

SEC Number: CS200613870
File Number: _____

AREIT, INC.

(Company's Full Name)

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

(Company Address)

(632) 7908-3804

(Telephone Number)

September 30, 2025

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

-

(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2025**
2. Commission Identification Number **CS200613870**
3. BIR Tax Identification No. **006-346-689-00000**
4. Exact name of issuer as specified in its charter: **AREIT, INC.**
5. Province, Country, or other jurisdiction of incorporation or organization:
Makati City, Philippines
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of issuer's principal office and postal code:
28F, Tower One, Ayala Triangle, Ayala Avenue, Makati City 1226
8. Issuer's telephone number, including area code: **(632) 7908-3804**
9. Former name, former address, former fiscal year: **Not applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

As of September 30, 2025

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

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

Yes ☒ No ☐

Stock Exchange: **Philippine Stock Exchange**

Securities listed: **Common shares**

12. Indicate by check mark whether the registrant:

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

Yes ☒ No ☐

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

Yes ☒ No ☐

TABLE OF CONTENTS

	<u>Page No.</u>
PART I - FINANCIAL STATEMENTS	
Item 1. Financial Statements	
• Unaudited Statements of Financial Position as of September 30, 2025, and December 31, 2024	4
• Unaudited Statements of Comprehensive Income for the Nine Months ended September 30, 2025, and 2024	5
• Unaudited Statements of Changes in Equity for the Nine Months ended September 30, 2025, and 2024	6
• Unaudited Statements of Cash Flows for the Nine Months ended September 30, 2025 and 2024	7
• Notes to Interim Financial Statements	8
Item 2. Management's Discussion and Analysis of the Financial Condition and Results of Operations	23
 PART II - OTHER INFORMATION	
Item 3. Developments as of September 30, 2025	27
Item 4. Other Notes to 9M 2025 Operations and Financials	28
Item 5. Performance Indicators	31
Signature	32

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

AREIT, INC.

STATEMENTS OF FINANCIAL POSITION

(All amounts in Philippine Peso)

	Notes	September 30, 2025 Unaudited	December 31, 2024 Audited
ASSETS			
Current Assets			
Cash	4	264,682,861	71,173,448
Receivables	5	5,965,823,246	4,137,961,846
Other current assets	6	300,164,647	348,036,017
Total Current Assets		6,530,670,754	4,557,171,311
Noncurrent Assets			
Noncurrent portion of receivables	5	35,161,943,684	19,628,763,009
Investment properties	7	103,741,707,143	97,579,387,207
Property and equipment		916,197	983,346
Other noncurrent assets	6	1,380,314,629	1,456,378,068
Total Noncurrent Assets		140,284,881,653	118,665,511,630
		146,815,552,407	123,222,682,941
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	8	4,240,964,799	2,979,327,838
Short-term debt	9	2,000,000,000	2,000,000,000
Current portion of deposits, other liabilities	11	963,656,885	388,962,761
Construction bonds	10	140,868,434	138,143,467
Total Current Liabilities		7,345,490,118	5,506,434,066
Noncurrent Liabilities			
Deposits, other liabilities, net of current portion	11	2,770,567,920	3,097,435,509
Lease liability- net of current portion		1,303,563,514	1,248,290,844
Total Noncurrent Liabilities		4,074,131,434	4,345,726,353
Total Liabilities		11,419,621,552	9,852,160,419
Equity			
Paid-up capital	12	37,830,861,320	32,771,959,550
Treasury shares		(673,299,700)	(673,299,700)
Additional paid-in capital		72,223,544,610	56,368,354,602
Retained earnings		26,014,824,625	24,903,508,070
Total Equity		135,395,930,855	113,370,522,522
		146,815,552,407	123,222,682,941

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

(All amounts in Philippine Peso)

	2025 Unaudited		2024 Unaudited	
	July 1 to September 30	January 1 to September 30	July 1 to September 30	January 1 to September 30
REVENUE				
Rental income	2,307,622,503	6,583,118,618	2,102,151,882	5,245,008,686
Dues- net	541,428,909	1,418,552,894	400,712,580	1,100,264,592
Interest income from finance lease receivables	742,289,595	1,512,820,384	385,254,833	776,428,030
	3,591,341,007	9,514,491,896	2,888,119,295	7,121,701,308
COSTS AND EXPENSES				
Direct operating expenses	839,990,730	2,382,868,372	750,372,762	1,918,702,961
General and administrative expenses	55,658,819	83,850,006	28,899,772	63,786,698
	895,649,549	2,469,701,450	779,272,534	1,982,489,659
OTHER INCOME (CHARGES) - Net				
Interest income	53,594,735	121,975,303	45,314,353	110,547,501
Interest expense and other charges	(70,113,644)	(211,518,981)	(84,197,638)	(230,815,730)
	(16,518,909)	(89,543,678)	(38,883,285)	(120,268,229)
Net fair value change in investment properties	(71,437,570)	(228,427,121)	(111,848,042)	(198,102,944)
INCOME BEFORE INCOME TAX	2,607,734,979	6,729,802,719	1,958,115,434	4,820,840,476
PROVISION FOR INCOME TAX	232,510	1,218,847	923,244	2,355,302
NET INCOME	2,607,502,469	6,728,583,872	1,957,192,190	4,818,485,174
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME	2,607,502,469	6,728,583,872	1,957,192,190	4,818,485,174
Basic/Diluted Earnings Per Share	0.70	1.81	0.61	1.50

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

(All amounts in Philippine Peso)

	September 30, 2025 Unaudited	September 30, 2024 Unaudited
PAID-UP CAPITAL		
Common Shares - ₱10 par value		
Balance at beginning of period	32,771,959,550	24,359,365,430
Issuance of new shares	5,058,901,770	8,412,594,120
Balance at end of the period	37,830,861,320	32,771,959,550
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of period	56,368,354,602	36,320,032,381
Issuance of new shares	15,935,540,576	20,190,225,888
Share issuance cost	(80,350,568)	(141,903,667)
Balance at end of the period	72,223,544,610	56,368,354,602
TREASURY SHARES		
Balance at beginning and end of period	(673,299,700)	(673,299,700)
RETAINED EARNINGS		
Balance at beginning of year	24,903,508,070	23,403,738,698
Total comprehensive income/Net income	6,728,582,029	4,818,485,174
Cash dividends	(5,617,265,474)	(3,955,572,978)
Balance at end of period	26,014,824,625	24,266,650,894
	135,395,930,855	112,733,665,346

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

(All amounts in Philippine Peso)

	2025 Unaudited January 1 to September 30	2024 Unaudited January 1 to September 30
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	6,729,800,876	4,820,840,475
Adjustments for:		
Net fair value change in investment properties	228,427,121	198,102,944
Depreciation and amortization	256,096	209,551
Interest expense	150,819,005	152,933,042
Interest income from finance lease receivables	(1,512,820,384)	(776,428,030)
Interest income	(121,975,303)	(110,547,501)
Operating income before working capital changes	5,474,507,411	4,285,110,481
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	581,360,360	(14,015,122)
Other assets	123,934,809	(57,851,782)
Increase (decrease) in:		
Accounts and other payables	1,261,636,961	969,800,701
Deposits and other liabilities	247,826,535	145,500,290
Construction bonds	2,724,966	18,401,065
Cash generated from (used in) operations	7,691,991,042	5,346,945,633
Interest received	121,975,303	110,547,501
Income tax paid	(1,218,848)	(2,355,302)
Net cash flows provided by (used in) operating activities	7,812,747,497	5,455,137,832
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in due from related parties	(1,697,874,000)	200,545,319
Payments for additions to investment properties	(128,201,708)	(1,416,928,235)
Net cash flows provided by (used in) investing activities	(1,826,075,708)	(1,216,382,916)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of dividends	(5,617,265,474)	(3,955,572,977)
Share issuance cost	(80,350,567)	(141,903,668)
Payments of principal portion of lease liability	(10,913,002)	(11,479,082)
Interest paid	(84,633,333)	(88,242,219)
Net cash flows provided by (used) financing activities	(5,793,162,376)	(4,197,197,946)
NET INCREASE (DECREASE) IN CASH	193,509,413	41,556,970
CASH AT BEGINNING OF PERIOD	71,173,448	41,758,546
CASH AT END OF PERIOD	264,682,861	83,315,516

AREIT, INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

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

1. Corporate Information

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

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

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

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

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

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

ALI’s parent is Ayala Corporation (AC). AC is 47.57%-owned by Mermac, Inc., and the rest by the public. Both ALI and AC are publicly-listed companies domiciled and incorporated in the Philippines.

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

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

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

Registration as a REIT entity

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

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

2. Basis of Financial Statement Preparation

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

PFRS Accounting Standards

PAS Standards; and

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

On November 04, 2025 the Audit Committee approved and authorized the release of the accompanying unaudited interim financial statements of AREIT, Inc.

3. Summary of Material Accounting Policies

Adoption of amended accounting standards and interpretation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Cash

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	252,500	232,500
Cash in banks	264,430,361	70,940,948
	264,682,861	71,173,448

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

5. Receivables

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Finance lease receivable	35,180,579,661	19,673,140,935
Due from related parties	4,521,342,444	2,763,502,905
Trade receivables – billed	1,572,991,686	1,475,918,230
Other receivables	1,556,473	2,866,119
	41,276,470,264	23,915,428,189
Less allowance for credit losses	(148,703,334)	(148,703,334)
	41,127,766,930	23,766,724,855
Less noncurrent portion of finance lease receivable	(35,161,943,684)	(19,628,763,009)
	5,965,823,246	4,137,961,846

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

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

As of September 30, 2025, the aging analysis of the Company's receivables presented per class is as follows:

	Neither Past Due nor Impaired	Past due but not impaired				Impaired	Total
		<30 days	31-60 days	61-90 days	>90 Days		
Finance lease receivable	35,180,579,661	-	-	-	-	-	35,180,579,661
Due from related parties	3,072,954,681	321,049,910	250,705,885	245,056,358	631,575,610	-	4,521,342,444
Trade receivables – billed	101,895,714	579,787,043	383,358,819	231,032,591	128,214,185	148,703,334	1,572,991,686
Total	38,355,430,056	900,836,953	634,064,704	476,088,950	759,789,795	148,703,334	41,274,913,791

The movements in allowance for credit losses are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of year	148,703,334	117,249,385
Additions	-	31,453,949
Balance at end of year	148,703,334	148,703,334

6. Other Assets

Other Current Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Input VAT	40,947,156	79,914,038
Deferred Input VAT	61,515,737	133,685,864
Prepaid expenses	165,845,472	110,243,518
Recoverable deposits	31,856,282	24,192,597
	300,164,647	348,036,017

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

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

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

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

Other Noncurrent Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Input VAT	1,005,081,345	1,178,310,216
Creditable withholding taxes (CWT)	347,097,817	270,444,100
Advances to contractors	28,135,467	7,623,752
	1,380,314,629	1,456,378,068

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

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

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

7. Investment Properties

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

As of September 30, 2025, the investment properties are composed of the following:

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

The movement in investment properties as at September 30, 2025 and December 31, 2024.

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Beginning of the period	97,579,387,207	78,255,747,008
Acquisitions and Improvements	21,122,455,107	29,950,343,079
Property under finance lease	(14,731,708,050)	(10,544,343,280)
Disposal	-	(38,985,000)
Fair value adjustment	(228,427,121)	(43,374,600)
	103,741,707,143	97,579,387,207

Additions

In 2025 and 2024, the Company entered into property-for-share swap transactions for certain investment properties in exchange of issuance of shares (Note 12).

On January 17, 2024, the Company entered into a Deed of Absolute Sale with Econorth Resort Ventures, Inc. (ERVI), a subsidiary of Ayala Land, Inc. (ALI), to acquire SEDA Lio, a hotel building for P1,192.00 million, exclusive of VAT. Simultaneous to the acquisition, the Company and ERVI,

entered into a lease agreement for the room-resort hotel that is payable on quarterly guaranteed lease for a period of 25 years. The room-resort hotel building is operated by ERVI.

Disposals

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

8. Accounts and Other Payables

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Due to related parties	2,941,637,867	1,979,810,093
Accounts payable	1,169,936,202	817,595,440
Taxes payable	36,770,085	98,033,159
Accrued expenses		
Light and water	16,314,338	15,769,349
Repairs and maintenance	48,518,862	46,898,065
Outside services	7,728,941	7,470,752
Professional fees	30,549	29,529
Rent	2,251,999	2,176,896
Others	2,245,006	2,170,136
Retention payable	7,947,617	5,952,197
Interest payable	7,583,333	3,422,222
	4,240,964,799	2,979,327,838

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

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

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

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

9. Short-term debt

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

10. Construction Bonds

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

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

The carrying value of the Company's construction bonds amounted to P140.87 million and P138.14 million as of September 30, 2025, and December 31, 2024, respectively.

11. Deposits and Other Liabilities

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Security deposits	1,713,058,463	1,776,006,705
Advance rentals	1,602,541,250	1,329,637,726
Deferred credits	418,625,092	380,753,839
	3,734,224,805	3,486,398,270
Current portion	(963,656,885)	(388,962,761)
	2,770,567,920	3,097,435,509

The current portion of these accounts follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Security deposits	182,894,109	100,613,259
Advance rentals	553,116,431	147,404,590
Deferred credits	227,646,345	140,944,912
	963,656,885	388,962,761

Security deposits

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

Advance rentals

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

Deferred credits

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

12. Equity

Paid-up capital

The details of the Company's paid-up capital as at September 30, 2025 and December 31, 2024 follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Authorized	4,050,000,000	4,050,000,000
Par value per share	10.00	10.00
Issued and outstanding shares	3,715,756,162	3,209,865,985

The changes in the number of shares are as follows:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>Authorized number of shares</i>		
Beginning (P10.00 par value)	4,050,000,000	4,050,000,000
Increase in authorized capital stock	-	-
Ending	4,050,000,000	4,050,000,000
<i>Issued shares</i>		
Beginning	3,277,195,955	2,435,936,543
Issuance of new shares	505,890,177	841,259,412
Ending	3,783,086,132	3,277,195,955
<i>Treasury shares</i>		
Beginning and ending	(67,329,970)	(67,329,970)
Outstanding shares	3,715,756,162	3,209,865,985

Issuance of new shares

On November 16, 2023 and April 23, 2024, the Company's BOD and its stockholders, respectively, approved the issuance of 841,259,412 primary common shares of the Company to ALI, Greenhaven Property Ventures, Inc. (GPVI), Cebu Insular Hotel Co., Inc. (CIHCI) and Buendia Christiana Holdings Corp. (BCHC) at an issuance price of P34.00 per share in exchange for the identified properties valued at P28.6 billion. On September 25, 2024, the SEC approved the property-for-share swap transaction. The Company recorded additional paid-in capital amounting to P20.19 billion, net of transaction costs incidental to the property-for-share swap transaction that is directly attributable to the issuance of new shares amounting to P141.90 million.

On February 19, 2025 and April 24, 2025, the Company's BOD and its stockholders, respectively, approved the issuance of 505,890,177 primary common shares of the Company to ALI, Accendo Commercial Corporation (ACCENDO), and Cagayan De Oro Gateway Corporation (CDOGC) at an issuance price of P41.50 per share in exchange for the identified properties valued at P21 billion. On September 25, 2025, the SEC approved the property-for-share swap transaction. The Company recorded additional paid-in capital amounting to P15.85 billion, net of transaction costs incidental to the property-for-share swap transaction that is directly attributable to the issuance of new shares amounting to P80.35 million.

Cash dividends

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

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

On February 19, 2025, the BOD approved the declaration of cash dividends for the fourth quarter of 2024, amounting to P0.58 per outstanding common share to stockholders on record as of March 5, 2025, amounting to P1,861.72 million. The cash dividend was paid on March 21, 2025.

On May 13, 2025, the BOD approved the declaration of cash dividends for the first quarter of 2025, amounting to P0.58 per outstanding common share to stockholders on record as of May 27, 2025 amounting to P1,861.72 million. The cash dividend was paid on June 11, 2025.

On August 13, 2025, the BOD approved the declaration of cash dividends for the second quarter of 2025, amounting to P0.59 per outstanding common share to stockholders on record as of August 29, 2025 amounting to P1,893.82 million. The cash dividend was paid on September 12, 2025.

On November 12, 2025, the BOD approved the declaration of cash dividends for the third quarter of 2025, amounting to P0.62 per outstanding common share to stockholders on record as of November 26, 2025 amounting to P2,303.77 million. The cash dividend will be payable on December 12, 2025.

Distributable Income

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

The computation of the distributable income of the Company as of September 30, 2025, is shown below:

	September 30, 2025 (Unaudited)
Net income	6,728,582,029
Unrealized gain:	
Net fair value loss (gain) on investment properties	228,427,121
Straight-lining adjustments recorded in rental income	(228,427,121)
Distributable Income	6,728,582,029

Capital Management

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

The Company's sources of capital as of September 30, 2025, and December 31, 2024, follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Paid-up capital	37,830,861,320	32,771,959,550
Additional paid- in capital	72,223,544,610	56,368,354,602
Treasury shares	(673,299,700)	(673,299,700)
Retained earnings	26,014,824,625	24,903,508,070
	135,395,930,855	113,370,522,522

13. Related Party Transactions

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

considered related if they are subject to common control or common significant influence, including affiliates.

Terms and Conditions of Transactions with Related Parties

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

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

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

	September 30, 2025 (Unaudited) Outstanding balances	December 31, 2024 (Audited) Outstanding balances	Terms and conditions
Finance lease receivables			
Entities under common control			Balances are due quarterly or annually. These are non-interest bearing and secured with the related investment properties (Notes 5 and 16).
	35,180,579,661	19,673,140,935	
Due from related parties			
Parent Company	950,114,356	529,184,080	Balances relating to trade receivables are due and demandable. These are interest and non-interest bearing, and unsecured. No impairment is recognized.
Affiliates	3,528,133,673	1,932,449,494	
Other related parties	43,094,415	301,869,331	
			The Company also provides interest-bearing loans to related parties which are subject to monthly repricing and maturing in one month with interest ranging from 5.30% to 6.89% (2023 - 5.59% to 6.95%; 2022 - 1.74% to 5.28%) per annum
	39,701,922,105	2,763,502,905	
Due to related parties			
Parent	892,691,739	588,810,099	Balances are due and demandable. These are non-interest bearing and unsecured.
Affiliates	2,048,486,792	1,318,019,607	
Other related parties	459,336	72,980,387	
	2,941,637,867	1,979,810,093	

14. Financial Risk Management Objectives and Policies

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

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

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

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

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

Market risk

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

Foreign currency risk

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

Interest rate risk

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

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

Price risk

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

Credit risk

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

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

Liquidity risk

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

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

The Company's cash is maintained at a level that will enable it to fund its operations as well as to have additional funds as buffer for any opportunities or emergencies that may arise. To manage the Company's liquidity, credit line facilities with designated local banks, as approved by the Board of Directors, were obtained. The Company's available credit line with various local banks as at June 30, 2025 is P23.5 billion. The Company may also refinance its loans and manage payment terms for its payables.

15. Fair Value Measurement

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

As of September 30, 2025 and December 31, 2024, the Company has no financial instrument measured at fair value.

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

16. Notes to Interim Statements of Cash Flow

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

Operating

- Interest income from finance lease amounting to P1,512.82 million and P391.17 million for nine months ended September 30, 2025 and 2024.

17. Segment Reporting

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

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

18. Seasonality of Operations

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

19. Events After Financial Reporting Date

On November 12, 2025, the Company's BOD approved the declaration of cash dividends for the third quarter of 2025, amounting to P0.62 per outstanding common share to stockholders on record as of November 26, 2025 amounting to P2,303.77 million. The cash dividend will be payable on December 12, 2025 to stockholders.

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

Review of 9M 2025 operations vs 9M 2024

The Company's net income before the net fair value change in investment properties increased by 39% from P5,016.59 million in 2024 and P6,957.01 million in 2025. The increase was mainly due to income from the contribution of additional properties acquired in the third quarter of 2024 and 2025. The Company's net income after tax increased by 40% from P4,818.49 million in 2024 to P6,728.58 million in 2025.

Revenues

Total revenues increased by 34% from P7,121.70 million in 2024 to P9,514.49 million in 2025. This growth was mainly driven by higher rental income and dues.

Rental Income increased by 26% from P5,245.01 million in 2024 to P6,583.12 million in 2025. The increase was primarily attributable to the full year contribution of properties acquired in July 2024 and new assets infused in the Company effective July 1, 2025.

Dues increased by 29% from P1,100.26 million in 2024 to P1,418.55 million in 2025. The increase was attributable to the operations of new assets acquired in July 2024 and July 2025.

Interest income from finance leases increased by 95% from P776.43 million in 2024 to P1,512.82 million in 2025. The increase was due to additional lease agreements subjected to finance lease in 2024 and 2025.

Cost and Expenses

Direct operating expenses increased by 24% in 2025 from P1,918.70 million in 2024 to P2,382.87 million in 2025. The increase was primarily due to expenses from the operations of additional properties acquired in July 2024 and July 2025.

General and administrative expenses increased by 31% from P63.79 million in 2024 to P83.85 million in 2025.

Other Income (charges)

Interest Income increased by 10% from P110.55 million in 2024 to P121.98 million in 2025. The increase was mainly due to higher interest income from intercompany loans.

Interest expense and other charges decreased by 8% from P230.82 million in 2024 to P211.52 million in 2025. The decrease was due to lower interest expense from short term debt.

Net Fair Value Change in Investment Property

The Company recognized a reduction in fair value in investment properties of (P198.10 million) and (P228.43 million) for nine months ended September 30, 2025 and 2024, respectively.

Provision for Income Tax

Income tax provision decreased from P2.36 million in 2025 to P1.22 million in 2025 due to the final tax on interest income from banks.

Capital Expenditure

The Company has no material commitments for capital expenditures.

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

Balance Sheet items- September 30, 2025 versus December 31, 2024

Cash increased by 272% due to higher cash position

Receivables current portion increased by 44%, due to the addition of properties acquired effective July 2025.

Other current assets decreased by 14%, mainly due to lower current input VAT.

Noncurrent portion of receivables increased by 79% due to additional finance lease receivable recognized starting July 2025

Investment properties increased by 6% due to additional properties infused to AREIT starting July 2025.

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

Other noncurrent assets decreased by 5%, mainly due to lower input VAT

Accounts and other payables increased by 42%, in line with the increase in operations due to additional properties.

Deposits and other liabilities- current and noncurrent increased by 7% due to higher advance rental collection and deferred credits

Paid-up capital and Additional paid-in capital increased by 15% and 28%, respectively, due to issuance of new shares for the property-for-share swap transaction of the Company approved by SEC last Sept 25, 2025

Financial Condition

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

As of September 30, 2025, total current assets, including cash, current portion of receivable, input VAT, prepaid expenses, and recoverable deposits, stood at P6,530.67 million, resulting in a current ratio of 0.89:1.

As of September 30, 2025, total debt registered at P2.00 billion, translating to a debt-to-equity ratio of 0.01:1 and a net debt-to-equity ratio of 0.01:1.

Return on equity is at 7% as of September 30, 2025.

Key Financial Ratios	2025	2024
Current Ratio ⁽¹⁾	0.89	0.83
Debt to Equity ⁽²⁾	0.01	0.02

Profitability Ratios		
Return on Asset ⁽³⁾	7%	7%
Return on Equity ⁽⁴⁾	7%	7%
Asset to Equity Ratio ⁽⁵⁾	1.08	1.09

⁽¹⁾ Current assets/current liabilities

⁽²⁾ Total debt/Average Stockholder's equity

⁽³⁾ Total Net Income/Total Average Assets

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

⁽⁵⁾ Total asset/Total Stockholder's equity

- The Company actively manages its liquidity position to ensure that all operating, investing, and financing needs are met. Working capital requirements are sufficiently funded through cash collections. The Company secured credit line facilities with various local banks as approved by Board of Directors. As of September 30, 2025, the Company's available credit line is ₱23.5 billion.
- There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.
- No known trend, event, or uncertainty has had or is reasonably expected to materially impact the net sales, revenues, or income from continuing operations.
- There is no significant element of income arising from continuing operations.
- There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.
- No known events and uncertainties will trigger direct or contingent financial obligation material to the Company, including any default or acceleration of an obligation.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

Property Performance as of September 30, 2025

Property	Location	Valuation Date	Valuation cost (in Pesos, millions)	Total gross leasable area (GLA) (in sq.m)	Occupied GLA (in sq.m)	Occupancy rate	Remaining Land lease term	Rental Income (in Pesos, millions) ¹	Gross Revenues (in Pesos, millions)
Solaris	Makati	Dec 2024	7,377	46,768	43,658	93%	23	463	548
Ayala North Exchange ¹	Makati	Dec 2024	11,453	95,314	87,593	92%	33	648	831
MECC	Makati	Dec 2024	1,675	10,688	10,408	97%	29	104	135
TP Cebu	Cebu	Dec 2024	1,926	18,093	18,093	100%	26	126	147
The 30th	Pasig	Dec 2024	4,655	74,704	73,463	98%	31	320	479
Laguna Technopark Land	Laguna	Dec 2024	1,248	98,179	98,179	100%	n/a	68	68
Vertis ¹	Quezon City	Dec 2024	16,519	164,450	157,734	96%	33	915	1,223
BPI- Philam Makati	Makati	Dec 2024	86	1,072	660	62%	n/a	4	4
BPI- Philam Alabang	Muntinlupa	Dec 2024	30	212	-	0%	n/a	1	1
Bacolod Capitol	Negros Occidental	Dec 2024	769	11,313	11,313	100%	37	52	71
Ayala Northpoint	Negros Occidental	Dec 2024	209	4,654	4,654	100%	33	17	25
Evotech	Laguna	Dec 2024	2,986	23,727	23,135	98%	33	141	231
eBloc Towers 1 to 4	Cebu	Dec 2024	7,785	79,640	77,093	97%	33	468	651
ACC Tower	Cebu	Dec 2024	1,732	27,458	23,514	86%	33	136	160
Tech Tower	Cebu	Dec 2024	988	16,273	15,028	92%	33	65	83
One Ayala West and East Towers	Makati	Dec 2024	12,319	70,995	70,995	100%	39	986	1,190
Glorietta 1&2 BPOs and Mall ¹	Makati	Dec 2024	12,698	108,790	108,365	100%	34	397	727
Marque Mall ¹	Pampanga	Dec 2024	2,878	66,041	66,041	100%	23	-	137
SEDA Lio ¹	Palawan	Dec 2024	1,638	17,680	17,680	100%	23	-	78
Ayala Triangle Garden Tower 2	Makati	Dec 2024	13,954	63,150	63,150	100%	39	950	1,210
Greenbelt 3&5 Mall ¹	Makati	Dec 2024	7,055	94,029	94,029	100%	39	-	325
Holiday Inn ¹	Makati	Dec 2024	3,443	27,391	27,391	100%	24	-	159
Seda Ayala Center Cebu ¹	Cebu	Dec 2024	1,680	13,579	13,579	100%	39	-	84
Palauig Industrial land	Zambales	Dec 2024	6,857	2,759,135	2,759,135	100%	24	361	432
Central Bloc Development ²	Cebu		10,795	197,494	197,494	100%	40	89	293
Abreeza BPO and Mall ²	Davao		4,666	99,107	98,800	100%	41	16	103
Centrio BPO and Mall ²	Cagayan De Oro		5,533	101,760	101,760	100%	41	15	119

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

⁽²⁾ Valuation cost pertains to acquisition cost of AREIT

PART II- OTHER INFORMATION

Item 3. Developments as of September 30, 2025

- | | | |
|--|---|---------------------------|
| A. New project or investments in another line of business or corporation | None | |
| B. Composition of Board of Directors
(as of August 13, 2025) | Anna Ma. Margarita B. Dy | Chairman |
| | Alberto M. de Larrazabal | President & CEO |
| | Jose Eduardo A. Quimpo II | Non-Executive Director |
| | Mariana Zobel de Ayala | Non-Executive Director |
| | Maria Theresa D. Marcial-Javier | Non-Executive Director |
| | Omar T. Cruz | Lead Independent Director |
| | Enrico S. Cruz | Independent Director |
| | Sherisa P. Nuesa | Independent Director |
| C. Performance of the corporation or result/progress of operations | Please see the unaudited financial statements and management's discussion on the results of operations. | |
| D. Declaration of dividends | <p>₱0.58 cash dividend per outstanding common share
 Declaration date: February 20, 2025
 Record date: March 5, 2025
 Payment date: March 21, 2025</p> <p>₱0.58 cash dividend per outstanding common share
 Declaration date: May 13, 2025
 Record date: May 27, 2025
 Payment date: June 11, 2025</p> <p>₱0.59 cash dividend per outstanding common share
 Declaration date: August 13, 2025
 Record date: August 29, 2025
 Payment date: September 12, 2025</p> | |
| E. Contracts of merger, consolidation, or joint venture; contract of management, licensing, marketing, distributorship, technical assistance, or similar agreements | None | |
| F. Offering of rights, granting of Stock Options, and corresponding plans, therefore | None | |
| G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate | None | |

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

Item 4. Other Notes to 1H 2025 Operations and Financials

- | | |
|---|--|
| J. Nature and amount of items affecting assets, liabilities, equity, or net income that are unusual because of their nature, size, or incidents | Please see Item 2: Management's Discussion on Results of Operations and Analysis. |
| K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period | Please see page 24: Causes for any material changes (+/- 5% or more) in the financial statements |
| L. New financing through loans / Issuances, repurchases, and repayments of debt and equity securities | None |
| M. Material events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period | <p>October 28, 2025 The Company's Board of Directors approved the following:</p> <ol style="list-style-type: none"> 1. The property-for-share swap transaction with Ayala Land, Inc. ("ALI") and its wholly-owned subsidiary, Summerhill Commercial Ventures Corp. ("Summerhill") involving the subscription of ALI and Summerhill to 441,131,656 primary AREIT common shares in exchange for ALI's Ayala Center Cebu mall and Summerhill's Ayala Malls Feliz with a transaction value of P19,475,962.40 as validated by a third-party fairness opinion. 2. The amendment of the Seventh Article of our Articles of Incorporation. 3. The conduct of a Special Stockholders' Meeting (SSM) for December 11, 2025 at 10:00 am pursuant to the approval of the infusion assets into the Company and in compliance with the requirements of the Philippine Stock Exchange. <p>November 12, 2025 The Company's Board of Directors approved the declaration of cash dividends for the third quarter of 2025, amounting to P0.62 per outstanding common share to stockholders on record as of November 26, 2025, amounting to P2,303.77 million. Payment date is December 12, 2025.</p> |

N. The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations	None
O. Changes in contingent liabilities or contingent assets since the last annual balance sheet date	None
P. Other material events or transactions during the interim period	<p>April 24, 2025 AREIT received the Securities and Exchange Commission's (SEC) approval of its property-for-share swap with Ayala Land, Inc. (ALI), Accendo Commercial Corp. (Accendo), and Cagayan de Oro Gateway Corp., involving the issuance of eight (8) commercial buildings Davao, Cebu, and Cagayan de Oro with an aggregate value of P20,994,442,345.50, within the fair range of values as validated by a third-party fairness opinion provider, under the Deed of Exchange dated May 19, 2025.</p> <p>In line with this and in accordance with the provisions of the Deed of Exchange, AREIT shall begin to recognize the income from the new assets effective July 1, 2025.</p>
Q. Existence of material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation	None
R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period	None
S. Material commitments for capital expenditures, general-purpose and expected sources of funds	None
T. Known trends, events, or uncertainties that have had or that are reasonably expected to have an impact on sales/revenues/ income from continuing operations	AREIT's performance will depend on the state of the Philippine Office Sector.

- | | |
|--|---|
| U. Significant elements of income or loss that did not arise from continuing operations | None |
| V. Causes for any material change/s from period to period, in one, or more line items of the financial statements | Please see Notes to Financial Statements (Item 2: Management's Discussion on Results of Operations and Analysis). |
| W. Seasonal aspects that had a material effect on the financial condition or results of operations | None |
| X. Disclosures not made under SEC Form 17-C | None. |

Item 5. Performance Indicators

The table below shows AREIT's performance indicators:

	End-September 2025 (Unaudited)	End-December 2024 (Audited)
Current ratio ¹	0.89:1	0.83:1
Debt-to-equity ratio ²	0.01:1	0.02:1
Net debt-to-equity ratio ³	0.01:1	0.02:1
Profitability Ratios:		
Return on Assets ⁴	7%	7%
Return on Equity ⁵	7%	7%
Asset to Equity Ratio ⁶	1.08:1	1.09:1

Notes:

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

SIGNATURE

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

Issuer: **AREIT, INC.**

By:


MA. TERESA R. FAJY
Treasurer and Chief Finance Officer

Date: November 14, 2025

October 14, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

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

Dear Gentlemen,

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

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

As of September 30, 2025, the remaining balance of the net proceeds from the sale of 75 million AREIT Shares is Two Billion Fifteen Million Five Hundred Seven Thousand and Two Hundred Twenty-Nine (Php 2,015,507,229.00).


The details of the disbursement for period of 2025 are as follows:

Proceeds from sale of AREIT Shares	Php 2,756,421,375.00
Less: Disbursements from January 1 to September 30, 2025 (Annex A)	740,914,146.00
Balance of Proceeds from sale of AREIT Shares as of September 30, 2025	<u>Php 2,015,507,229.00</u>

Thank you.

Very truly yours,


Jose Eduardo A. Quimpo II
Ayala Land, Inc.
Chief Finance Officer and Treasurer


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


OCT 14 2025

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

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i> Jose Eduardo A. Quimpo II	Passport No. P9272745B	Issued 22 March 2022 / DFA Manila
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i> Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 380;
Page. No. 77;
Book No. 1;
Series of 2025.




MARK ANTHONY B. RIVAS
Notary Public – Makati City
Appt. No. M-173 until December 31, 2025
Roll of Attorneys No. 75005
IBP No. 489503 – 12/30/2024 - Makati City
PTR No. MKT10473035 – 01/-06/2025 - Makati City
MCLE Compliance No. VIII –0030051 – 04/25/2025
28th Floor, Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue, Makati City, Philippines

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

ANNEX A - Disbursements from January 1 to September 30, 2025

Project Name	Disbursing Entity	Amount (in PHP)
Park Central Towers North & South	Ayala Land, Inc.	148,061,086.00
Vertis North BPOs 4&5	Ayala Land, Inc.	592,853,060.00
Total		740,914,146.00

Agreed-Upon Procedures Report

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

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Quarterly Progress Report for the period from July 1 to September 30, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on December 12, 2024 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

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

Practitioner’s Responsibilities

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

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

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

Professional Ethics and Quality Control

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

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

Procedures and Findings

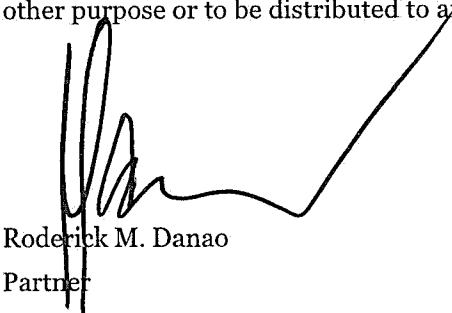
We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated April 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from July 1 to September 30, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.

<p>c. On a sample basis, traced additions and disbursements listed in the schedule for the period from July 1 to September 30, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.</p>	<p>We present in Appendix A the information we obtained from the Company.</p> <p>We have noted that the Original Sponsor Reinvestment Plan dated December 12, 2024 (the “Original Sponsor Reinvestment Plan”), as amended dated September 29, 2025 (the “Amended Sponsor Reinvestment Plan”), included the proceeds from the block sale of AREIT shares amounting to P2,756,421,375.00.</p> <p>Based on the Original Sponsor Reinvestment Plan, there were no related disbursements made from January 1 to June 30, 2025. However, the Sponsor Reinvestment Plan was amended on September 29, 2025 to update the projects in the reinvestment plan. Following the amendment, P740,914,146.00 have been disbursed from January 1 to September 30, 2025 out of the total proceeds.</p> <p>Out of the total proceeds, P353,066,130.09 have been disbursed January 1 to June 30, 2025 and P387,848,015.91 have been disbursed July 1 to September 30, 2025 based on the applicable supporting documents we have inspected such as progress billings, statements of accounts, invoices and official receipts. Further information on related projects is presented in Appendix A.</p>
<p>d. On a sample basis, inquired into and identified the nature of additions and disbursements. Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.</p>	<p>No exceptions were noted based on the Amended Sponsor Reinvestment Plan. Further information is presented in Appendix A.</p>

Restriction on Distribution and Use

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



Roderick M. Danao

Partner

CPA Cert No. 88453

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

TIN 152-015-078

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

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

Makati City

October 14, 2025

Appendix A

Summary of Quarterly Progress Report from January 1 to June 30, 2025
Amounts are in PHP

Based on Original Sponsor Reinvestment Plan (dated December 12, 2024)

Distributing Entity	Project name	Disbursements			Total
		Disbursements from January 1 to March 31, 2025	Disbursements from April 1 to June 30, 2025	Disbursements from July 1 to September 30, 2025	
Ayala Land, Inc.	Metro Manila Property - Land 1	-	-	-	-
	Metro Manila Property - Land 2	-	-	-	-
	Metro Manila Property - Land 3	-	-	-	-
		-	-	-	-

Summary of Quarterly Progress Report from January 1 to September 30, 2025
Amounts are in PHP

Based on the Amended Sponsor Reinvestment Plan (dated September 29, 2025)

Distributing Entity	Project name	Disbursements			Total
		Disbursements from January 1 to March 31, 2025	Disbursements from April 1 to June 30, 2025	Disbursements from July 1 to September 30, 2025	
Ayala Land, Inc.	Metro Manila Property - Land	-	-	-	-
	Park Central Tower North & South	-	-	148,061,086.00	148,061,086.00
	Vertis North BPO 4 & 5	98,245,801.57	254,820,328.52	239,786,929.91	592,853,060.00
		98,245,801.57	254,820,328.52	387,848,015.91	740,914,146.00


REPUBLIC OF THE PHILIPPINES)

MAKATI CITY)S.S.

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati, on ~~OCT 15~~ 15 October 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2028, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 154;
Page No. 32;
Book No. 1;
Series of 2025.


ATTY. RUBIE ROSE O. CULALA
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-315 (2024-2025)
Roll No. 88910
IBP No. 496133, 1/03/2025, Camarines Sur
PTR No. 10468695, 1/03/2025, Makati City
MCLE Compliance No. VIII - 0024864
29th Floor, Philamlife Tower,
8767 Paseo de Roxas, 1226 Makati City

October 14, 2025

THE PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Disclosure Department

Subject: 2025 Third Quarter Progress Report on the Disbursement of Proceeds from the Sale of 12 million AREIT, Inc. ("AREIT") Shares

Dear Gentlemen,

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

On July 7, 2025, Ayala Land, Inc. ("ALI") received net proceeds from the sale of 12 million AREIT Shares amounting to Four Hundred Eighty-Eight Million Six Hundred Thirty-Three Thousand Three Hundred and 40/100 Pesos (Php 488,633,300.40).

As of September 30, 2025, the remaining balance of the net proceeds from the sale of 12 million AREIT Shares amounts to One Hundred Sixty-Five Million Two Hundred Seventy-One Thousand Five Hundred Eighty-Four and 30/100 Pesos (Php 165,271,584.30).

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

Balance of Proceeds from sale of AREIT Shares as of July 7, 2025	Php	488,633,300.40
Less: Disbursements from July 7 to September 30, 2025 (Annex A)		323,361,716.10
Balance of Proceeds from sale of AREIT Shares as of September 30, 2025	Php	165,271,584.30

Thank you.

Very truly yours,



Jose Eduardo A. Quimpo II
Ayala Land, Inc.
Chief Finance Officer and Treasurer



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

OCT 14 2025

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

Name	Competent Evidence of Identity	Date and Place Issued
AYALA LAND, INC.	TIN: 000-153-790-000	
<i>Represented by:</i>		
Jose Eduardo A. Quimpo II	Passport No. P9272745B	Issued 22 March 2022 / DFA Manila
AREIT, Inc.	TIN: 006-346-689-000	
<i>Represented by:</i>		
Ma. Teresa R. Famy	Driver's License No. D06-97-186463	Expiration 05 December 2033

Doc. No. 324 ;
Page. No. 66 ;
Book No. IX ;
Series of 2025.



MA. FELORA A. MANGAWANG
Notary Public – Makati City
Appt. No. M-158 until December 31, 2025
Roll of Attorneys No. 64804
Lifetime IBP No. 013749 – Makati City
PTR No. MRT10473034 – 01/06/2025 - Makati City
MCLE Compliance No. VIII – 00026828 – 04/10/2025
28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines

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

ANNEX A - Disbursements from July 7 to September 30, 2025

Project Name	Disbursing Entity	Amount (in PHP)
Gardencourt Residences	Ayala Land, Inc.	323,361,716.10

Agreed-Upon Procedures Report

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

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Ayala Land, Inc. (the “Company”) in connection with the Company’s compliance with the Philippine Stock Exchange, Inc.’s (PSE) requirement to submit an external auditor’s certification on the information being presented by the Company on the Quarterly Progress Report for the period from July 7 to September 30, 2025 relating to the use of proceeds received by the Company from the block sale of its shares in AREIT, Inc. (“AREIT”) on July 7, 2025 and may not be suitable for another purpose.

Responsibilities of the Engaging Party

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

Practitioner’s Responsibilities

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

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

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

Professional Ethics and Quality Control

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

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

Procedures and Findings

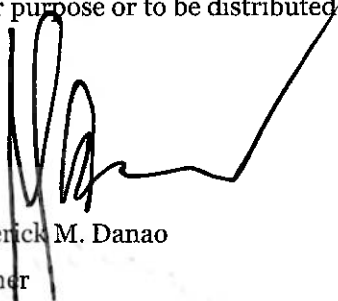
We have performed the procedures described below, which were agreed upon with the Company in the letter of engagement dated October 10, 2025, on the use of proceeds received by the Company from the block sale of its shares in AREIT:

Procedures	Factual Findings
Obtained the Quarterly Progress Report on use of proceeds from the block sale of AREIT Shares (the “schedule”) for the period from July 7 to September 30, 2025, and performed the following:	
a. Checked the mathematical accuracy of the schedule.	No exceptions were noted.
b. Checked whether there were additions and disbursements in the schedule and compared with the schedule of application of proceeds.	No exceptions were noted.
c. On a sample basis, traced additions and disbursements listed in the schedule for the period from July 7 to September 30, 2025, to the supporting documents such as progress billings, statement of accounts, invoices and official receipts, as applicable, and agreed the amount to the schedule.	No exceptions were noted. We present in Appendix A the schedule for the period from July 7 to September 30, 2025, based on the information we obtained from the Company.

Procedures	Factual Findings
<p>d. On a sample basis, inquired into and identified the nature of additions and disbursements.</p> <p>Checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of proceeds from the block sale of AREIT shares.</p>	<p>No exceptions were noted.</p> <p>We have noted that the Sponsor Reinvestment Plan dated July 7, 2025, included the proceeds from the block sale of AREIT shares amounting to P488,633,300.40. Out of the total proceeds, P323,361,716.10 disbursements have been made from July 7 to September 30, 2025, based on the information we obtained from the Company as presented in Appendix A.</p>

Restriction on Distribution and Use

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



Roderick M. Danao
Partner

CPA Cert No. 88453

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

TIN 152-015-078

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

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

Makati City
October 14, 2025

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

ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN to before me, a Notary Public, for and in behalf of the City of Makati this 15 day of October 2025, by RODERICK M. DANA O who presented to me his CPA License ID No. 88453 issued by the Professional Regulation Commission in the City of Manila and valid until August 1, 2028, that he is the same person who personally signed before me the foregoing document and acknowledged that he executed the same.

Doc. No. 13;
Page No. 4;
Book No. 96;
Series of 2025.

ATTY. EUGENIO GAMAL FERRER
Notary Public for and in Makati City
Until Dec. 31, 2026 (2025-2026), Appt. No. M-033
Roll No. 85695, TIN 208286514
Rm. 412, 4th Flr VGP Center, Ayala, Makati City
PTR No. 10465769, 01/02/2025, Makati City
IBP No 482449, 12/11/2024, Makati City
MCLE Compliance No VIII-0009020

Appendix A

Summary of Quarterly Progress Report from July 7 to September 30, 2025 (Amounts are in PHP).

		Total disbursements from
Distributing Entity	Project name	July 7 to September 30, 2025
Ayala Land, Inc.	Gardencourt Residences	323,361,716.10
		323,361,716.10