within Barangay Barangay Dela Paz, Pasig City, Metro Manila. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **19 June 2025**

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the titles to the property are good, marketable and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. Fee Simple is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

Based on the documents provided to us by the client and as shown by Engr. Karl (client's representative), the appraised property is the **Ayala Malls Feliz (building and including its facilities)**, located **on the north side of Marcos Highway and east side of J.P. Rizal Street, within Barangay Dela Paz, Pasig City, Metro Manila.**

The property is located approximately 40 meters northeast from E. Amang Rodriguez Avenue; 895 meters southwest from Felix Avenue; 3.30 kilometers southwest from the intersection of Marcos Highway and Sumulong Highway; 1.30 kilometers southeast from SM City - Marikina; and about 2.70 kilometers southeast from the intersection of Aurora Boulevard and Katipunan Avenue.

Marcos Highway is about 40 meters wide, while J.P. Rizal Street is about 8 meters wide, both are concreted and provided with concrete curbs and gutters, concrete sidewalks and underground drainage.

III. NEIGHBORHOOD DATA

The property is located in an area where land development is of mixed use, specifically commercial, residential, institutional and light industrial.

Generally, the roads in the neighborhood are designed to accommodate light to medium vehicular traffic loads. Major thoroughfares are either concreted or asphalted, with widths ranging from 12 to 20 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

Kingsville Subdivision
Filinvest East Homes
AMA Computer College
St. Therese Parish Church
SM City Masinag
Metro Antipolo Hospital and Medical Center
Cornel Medical Center
LRT 2 – Santolan Station

SM City-Masinag, Sta. Lucia Mall, Robinson's Metro East Mall, SM City-Marikina and Riverbanks Center serve as the commercial and shopping centers in the area. These are accessible from Marcos Highway by public transportation. Other community centers like the post office, public market, churches/chapels, hospitals/clinics, and private and public schools are likewise accessible from the said thoroughfares.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available on the subject property.

Public transportation connecting to various sections of Pasig City, as well as to other parts of Metro Manila is available along Marcos Highway where the subject property fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government and the Metropolitan Manila Development Authority (MMDA).

V. LAND DATA

The land consists of two (2) sites, containing an aggregate area of 47,952 square meters, technically identified as follows:

Site 1

The land is technically identified as Lot 3-C, (LRC) PSD-283963, containing an area of 33,944 square meters, more or less, covered by Transfer Certificate of Title No. 011-2014000595, issued on 04 March 2014 by the Registry of Deeds for Pasig, in favor of the **SUMMERHILL COMMERCIAL VENTURES CORP. (FORMERLY SUMMERHILL E-OFFICE, INC.)**.

The land is bounded by the following properties:

North	-	Property of Vivencio Dela Cruz & Fausto Dela Paz
Northeast	-	Property of Vivencio Dela Cruz & Fausto Dela Paz
Northeast	-	Property of Fernando Valentin
Northwest	-	Property of Vivencio Dela Cruz & Fausto Dela Paz
Southeast	-	Marcos Highway (Lot 3-B)
West	-	J.P. Rizal Street

Attached is a plan of the property as plotted based on the technical description appearing in the title furnished us by the client. As shown, the land has an irregular shape, with frontages of 326.91 meters and 83.04 meters on Marcos Highway and J.P. Rizal Street, respectively.

The terrain of the land is flat. Its elevation is uniform and at grade with the fronting highway/street.

Site 2

The land is technically identified as Lot 3-A, (LRC) PSD-283963, containing an area of 14,008 square meters, more or less, covered by Transfer Certificate of Title No. 011-2014000594, issued on 04 March 2014 by the Registry of Deeds for Pasig, in favor of the **SUMMERHILL COMMERCIAL VENTURES, CORP. (FORMERLY SUMMERHILL E-OFFICE, INC.)**.

Based on the Deed of Absolute Sale provided to us by the client, the Lot 3-A, (LRC) PSD-283963, containing an area of 14,008 square meters was partially sold in favor of **AVIDA LAND CORPORATION**. Only the net area is subject to valuation. Details are as under:

Land Area	-	14,008 square meters
Less: Area sold	-	<u>8,442</u> square meters
Net Area	-	5,566 square meters

The land is bounded by the following properties:

Northwest	-	Marcos Highway
East	-	Property of Candida Delos Santos
East	-	Property of Natividad and Paula Cayapo
South	-	Property of Vivencio Dela Cruz

Attached is a plan of the property as plotted based on the technical description appearing in the title furnished us by the client. As shown, the land has an irregular shape, with a frontage of 304.77 meters on Marcos Highway.

The terrain of the land is flat. Its elevation is uniform and at grade with the fronting highway.

No title verification was conducted to confirm the existence of the owner's original copy of the titles supposedly on file with the Registry of Deeds, since it is not included in the assignment.

Government Assessment

BIR Zonal Value of Real Property within Barangay Dela Paz, Pasig City, Metro Manila, as per Department Order No. 024-2023, effective 06 June 2023:

Street Name	Classification	7th Revision Zonal Value (Php/sq.m.)
Marcos Highway	Commercial Regular	83,000

VI. DESCRIPTION OF THE BUILDING

The land is improved with a building, described as follows:

AYALA MALLS FELIZ

This is a seven (7)-level with roof deck reinforced concrete-framed building, of reinforced concrete slab with water proofing membrane and heat insulator and rib-type long span roofing; exposed concrete soffit slab, gypsum board on metal frame and acoustic board on aluminum T-runner ceilings; PU panel, cement plastered concrete hollow block walls; steel composite exterior cladding; fixed glass view walls partitions; fixed glass and sliding glass on aluminum casement, glass on steel casement, glass awning, steel louver and fixed glass on aluminum casement windows; steel mat and concrete cement stairway with stainless steel handrail; frameless glass panel, aluminum panel, wood panel, steel flush, plywood flush and steel louver doors; non-skid homogeneous tile, vinyl tile, carpet, and plain cement finished concrete floors; granite tile wall to floor at comfort rooms and steel matting on the 6th and 7th floor parking area.

The building facilities includes restaurants, fast foods, cinema, chapel, roof garden, parking area, bakeries, bookstores, gift shops, drugstores, admin office and other related service establishments.

This is painted and provided with firefighting equipment, CCTV cameras, electrical lighting, telecommunication and plumbing facilities. It is serviced by escalators and passenger elevators. Total floor area is approximately 160,521 square meters.

Estimated remaining economic life is 33 years.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

By Income Approach

A. DISCOUNTED CASH FLOW

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. Gross leasable area is estimated at 160,521-square meter.
3. Discount rate is estimated at 9.54%, based on weighted average cost of capital (WACC);
4. Terminal capitalization rate adopted to arrive at the terminal value is 6.54% (discount rate less growth rate);
5. Projected gross revenue from leasable spaces and operating expenses were based on projected P & L provided to us by the client for the year 2026 to 2035;
6. Leased on land is estimated at Php19,647,728 (6% of the effective gross revenues with 3% escalation rate); and
7. Capital Expense is 0, the mall owner would shoulder this expense.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Market Value of the Property.

Discounted Cash Flow Analysis (in PhP)														
AYALA MALLS FELIZ														
STATISTICS														
Total Land Area	39,510.00	sq.m.												
Gross Floor Area (GFA)	160,521.00	sq.m.												
Gross Leasable Area	-	sq.m.												
Effective Gross Revenue on Year 1	Php	327,462,126												
Vacancy Rate	-													
Discount Rate		9.54%												
Average Growth Rate		3.00%												
Terminal Capitalization Rate		6.54%												
Present Worth Factor				0.91291	0.83340	0.76082	0.69456	0.63407	0.57885	0.52843	0.48241	0.44040	0.40204	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES			Escalation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Retails														
Car Parkings				-	-	-	-	-	-	-	-	-	-	
Cinemas				-	-	-	-	-	-	-	-	-	-	
Others				-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)		of gross revenues		-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				327,462,126	337,285,990	347,404,569	357,826,707	368,561,508	379,618,353	391,006,904	402,737,111	414,819,224	427,263,801	3,753,986,292
Plus:														
Recoveries		of gross revenues		-	-	-	-	-	-	-	-	-	-	-
				327,462,126	337,285,990	347,404,569	357,826,707	368,561,508	379,618,353	391,006,904	402,737,111	414,819,224	427,263,801	3,753,986,292
LESS: OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Business Tax				9,823,864	10,118,580	10,422,137	10,734,801	11,056,845	11,388,551	11,730,207	12,082,113	12,444,577	12,817,914	112,619,589
Land Lease				19,647,728	20,237,159	20,844,274	21,469,602	22,113,690	22,777,101	23,460,414	24,164,227	24,889,153	25,635,828	225,239,177
Management Fees				13,986,001	14,280,717	14,584,274	14,896,938	15,218,982	15,550,688	15,892,344	16,244,251	16,606,714	16,980,051	154,240,961
Others				327,462	337,286	347,405	357,827	368,562	379,618	391,007	402,737	414,819	427,264	3,753,986
Capital Expenditures		0.00% of effective gross revenues		-	-	-	-	-	-	-	-	-	-	-
Total				43,785,054	44,973,742	46,198,090	47,459,169	48,758,080	50,095,958	51,473,973	52,893,328	54,355,263	55,861,057	495,853,714
NET INCOME				283,677,072	292,312,248	301,206,479	310,367,538	319,803,428	329,522,395	339,532,931	349,843,783	360,463,961	371,402,744	3,258,132,578
ADD: Reversion Value (Resale Value)														5,857,098,279
LESS: Marketing Cost		0.00% of Resale Value												0
Net Reversion Value														5,857,098,279
Present Worth Factor @	9.54%	discount rate		0.91291	0.83340	0.76082	0.69456	0.63407	0.57885	0.52843	0.48241	0.44040	0.40204	0.40204
Present Worth of Net Income				258,971,217	243,613,605	229,163,845	215,568,522	202,777,345	190,742,959	179,420,782	168,768,841	158,747,619	149,319,918	1,997,094,654
Present Worth of Net Reversion Value														2,354,806,063
Total Present Value of Net Income					1,997,094,654									
Present Worth of Net Reversion Value					2,354,806,063									
Total					4,351,900,717									
Market Value of Property (building and its facilities)			PhP	4,351,900,717										
Rounded to			PhP	4,351,901,000										

On the basis of the foregoing, the market value of the property (building and its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php4,351,901,000**.

B. DIRECT CAPITALIZATION

Direct capitalization typically involves the analysis of a single year's net income (or average of several years' income). The net income after deducting the costs of labor, management, maintenance, operations, and other related expenses is capitalized by an appropriate overall capitalization rate to derive value. Using the same assumptions/estimates made on the discounted cash flow analysis, and adopting a capitalization rate of 6.82% based on built-up method, the value of the property using the Direct Capitalization Method is estimated as follows:

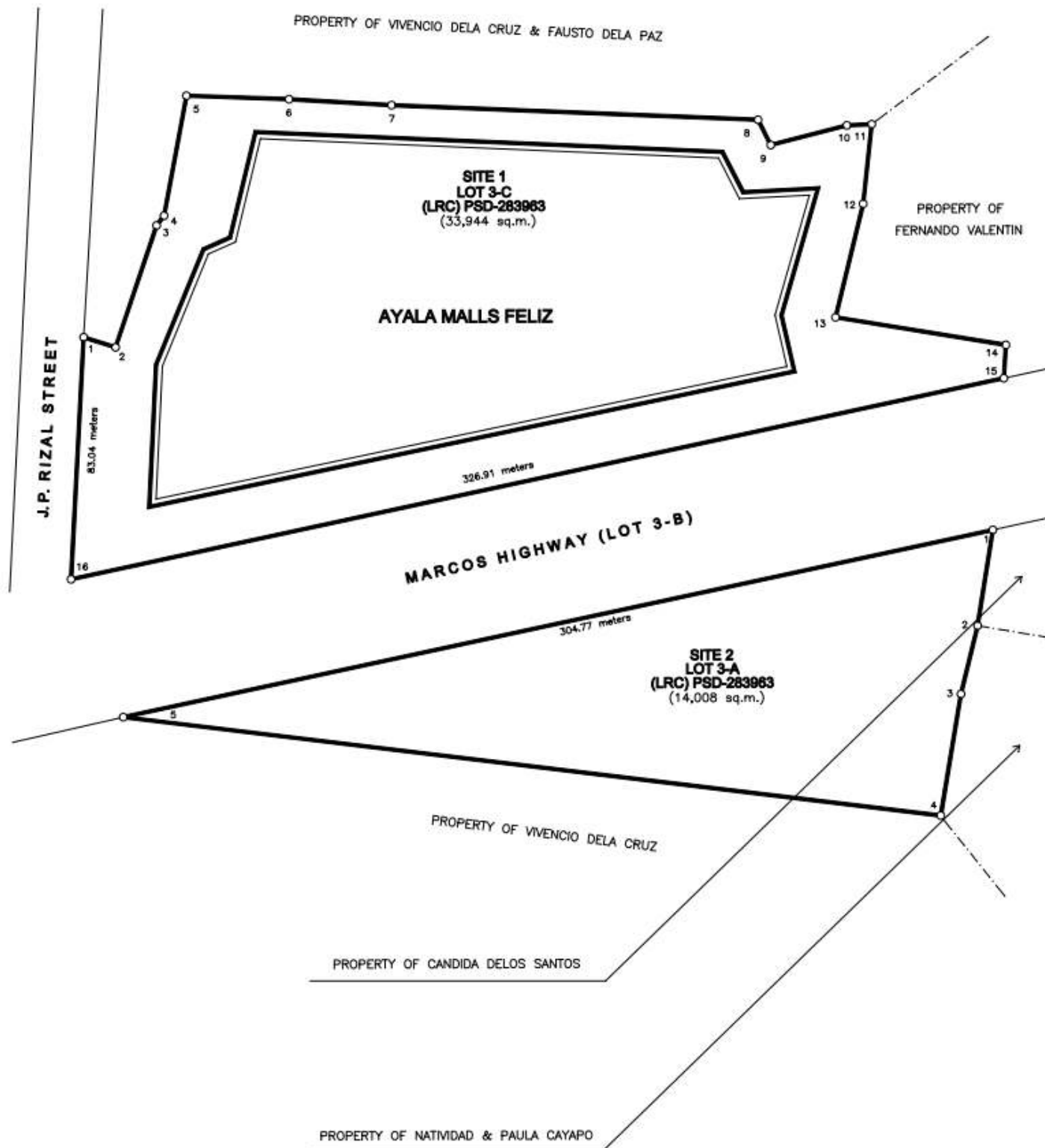
Direct Capitalization AYALA MALLS FELIZ				
Potential Annual Gross Revenue:				
	Retails	=	Php	-
	Car Parkings			-
	Cinemas			-
	Others			-
	Less: Provision for vacancy and bad debts	=	Php	-
	Plus: Recoveries	=	Php	-
	Effective Gross Revenue (EGR)	=	Php	327,462,126
	Less: Direct Operating Expenses			
	Direct Operating Expenses			
	Business Tax	=	Php	9,823,864
	Land Lease	=	Php	19,647,728
	Management Fees	=	Php	13,986,001
	Others (unused CWT)	=	Php	327,462
	Total Direct Operating Expenses	=	Php	43,785,054
	Less: Capital Expenditures - at 0% of EGR	=	Php	-
	Net Operating Income	=	Php	283,677,072
	Capitalized at 6.82%	=	Php	4,159,487,852
	Market Value of the buildings and its facilities	=	Php	4,159,487,852
	Say	=	Php	4,159,488,000

On the basis of the foregoing, the market value of the property (building and its facilities), using the Income Approach (Direct Capitalization) is estimated at say, **Php4,159,488,000**.

SUMMARY OF VALUES

Based on the foregoing, the results of our study are as follows:

Approaches to Value	Market Value (Php)
Income Approach	
<i>By Discounted Cash Flow</i>	<u>Php4,351,901,000</u>
<i>By Direct Capitalization</i>	<u>Php4,159,488,000</u>



P L A N
OF
LOTS AS INDICATED

Situated in :
**BARANGAY DELA PAZ
PASIG CITY
METRO MANILA**

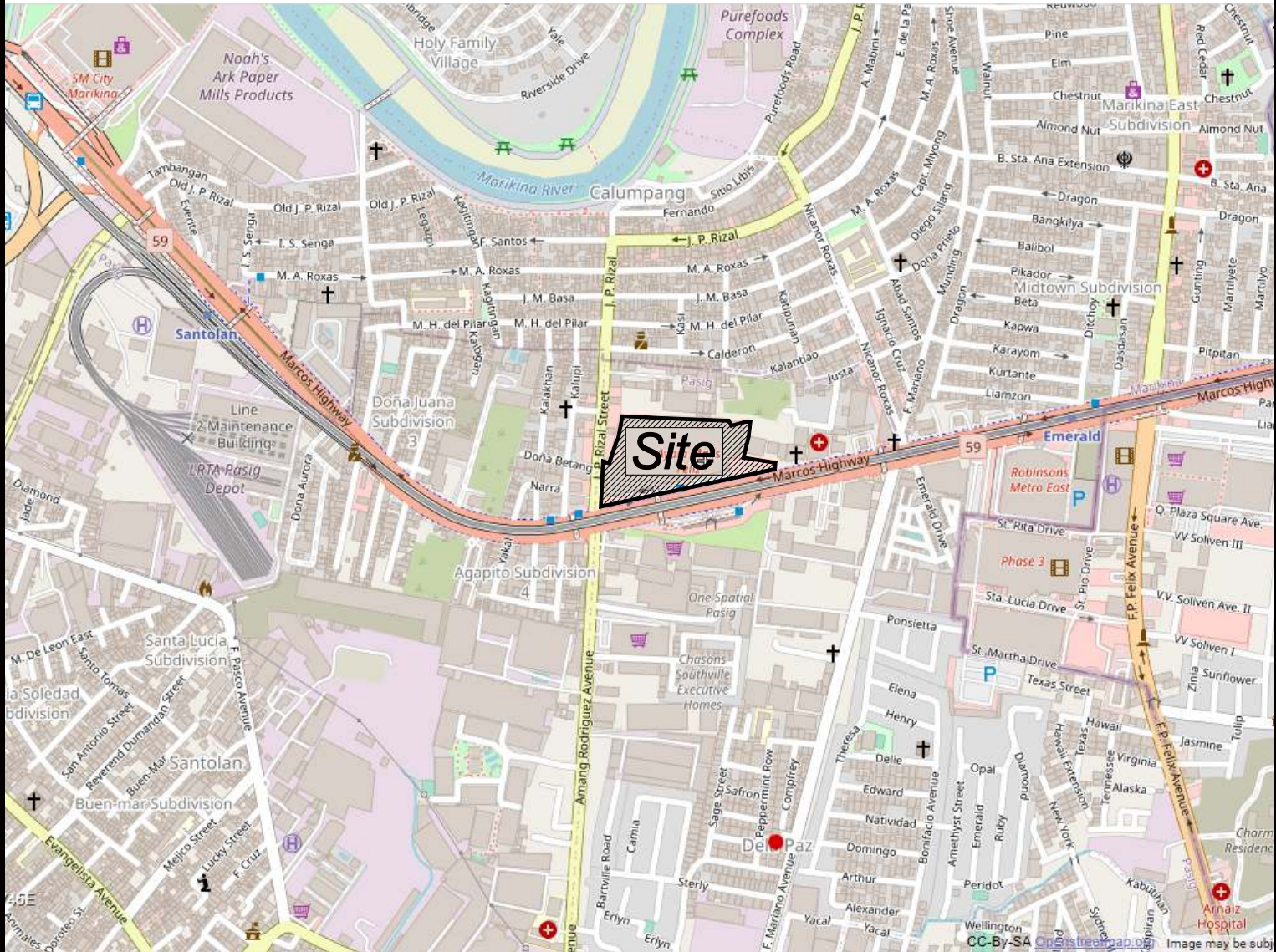
Containing an area of :
SITE 1: 33,944 sq.m.
SITE 2: 14,008 sq.m.

Scale :
NOT TO SCALE

Prepared by :



Cuervo Appraisers, Inc.
Asset Valuation Solutions
MAIN OFFICE : 2nd Floor of Padilla Building
F. Ortigas, Jr. Road (Formerly Emerald Avenue),
Ortigas Center, Pasig City, Metro Manila
E-Mail Address : info@cuervoappraisers.com



VICINITY P L A N

PROPERTY EXHIBITED TO US AS OWNED BY THE
SUMMERHILL COMMERCIAL VENTURES CORP.

Situated in :
**BARANGAY DELA PAZ
PASIG CITY
METRO MANILA**

DRAWN BY : ASA

Containing an area of :

Scale :

NOT TO SCALE

Prepared by :



Cuervo Appraisers, Inc.
Asset Valuation Solutions
MAIN OFFICE : 2nd Floor of Padilla Building
F. Ortigas, Jr. Road (Formerly Emerald Avenue),
Ortigas Center, Pasig City, Metro Manila
E-Mail Address : info@cuervoappraisers.com

CAI File No. : 06-2025-0577A

MARKET VALUE APPRAISAL

Property exhibited to us as owned by
AYALA LAND, INC.

Ayala Center Cebu

Located in

**Cebu Business Park
Barangay Luz, Cebu City**

28 October 2025

AREIT FUND MANAGERS, INC.

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

Attention : **MR. TOMAS JULIAN R. SANTOS**
President and CEO

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Cuervo Appraisers, Inc., through its Manila, Cebu, Davao, and Iloilo offices, has been in the business of providing asset valuation solutions for companies across all industries for 45 years in the Philippines and overseas. Cuervo Appraisers, Inc. has been involved in numerous valuation projects for various assets and enterprises, both tangible and intangible and is well qualified to undertake the work required.

The final valuation report shall not be valid without the dry seal of Cuervo Appraisers, Inc. properly affixed thereto.

CUERVO APPRAISERS, INC.

By:

LIBERTY SANTIAGO-AÑO, IPA, MRICS

Vice President and General Manager

Real Estate Appraiser

Valid until: 07/17/2026

PRC Registration Number: 0000167

IPREA Membership No. 849

PTR No. 3040621

06 January 2025

City of Pasig

28 October 2025

AREIT FUND MANAGERS, INC.

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

Attention : **MR. TOMAS JULIAN R. SANTOS**

Subject : **CAI File No. 06-2025-0577-001A**
Market Value Appraisal of Property

Gentlemen :

As requested, we conducted an appraisal of certain real property exhibited to us as owned by **AYALA LAND, INC.**, for the purpose of expressing an opinion on the **market value** of the property intended for corporate use as of **30 June 2025**.

The appraised property is the site of **Ayala Center Cebu**, consisting of **buildings and other land improvements including machinery and equipment**, located in **Cebu Business Park, Cebu City**.

The term **Market Value**, as used herein, is defined as:

the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset or any associated taxes.

We personally inspected the property, investigated local market conditions, and gave consideration to the --

Income Approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value;

Capitalization rate;

Extent, character and utility of the property;

Lease/Rent rates for similar property; and

Highest and best use of the property.

Premised on the foregoing and as supported by the accompanying narrative report, it is our opinion that the **market value** of the property appraised as of **30 June 2025** is reasonably presented as under –

Approaches to Value	Market Value (Php)
Income Approach	
<i>By Discounted Cash Flow</i>	<u><i>Php16,033,711,000</i></u>
<i>By Direct Capitalization</i>	<u><i>Php15,304,281,000</i></u>


We made no investigation of and assume no responsibility for title to or liabilities against the appraised property.

WE CERTIFY that we have neither present nor prospective interest on the appraised property or on the reported value.

Respectfully submitted,

CUERVO APPRAISERS, INC.

By:


ENGR. ANGELO V. SAN ANTONIO
Senior Real Estate Manager
PRC Registration Number: 0000407
Valid Until: 05/10/2026
IPREA Membership No. 1024
PTR No. 3346304
10 January 2025
City of Malolos

JELM:mfm

CAI File No. 06-2025-0577-001A

LIMITING CONDITIONS

1. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear under responsible ownership.
2. ***Cuervo Appraisers, Inc.***, by reason of this appraisal, is not required to give testimony or attendance in court or to any government agency with reference to the subject property unless arrangements have been previously made.
3. Any erasure on appraisal date and/or value invalidates this valuation report.
4. Neither the whole nor any part of this report and valuation, nor any reference thereto, may be included in any document, circular or statement without our written approval.
5. The valuation fee is not contingent upon a predetermined value conclusion or a percentage of the valuation.
6. This appraisal report is invalid unless it bears the service seal of ***Cuervo Appraisers, Inc.***

CAI File No. 06-2025-0577-001A

NARRATIVE REPORT

I. GENERAL

This report covers an appraisal of a certain property located in Cebu Business Park, Barangay Luz, Cebu City. The appraisal was made for the purpose of expressing an opinion on the **market value** of the property as of **30 June 2025**.

The term **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion.

In this definition, it is assumed that any transaction shall be based on cash or its equivalent consideration. The price which the property would fetch if offered for sale in the open market, would undoubtedly be affected, should the sale be on terms, whether favorable or unfavorable.

It is further assumed that the title to the property is good, marketable, and free from liens and encumbrances; and that fee simple ownership is transferable.

The rights appraised in this report are the property rights in fee simple, free and clear. **Fee Simple** is defined as the absolute fee without limitation to any particular class of heirs or restrictions but subject to the limitations of eminent domain, escheat, police power and taxation.

II. PROPERTY LOCATION AND IDENTIFICATION

The property appraised is the site of **Ayala Center Cebu**, located in the prime commercial block of Cebu Business Park, Barangay Luz, Cebu City.

The prime commercial block is bounded on the northeast by Biliran Road, on the southeast by Cardinal Rosales Avenue, on the southwest by Luzon Avenue, and on the northwest by Bohol Street. It is located approximately 400 meters southwest of Juan Luna Avenue; 530 meters southwest of Carmelite Monastery; 1.20 kilometers northwest of M.J. Cuenco Avenue; and about 1.50 kilometers northwest from SM City Cebu.

Biliran Road (Road Lot 6), Cardinal Rosales Avenue (Road Lot 7), Luzon Avenue (Road Lot 8), and Bohol Avenue (Road Lot 2) are correspondingly 20, 30, 30 and 18 meters wide. These are all concrete and provided with concrete curbs and gutters, concrete sidewalks, and underground drainage. Luzon Avenue and Cardinal Rosales Avenue have a center island.

III. NEIGHBORHOOD DATA

Ayala Center Cebu lies in Cebu Business Park (CBP), a 50-hectare master-planned development in Cebu City, Cebu. Integrating business, residential, sports, recreation and leisure facilities, the centerpiece of the business park is the 9-hectare Ayala Center Cebu shopping mall, which draws 60,000 shoppers daily.

Generally, the streets in the neighborhood are designed to accommodate light to moderate vehicular and pedestrian traffic loads. Major thoroughfares are concreted, with widths ranging from 20 to 30 meters and lighted with streetlamps.

Some of the important improvements in the vicinity are:

WT-Pag-Ibig Tower Building
Ayala FGU-Center
Kepwealth Center Cebu
Seda Hotel
Cebu Holdings Center
Park Tower 1
Park Tower 2
Pioneer Insurance Building

Ayala Center Cebu serves the commercial, shopping and marketing needs of the residents in the area. Other community centers like the post office, public market, churches, hospitals/clinics, and private and public schools are accessible from the subject property by public transportation.

IV. COMMUNITY FACILITIES AND UTILITIES

Electric power, water supply and telecommunication facilities are available at the site.

Public transportation connecting to various sections of Cebu City is available along Cardinal Rosales Avenue where the subject property fronts. Streetlights, garbage collection, foot and mobile patrols of the Philippine National Police, and other community facilities and utilities are maintained by the city government.

V. LAND DATA

The land is technically identified as Lot 4-D-2-A, containing an area of 80,419 square meters, covered by Transfer Certificate of Title No. 107-2014003556, issued on 25 November 2014 by the Registry of Deeds for Cebu City in favor of the **CEBU HOLDINGS, INC.**

The land is bounded by the following properties:

North	-	Lot 5 and Road Lot 6
Northeast	-	Lots 4-A; 4-C; 4-D-2-A and 4-D-2-B; and Road Lots 1, 3, 5 and 6
Southeast	-	Lots 4-A; 4-B; 4-C and 4-D-1; 4-D-2-B; and Road Lots 6 and 7
Southwest	-	Lots 4-A; 4-B; 4-D-1 and 4-D-2-A; 4-D-2-B; and Road Lots 2 and 8
Northwest	-	Lot 4-D-2-B and Road Lot 2

Attached is a plan of the property as plotted based on the technical description appearing in the title furnished to us by the client. As shown, the land is irregular in shape, with frontages of approximately 293 meters, 160 meters, 284 meters and 188 meters on Luzon Avenue, Cardinal Avenue, Bohol Avenue and Biliran Road, correspondingly.

The terrain of the land is flat. Its elevation is uniform and at grade with the fronting avenues/road.

No title verification was conducted to confirm the existence of the owner's original copy of the title supposedly on file with the Registry of Deeds, since it is not included in the assignment.

Government Assessment

BIR Zonal Value of Real Properties within Barangay Luz, Cebu City as per Department Order No. 054-2023, effective 06 October 2023:

Street Names	Vicinity	Classifications	5th Revision Zonal Value (Php/sq.m.)
	N. Escario –J. Luna		
Arch. Reyes Avenue	Avenue	Commercial	102,500
Cebu Business Park	Lot Nos 4-6	Commercial	206,750

VI. DESCRIPTION OF THE IMPROVEMENTS

The land is the site of Ayala Center Cebu, it is improved with buildings and other land improvements, described as follows:

Buildings

Main Mall

This is a four (4)-storey reinforced concrete framed building with two (2)-level basement, of rib type galvanized iron sheet roofing, polycarbonate sheet skylight with heat insulator roof; cement finish concrete roof deck; cement plastered concrete hollow blocks and clear glass walls; cement board partitions; plain cement concrete and vinyl and ceramic tile concrete floors at basement; non-skid ceramic tiles, granite tiles and washed-out pebble concrete on the ground to fourth floors; glazed ceramic tile walls and floor at toilets and bathrooms; plywood flush, glass on analok aluminum frame, steel sheet, grille and wood panel doors; glass on analok frames display and fixed glass on analok frame windows; ceramic tile on concrete with tubular aluminum railings and steel support stairways.

The building features shopping and parking area at basements 1 and 2, shopping area, boutiques, fast food/restaurants, and other stores on the ground and second floors; shopping area, boutiques, fast food/restaurants, and comfort room on the third floor; Fitness First, fast food, movie snack bar area, stores and four (4) theater houses with deluxe and premiere accommodations, electrical room for utility and mechanical room on the fourth floor.

This is painted and provided with firefighting and alarm systems, centralized air conditioning, CCTV security, and water supply systems, an underground cistern, air wells, escalators, electrical, plumbing and telecommunication facilities. Total floor area is approximately 67,675 square meters.

The building is currently undergoing renovation, which includes retiling, expansion of the ground floor rotunda, addition of PVC accents on the rotunda columns, installation of Kaynemaile architectural mesh and slatted aluminum ceiling accents, installation of new glass railings, ceiling renovations, and comfort room renovations.

Estimated remaining economic life is 23 years.

Expansion Building (Phase 2A)

This is a four (4)-storey reinforced concrete framed building of rib type galvanized iron sheet roofing, polycarbonate sheet skylight with heat insulator roof; cement finish concrete roof deck; cement plastered concrete hollow blocks and clear glass walls; cement board partitions; non-skid ceramic tiles, granite tiles and washed-out pebble concrete on the ground to fourth floors; plywood flush, glass on analok aluminum frame, steel sheet, grille and wood panel doors; glass on analok frames display and fixed glass on analok frame windows; ceramic tile on concrete with tubular aluminum railings and steel support stairways.

The building features boutiques, fast foods/restaurants, and other stores on the ground to fourth floors.

This is painted and provided with firefighting and alarm systems, centralized air conditioning, CCTV security, and water supply systems, an underground cistern, air wells, escalators, electrical, plumbing and telecommunication facilities. Total floor area is approximately 3,773 square meters.

Estimated remaining economic life is 31 years.

Ayala Mall (Portion of THE ALCOVES)

The Alcoves, as a whole, is a thirty seven (37)-storey reinforced concrete framed mixed commercial and residential building of cement finished concrete roof deck, gypsum board and concrete suspended slab ceilings; cement plastered concrete hollow block and clear glass walls; glazed ceramic tile walls and floor at toilets and bathrooms; cement plastered concrete hollow block and double walled hardiflex partitions; plywood flush, glass on analok aluminum frame, steel sheet, grille and wood panel doors; glass on analok frames display and fixed glass on analok frame windows; ceramic tile on concrete with tubular aluminum railings and steel support stairways. (Note: Only ground to third floors is part of Ayala Mall.)

The building features boutiques, and other stores on the ground to third floors.

This is painted and provided with firefighting and alarm systems, centralized air conditioning, CCTV security, and water supply systems, an underground cistern, air wells, escalators, electrical, plumbing and telecommunication facilities. Total floor area is approximately 10,244 square meters.

Estimated remaining economic life is 38 years.

Phase 2B

This is a four (4)-storey reinforced concrete framed building of rib type galvanized iron sheet roofing, polycarbonate sheet skylight with heat insulator roof; cement finish concrete roof deck; cement plastered concrete hollow blocks and clear glass walls; cement board partitions; non-skid ceramic tiles, granite tiles and washed-out pebble concrete on ground to fourth floors; plywood flush, glass on analok aluminum frame, steel sheet, grille and wood panel doors; glass on analok frames display and fixed glass on analok frame windows; ceramic tile on concrete with tubular aluminum railings and steel support stairways.

The building features Rustan's Department Store, shopping area, boutiques, fast food/restaurants, and other stores on the ground and second floors; shopping area, boutiques, fast food/restaurants, and comfort room on the third floor; Fitness First, fast foods, snack bar area, electrical room for utility and mechanical room on the fourth floor.

This is painted and provided with firefighting and alarm systems, centralized air conditioning, CCTV security, and water supply systems, an underground cistern, air wells, escalators, electrical, plumbing and telecommunication facilities. Total floor area is approximately 50,079 square meters.

Estimated remaining economic life is 32 years.

The Terraces

This is a four (4)-storey reinforced concrete and structural steel framed building having rib type long span and tegula sheet on steel trusses with steel trellis and frame and glass sheet skylight roofing with heat insulator roof; steel designed walls, cement plastered finished concrete hollow blocks, clear glass on white coated powder framed walls and partitions; double wall hardiflex partitions; hardiflex, aluminum spandrel and concrete ceilings; ceramic and concrete tile finished reinforced concrete slab floors; tubular stainless steel railings; glazed tile finished walls and floors at comfort rooms; automatic sliding frameless glass, swing clear glass, and plywood flush type doors; concrete and stone designed stairways in walkways on the ground floor, and various architectural design finishes.

The building is provided with electrical lighting and plumbing facilities. Total floor area is approximately 9,731 square meters, as allocated on the next page:

Floor Levels	Floor Area (sq.m.)
Ground	4,654
Second	3,282
Third	1,483
Fourth	<u>312</u>
	Total - 9,731 sq.m.

Estimated remaining economic life is 31 years.

Parking Building

This is a three (3)-storey reinforced concrete-framed building with roof deck, and three (3) level basements, of concrete slab roof deck with water proofing membrane and 1-meter-high parapet walls with steel trellis accent; plastered cement reinforced concrete walls with tubular steel railings; and plain cement finished concrete floor.

The building is painted and provided with electrical lighting and plumbing facilities. Total floor area is approximately 11,251 square meters, allocated as follows:

Floor Levels	Floor Area (sq.m.)
Basement 3	362
Basement 2	2,147
Basement 1	2,147
Ground	2,301
Second	2,147
Third	<u>2,147</u>
	Total - 11,251 sq.m.

Estimated remaining economic life is 23 years.

Walkway Shed

This is an open wall structure, of rib type galvanized iron sheet on steel frame roof; galvanized steel posts on concrete pedestal; and plain cement on concrete floor. Floor area is approximately 36 square meters.

Estimated remaining economic life is 1 year.

Ticketing Booth

This is a semi-reinforced concrete frame building of single rib type on steel truss roof; gypsum board ceilings; plastered cement concrete walls; plywood flush door; sliding glass on aluminum frame window; and ceramic tile finished concrete floors.

The building is painted and provided with electrical lighting facilities. Floor area is approximately 3 square meters.

Estimated remaining economic life is 1 year.

Canopy/Waiting Shed (New)

This is an unenclosed, structural steel on concrete pedestal framed structure having polycarbonate sheet on steel frame roof; aluminum composite panel ceiling; and plain cement finish concrete floor. Floor area is approximately 130 square meters.

Estimated remaining economic life is 24 years.

Other Land Improvements

Landscape

This consists of variety of plants, trees, grass, hardcourt at the middle, bricks finished pathways, concrete designed walkways with lamp posts, two (2) rectangular shaped and one (1) circular shaped fountain of concrete designed and stones equipped with pumps and accessories. Total floor area is approximately 10,989 square meters.

Covered Stage

This is an elevated structure of concrete tile floors laid on compacted earth base with tensile fabric roofing on steel frame roof. Floor area is approximately 374 square meters.

Estimated remaining economic life is 15 years.

Driveways

This is of plain cement finished reinforced concrete laid on compacted earth base with underground drainage, concrete curbs and gutters. Floor area is approximately 2,020 square meters.

VII. HIGHEST AND BEST USE

Based upon an analysis of the property itself and the prevailing land usage in the neighborhood, we are of the opinion that a **commercial utility** would represent the highest and best use of the property.

Highest and Best Use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

VIII. VALUATION

By Income Approach

A. DISCOUNTED CASH FLOW

The **Income Approach** is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The different techniques that can be utilized to accomplish this include direct capitalization, mortgage-equity capitalization and discounted cash flow analysis. All three methods are based on an analysis of a property's operating income.

The first step in the Income Approach is estimating the Potential Gross Income (PGI) of the property. The PGI includes income from all possible sources, at 100% occupancy and before any deductions for expenses. These projections are generally calculated on an annual basis and are based on the analysis of data from the subject and comparable rental properties. With a potential gross income figure, a suggested value can be applied against the subject. After projecting the Potential Gross Income, an allowance is made for vacancy and credit loss, resulting in the Effective Gross Income (EGI). The EGI estimates the anticipated annual gross receipts from the property. The property may experience vacancies (even in a strong rental market) due to the time lag between successive tenants (e.g., remodeling). Collection losses can result from a tenant's inability or refusal to pay rent. After projecting the Effective Gross Income, the appraiser deducts the estimated operating expenses for the property. These operating expenses include all the costs required to maintain the earning potential of the property. The operating expenses are generally classified into two categories: fixed expenses and variable expenses.

Variable expenses are directly related to the occupancy, and therefore to the Effective Gross Income, of the property. Examples include Gross Receipt Taxes and management fees paid on a percentage of gross bases.

Fixed expenses are those which remain constant for the property regardless of occupancy. Examples include real property taxes and hazard insurance. The total operating expenses are deducted from the Effective Gross Income resulting in the Net Operating Income (NOI). The NOI is the annual estimated income generated by the property, before interest expense, depreciation and taxes. The Net Operating Income can be analyzed in three ways, as introduced above: direct capitalization, mortgage-equity analysis and discounted cash flow. For purposes of this report, we have adopted the Discounted Cash Flow Analysis, details of which are shown on the succeeding pages of this report.

Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including base rental, rental growth, statutory and operating expenses, and sale price and disposal of the property at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the start of the eleventh year of the cash flow. The cash flow analyses, which comprise annual income streams, are based upon the following assumptions/estimates:

1. Cash Flow is projected over a 10-year period;
2. Gross floor area is estimated at 214,337-square meter.
3. Discount rate is estimated at 9.54%, based on the weighted average cost of capital (WACC);
4. Terminal capitalization rate adopted to arrive at the terminal value is 6.54% (discount rate less growth rate);
5. Projected gross revenue from leasable spaces and operating expenses were based on projected P & L provided to us by the client for the year 2026 to 2035;
6. Leased on land is estimated at Php70,679,713 (6% of the effective gross revenues with 3% escalation rate); and
7. Capital Expense is 0, the mall owner would shoulder this expenses.

On the basis of the aforementioned assumptions, we have prepared a Discounted Cash Flow Analysis, shown in the succeeding page, to establish the quantity, variability, timing and duration of the periodic income attributable to the interest in the property under review. Each cash flow is then discounted to its present value, and all resulting present values are totaled, to obtain the Net Present Value of the income to the real property interest being appraised. The Present Worth of the Terminal Value is then added to obtain the Fair Value of the Property.

Discounted Cash Flow Analysis (in PhP)														
AYALA CENTER CEBU														
STATISTICS														
Total Land Area	80,419.00	sq.m.												
						Ave. Lease Rate on Yr. 1								
Gross Floor Area	-	sq.m.				Php5,496/sq.m./yr.								
Gross Leasable Area	214,336.83	sq.m.				Php458/sq.m./mo.								
Effective Gross Revenue on Year 1	Php	1,177,995,218												
Vacancy Rate	-													
Discount Rate		9.54%												
Average Growth Rate		3.00%												
Terminal Capitalization Rate		6.54%												
Present Worth Factor				0.91291	0.83340	0.76082	0.69456	0.63407	0.57885	0.52843	0.48241	0.44040	0.40204	
			Year	1	2	3	4	5	6	7	8	9	10	Totals
GROSS REVENUES			Escalation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Retails														
Car Parkings				-	-	-	-	-	-	-	-	-	-	
Cinemas				-	-	-	-	-	-	-	-	-	-	
Others				-	-	-	-	-	-	-	-	-	-	
Total Annual Revenues				-	-	-	-	-	-	-	-	-	-	-
LESS:														
Vacancy Rate (incl. bad debts)		of gross revenues		-	-	-	-	-	-	-	-	-	-	-
Effective Gross Revenues (EGR)				1,177,995,218	1,213,335,074	1,249,735,126	1,287,227,180	1,325,843,996	1,365,619,316	1,406,587,895	1,448,785,532	1,492,249,098	1,537,016,571	13,504,395,005
Plus:														
Recoveries		of gross revenues		-	-	-	-	-	-	-	-	-	-	-
				1,177,995,218	1,213,335,074	1,249,735,126	1,287,227,180	1,325,843,996	1,365,619,316	1,406,587,895	1,448,785,532	1,492,249,098	1,537,016,571	13,504,395,005
LESS: OPERATING EXPENSES		Php(000)												
Direct Operating Expenses														
Business Tax				11,779,952	12,133,351	12,497,351	12,872,272	13,258,440	13,656,193	14,065,879	14,487,855	14,922,491	15,370,166	135,043,950
Land Lease				70,679,713	72,800,104	74,984,108	77,233,631	79,550,640	81,937,159	84,395,274	86,927,132	89,534,946	92,220,994	810,263,700
Management Fees				50,605,562	51,665,758	52,757,760	53,882,521	55,041,026	56,234,285	57,463,343	58,729,272	60,033,179	61,376,203	557,788,909
Others (unutilized CVT)				1,177,995	1,213,335	1,249,735	1,287,227	1,325,844	1,365,619	1,406,588	1,448,786	1,492,249	1,537,017	13,504,395
Capital Expenditures		0.00% of effective gross revenues		-	-	-	-	-	-	-	-	-	-	-
Total				134,243,223	137,812,548	141,488,954	145,275,651	149,175,949	153,193,257	157,331,083	161,593,045	165,982,865	170,504,380	1,516,600,955
NET INCOME				1,043,751,995	1,075,522,526	1,108,246,173	1,141,951,529	1,176,668,046	1,212,426,059	1,249,256,812	1,287,192,487	1,326,266,233	1,366,512,191	11,987,794,050
ADD: Reversion Value (Resale Value)														21,603,910,922
LESS: Marketing Cost		0.00% of Resale Value												0
Net Reversion Value														21,603,910,922
Present Worth Factor @	9.54%	discount rate		0.91291	0.83340	0.76082	0.69456	0.63407	0.57885	0.52843	0.48241	0.44040	0.40204	0.40204
Present Worth of Net Income				952,850,096	896,342,600	843,175,600	793,152,548	746,088,381	701,808,853	660,149,912	620,957,109	584,085,040	549,396,824	7,348,006,965
Present Worth of Net Reversion Value														8,685,703,741
Total Present Value of Net Income					7,348,006,965									
Present Worth of Net Reversion Value					8,685,703,741									
Total					16,033,710,706									
Market Value of Property (buildings and its facilities)		PhP			16,033,710,706									
Rounded to		PhP			16,033,711,000									

On the basis of the foregoing, the market value of the property (buildings including its facilities) using the Discounted Cash Flow Analysis, is represented in the amount of **Php16,033,711,000.**

B. DIRECT CAPITALIZATION

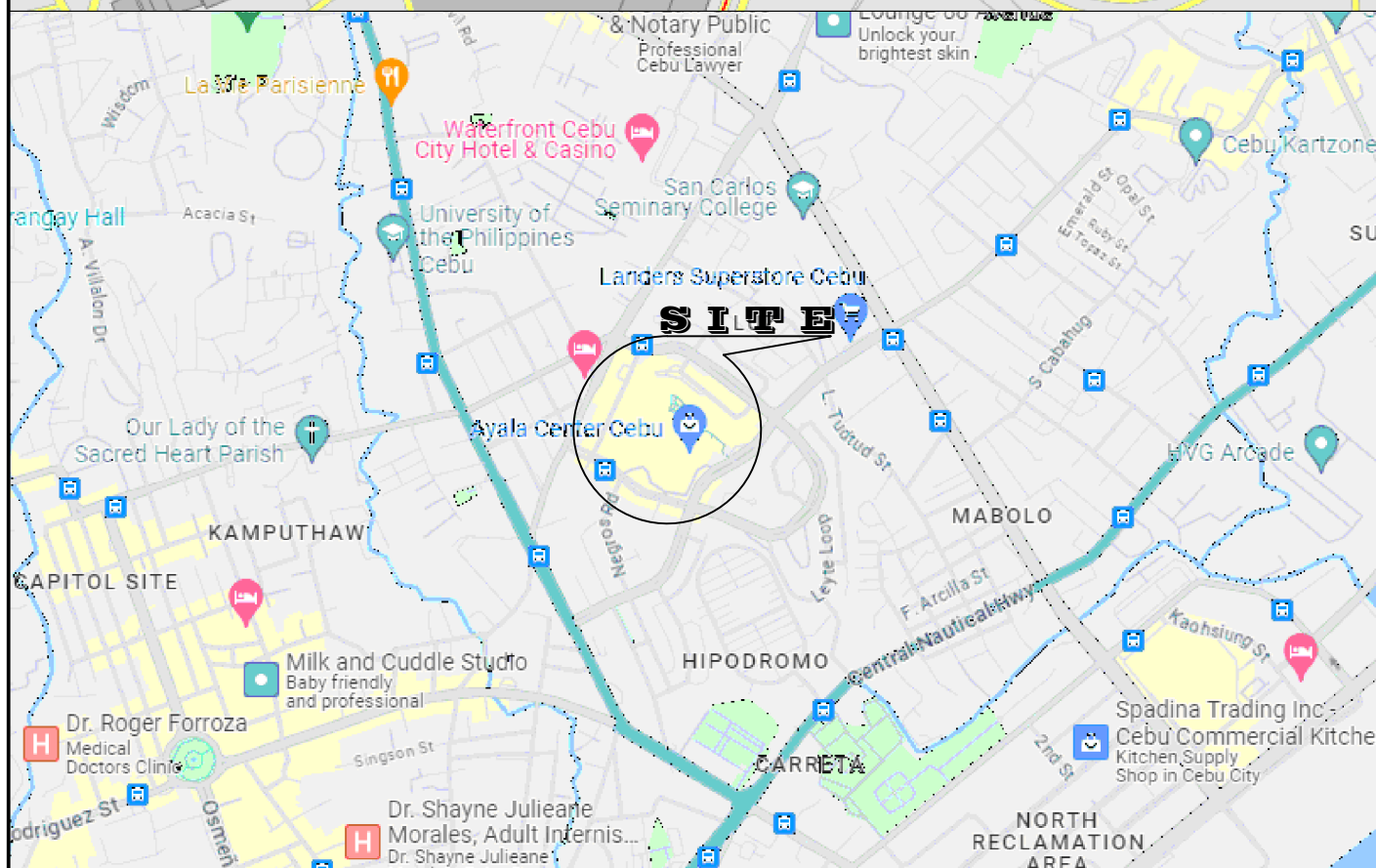
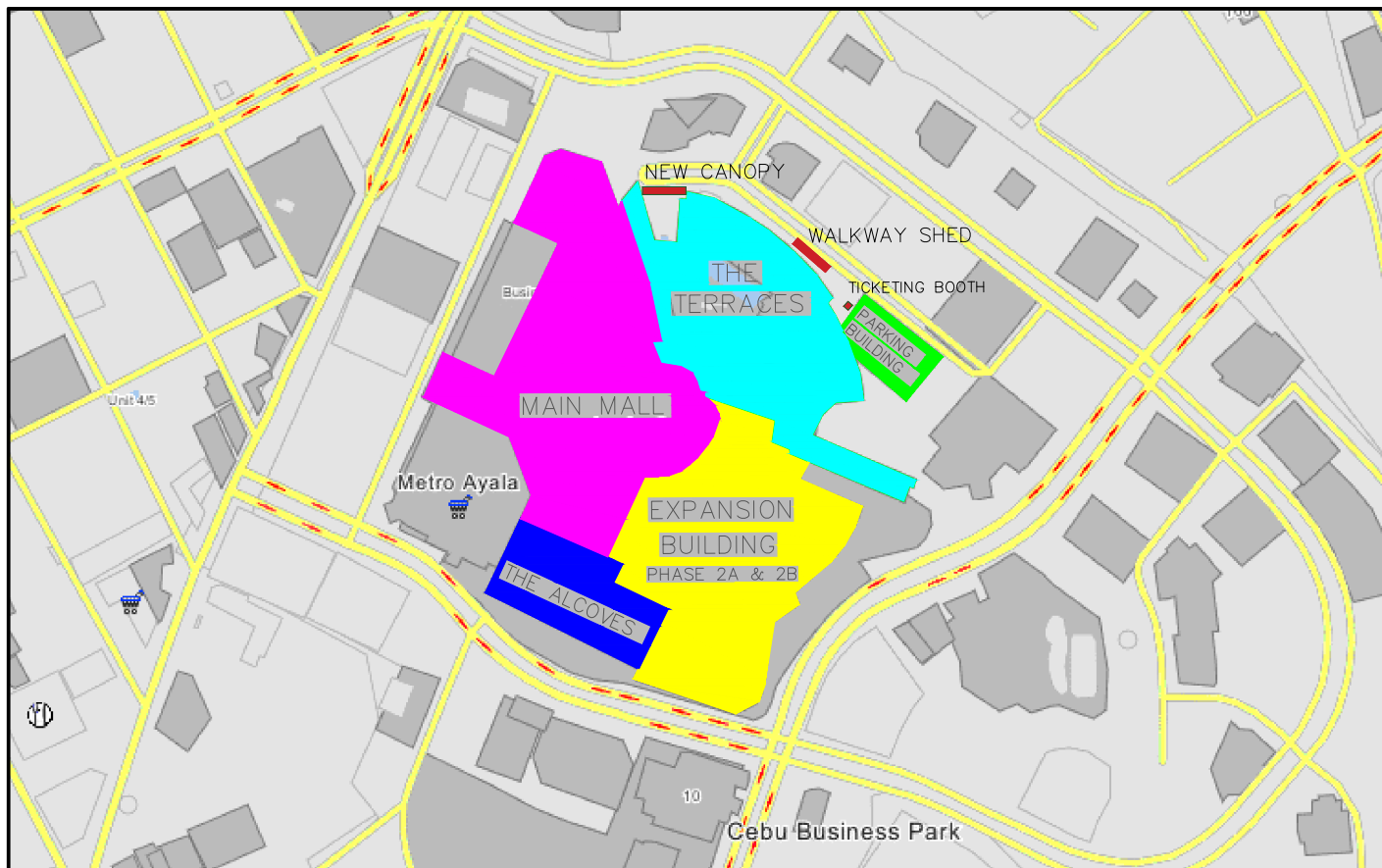
Direct capitalization typically involves the analysis of a single year's net income (or average of several years' income). The net income after deducting the costs of labor, management, maintenance, operations, and other related expenses is capitalized by an appropriate overall capitalization rate to derive value. Using the same assumptions/estimates made on the discounted cash flow analysis, and adopting a capitalization rate of 6.82% based on built-up method, the value of the property using the Direct Capitalization Method is estimated as follows:

Direct Capitalization AYALA CENTER CEBU				
Potential Annual Gross Revenue:				
	Retails	=	Php	-
	Car Parkings			-
	Cinemas			-
	Others			-
	Less: Provision for vacancy and bad debts	=	Php	-
	Plus: Recoveries	=	Php	-
	Effective Gross Revenue (EGR)	=	Php	1,177,995,218
	Less: Direct Operating Expenses			
	Direct Operating Expenses			
	Business Tax	=	Php	11,779,952
	Land Lease	=	Php	70,679,713
	Management Fees	=	Php	50,605,562
	Others (unutilized CVT)	=	Php	1,177,995
	Total Direct Operating Expenses	=	Php	134,243,223
	Less: Capital Expenditures - 0	=	Php	-
	Net Operating Income	=	Php	1,043,751,995
	Capitalized at 6.82%	=	Php	15,304,281,448
	Market Value of the buildings and its facilities	=	Php	15,304,281,448
	Say	=	Php	15,304,281,000

SUMMARY OF VALUES

Based on the foregoing, the results of our study are as follows:

Approaches to Value	Market Value (Php)
Income Approach	
<i>By Discounted Cash Flow</i>	<u>Php16,033,711,000</u>
<i>By Direct Capitalization</i>	<u>Php15,304,281,000</u>



Scale:
NOT TO SCALE

On This Page:
**LAYOUT
PLAN**
and
**VICINITY
MAP**

LOCATION:

**CEBU BUSINESS PARK
BARANGAY LUZ, CEBU CITY**

PROPERTY EXHIBITED TO US BY THE:

AYALA LAND, INC.

CLIENT:

AYALA LAND, INC.

Prepared By:

Cuervo Appraisers
Asset Valuation Solutions



Unit 1002, 10th Floor, Pag-IBIG Fund
WT Corporate Tower, Mindanao Ave.
Cebu Business Park, Cebu City

CAI FILE NO.

06-2025-0577-001

STAFF:

RLL