



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/AREIT2026SSM/> on **Wednesday, September 23, 2026 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. Approval of 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 Board of Directors during its meeting on August 10, 2026, 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 **August 25, 2026**, 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 **September 14, 2026**. Stockholders may likewise register online via ConveneAGM starting September 2, 2026. 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 **September 14, 2026**, 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 September 16, 2026, at 9:00 o'clock in the morning.

Stockholders of record as of August 25, 2026, 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 **September 16, 2026**.³

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

Makati City, August 10, 2026.

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 August 24, 2026.

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/AREIT2026SSM/>, which may be accessed by the stockholders to register and vote electronically *in absentia* on the matters for resolution at the meeting.⁴ 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) The proposed resolution 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 September 14, 2026 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 ConveneAGM or who submitted a duly accomplished proxy form. Stockholders registered in ConveneAGM 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 on 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.

Approval of Issuance of Common Shares in Exchange for Properties

Approval of the stockholders will be sought for the issuance of 462,481,990 primary common shares to Ayala Land, Inc. ("ALI") and its subsidiaries, Capitol Central Commercial Ventures Corp., Bay City Commercial Ventures Corp., Makati Cornerstone Leasing Corp., and North Triangle Hotel Ventures, Inc., in exchange for six (6) commercial properties with an aggregate value of ₱17,333,824,985.20, 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 462,481,990 primary common shares to Ayala Land, Inc. ('ALI'), and its subsidiaries, Capitol Central Commercial Ventures Corp. ('CCCVC'), Bay City Commercial Ventures Corp. ('BCCVC'), Makati Cornerstone Leasing Corp. ('MCLC'), and North Triangle Hotel Ventures, Inc. ('NTHVI') (CCCVC, BCCVC, MCLC, and NTHVI are collectively referred to as 'Subsidiaries'), in exchange of identified properties owned by ALI and the Subsidiaries valued at Seventeen Billion Three Hundred Thirty-Three Million Eight Hundred Twenty-Four Thousand Nine Hundred Eighty-Five and 20/100 Pesos (₱17,333,824,985.20), under a property-for-share swap, at an issue price of ₱37.48 per share, set at a premium over the thirty (30)-day volume weighted average price (30-day VWAP) of ₱37.29 or the prevailing Market Price."*

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 September 16, 2026, in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines.⁵

* * *

⁴ The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.

⁵ 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 September 23, 2026, 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 September 23, 2026 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 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 Item

1. Approval of issuance of common shares in exchange for properties.
☐ For ☐ Against ☐ Abstain
2. 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 **September 14, 2026**, 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/AREIT2026SSM/> (the "Voting System" or "ConveneAGM"). This Proxy and Voting Instruction shall be deemed revoked after the right granted is exercised during the Special Stockholders' Meeting of the Company on September 23, 2026. 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: September 23, 2026

Time: 10:00 A.M.

**Place: Tower One and Exchange Plaza, Ayala Avenue, Makati City
To conducted virtually through**

<https://conveneagm.com/ph/AREIT2026SSM/>

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

Date: August 26, 2026

10. In case of Proxy Solicitations

Name of Person Filing **AREIT, Inc.**

the Statement/Solicitor

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 July 31, 2026

<u>Title of each class</u>	<u>Par value</u>	<u>No. of shares</u>	<u>Amount</u>
Common	₱ 10.00	4,156,887,818	₱41,568,878,180.00

- b. Debt securities as of July 31, 2026: **₱2,000,000,000.00**

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

✓ Yes No

1,508,910,810 common shares are listed in the Philippine Stock Exchange ("PSE").¹

¹ The applications for listing of the following (a) 252,136,383 common shares issued to Ayala Land, Inc. (ALI) in December 2022 in exchange for assets located in Cebu; (b) 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 on September 20, 2023; and (c) 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 on September 25, 2024, are pending with the Philippine Stock Exchange (PSE or the Exchange). 505,890,177 common shares were issued to ALI and its subsidiaries, Accendo Commercial Corporation and Cagayan de Oro Gateway Corp., in exchange for properties pursuant to the approval of the SEC on September 25, 2025, will be applied for listing with the Exchange. Also, 441,131,656 common shares were issued to ALI and its subsidiary, Summerhill Commercial Ventures, Corp. in exchange for properties pursuant to the approval of the SEC on June 25, 2026, will be applied for listing with the Exchange in due course.

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** September 23, 2026
 Time 10:00 A.M.
 Place Tower One and Exchange Plaza, Ayala Avenue, Makati City
 To conducted virtually through
 <https://conveneagm.com/ph/AREIT2026SSM/>

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 August 26, 2026 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 September 23, 2026.

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.

Please refer to the discussion found on Items 9 (*Authorization or Issuance of Securities other than for Exchange*) and 13 (*Acquisition or Disposition of Property*) for the proposed issuance of shares in exchange for properties among the Company and Ayala Land, Inc. ("ALI") and its subsidiaries, Capitol Central Commercial Ventures Corp., Bay City Commercial Ventures Corp., Makati Cornerstone Leasing Corp., and North Triangle Hotel Ventures, Inc. ("NTHVI") (CCCVC, BCCVC, MCLC, and NTHVI are collectively referred to as "Subsidiaries").

The proposed property-for-share swap does not involve all or substantially all of the Company's property and assets as provided in the Revised Corporation Code. The assets to be infused will aggregately contribute nine percent (9%) of the Company's resulting Assets Under Management ("AUM") upon completion of the transaction, and the shares that will be issued to ALI and the Subsidiaries will comprise only ten percent (10%) of the Company's resulting issued and outstanding capital stock. The transaction therefore will not give rise to a possible exercise by stockholders of their appraisal rights.

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 July 31, 2026:**
4,156,887,818 common shares

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

- (b) All stockholders of record as of August 25, 2026 (the "Record Date") are entitled to notice and to vote at the special 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 resolution 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/AREIT2026SSM/>, 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/AREIT2026SSM/>.

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

(i) Security ownership of record and beneficial owners of more than 5% as July 31, 2026:

TITLE OF CLASS OF SHARES	NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	PERCENT OF OUTSTANDING SHARES
Common	Ayala Land, Inc. (ALI) ¹ 32nd to 35 th Floors, Tower One and Exchange Plaza Ayala Triangle Ayala Ave., Makati City	Ayala Land, Inc. ²	Filipino	1,651,587,678	39.731%
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	1,312,823,207	31.582%
Common	AyalaLand Malls, Inc. ⁵	AyalaLand Malls, Inc. ⁶	Filipino	287,186,771	6.908%

(ii) Security ownership of directors and management (Executive Officers) as of July 31, 2026:

TITLE OF CLASS OF OUTSTANDING SHARES	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF TOTAL OUTSTANDING SHARES
--------------------------------------	--------------------------	---	-------------	-------------------------------------

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 1,312,823,207 common shares registered in the name of PCD Nominee Corporation (Filipino), 257,810,800 or 6.202% of the outstanding capital stock is for the account of the Government Service Insurance System (GSIS).

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.

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	0.006%
Common	Omar T. Cruz	962,901	(direct & indirect)	Filipino	0.023%
Common	Enrico S. Cruz	2,400,001	(direct & indirect)	Filipino	0.058%
CEO and most highly compensated officers					
Common	Alberto M. de Larrazabal (same as above)	-	-	-	-
Common	Daniel Jan E. del Mundo	0	-	Filipino	0.000%
Common	Paul Ryan M. Balon	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	Millette A. Arnedo	3,300	(indirect)	Filipino	0.000%
Common	Beverly S. Espina	900	(indirect)	Filipino	0.000%
All Directors and Officers as a group		3,611,707			0.087%

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 July 31, 2026:

TYPE OF SHARES	TOTAL OUTSTANDING SHARES	SHARES OWNED BY FOREIGNERS	PERCENT OF OWNERSHIP
Common	4,156,887,818	194,123,393	4.67%

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 23, 2026. 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 23, 2026. 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 23, 2026. 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) Amount of Securities to be Authorized or Issued

To be presented for the approval of the stockholders is the issuance of 462,481,990 primary common shares (the "Shares") to Ayala Land, Inc. ("ALI") and its subsidiaries, Capitol Central Commercial Ventures Corp., Bay City Commercial Ventures Corp., Makati Cornerstone Leasing Corp., and North Triangle Hotel Ventures, Inc., in exchange for six (6) commercial properties with an aggregate value of ₱17,333,824,985.20 (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 ₱37.48 per share ("Transaction Price"), set at a premium over the thirty (30)-day volume weighted average price ("30-day VWAP") or the Market Price⁷ of ₱37.29, 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, Asian Appraisal Company, Inc. ("Asian Appraisal"). The Valuation Reports issued by Asian Appraisal 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.

(b) Description of the Registrant's Securities

The Company's current authorized capital stock is Fifty-Seven Billion Pesos (₱57,000,000,000) divided into Five Billion Seven Hundred Million (5,700,000,000) common shares, with a par value of Ten Pesos (₱10.00) per share. As of July 31, 2026, 4,156,887,818 shares of the Company are issued, with 4,156,887,818 outstanding and none 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.

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

- i. *Issuance of shares to ALI and its subsidiaries, Capitol Central Commercial Ventures Corp., Bay City Commercial Ventures Corp., Makati Cornerstone Leasing Corp., and North Triangle Hotel Ventures, Inc.*

The Company, ALI and its wholly-owned subsidiaries, Capitol Central Commercial Ventures Corp. ("CCVC"), Bay City Commercial Ventures Corp. ("BCCVC"), Makati Cornerstone Leasing Corp.

⁷ **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 August 10, 2026.

(“MCLC”), and North Triangle Hotel Ventures, Inc. (“NTHVI”) (CCVC, BCCVC, MCLC, and NTHVI are collectively referred to as “Subsidiaries”), will execute a property-for-share swap transaction whereby the Company will issue the Shares to ALI and the Subsidiaries (as illustrated in Table 2 below) in exchange for the following identified properties valued at Seventeen Billion Three Hundred Thirty-Three Million Eight Hundred Twenty-Four Thousand Nine Hundred Eighty-Five and 20/100 Pesos (₱17,333,824,985.20) (the “Transaction”), at the Transaction Price of ₱37.48 per share, set at a premium over the 30-day VWAP of ₱37.29 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)
Glorietta 4	ALI	5,162,510,000.00	5,007,664,757.80
New World Makati	ALI	2,858,920,000.00	2,726,161,321.44
Ayala Malls Capitol Central	CCVC*	3,116,840,000.00	3,134,867,828.32
Ayala Malls Cloverleaf	BCCVC*	2,411,620,000.00	2,797,633,132.80
Ayala Malls Circuit	MCLC*	1,977,360,000.00	2,039,348,716.96
Seda Vertis North	NTHVI*	1,705,440,000.00	1,628,149,227.88
Total		₱17,232,690,000.00	₱17,333,824,985.20

**CCVC, BCCVC, and MCLC, are wholly-owned subsidiaries of ALI. NTHVI is a wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp. (AHRC), a wholly-owned subsidiary of ALI. (collectively, the “Properties”)*

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

Stockholder	Number of Shares
ALI	206,345,413
CCVC	83,641,084
BCCVC	74,643,360
MCLC	54,411,652
NTHVI	43,440,481
TOTAL	462,481,990

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 Asian Appraisal.

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
Glorietta 4	4,948,000,000.00	6,053,000,000.00
New World Makati	2,688,000,000.00	2,876,000,000.00
Ayala Malls Capitol Central	3,100,000,000.00	3,880,000,000.00
Ayala Malls Cloverleaf	2,303,000,000.00	3,066,000,000.00
Ayala Malls Circuit	1,987,000,000.00	2,455,000,000.00
Seda Vertis North	1,611,000,000.00	1,721,000,000.00
Total Range of Market Values	₱16,637,000,000.00	₱20,051,000,000.00

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

METHOD	EQUITY VALUE ¹		VALUE PER SHARE ²	
	LOW ESTIMATE	HIGH ESTIMATE	LOW ESTIMATE	HIGH ESTIMATE
Discounted Cash Flows Method	133,124	165,698	32.03	39.86
<i>Cross Checks:</i>				
Volume Weighted Average Price Method	162,462	176,751	39.08	42.52
Comparable Public Companies Method				
EV-to-NTM EBITDA	132,473	143,769	31.87	34.59
EV-to-NTM EBIT	130,453	141,293	31.38	33.99
Price-to-NTM EPS	129,526	152,676	31.16	36.73
Range of Market Values	P133,124	P165,698	P32.03	P39.86
¹ The valuation includes the contribution of ACC Mall and Feliz Mall, following their infusion into AREIT. ² Total number of shares equal 4,156.89 million, which consists of 3,715.76 million outstanding shares as of Valuation Date plus 441.13 million new shares issued for the ACC Mall and Feliz Mall property-for-share acquisition. Source: FTI Consulting Analysis * NTM = next twelve months				

The matter was unanimously approved by the Risk Management, Related Party Transactions Review, and Sustainability Committee of the Company (composed of Omar T. Cruz, as Chairman, Enrico S. Cruz, Sherisa P. Nuesa, all of which are independent directors, and Alberto M. de Larrazabal, as members), with all independent directors voting unanimously, and ratified by the Board of Directors of the Company by unanimous vote on August 10, 2026.

The Company will apply for the listing of new shares issued to ALI and the Subsidiaries 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	34,667,649.97
	• Legal Research Fee	346,676.50
	b. BIR	
	• DST on Original Issuance of Shares	46,248,199.00
(2)	Listing of Shares (PSE)	
	• Processing Fee	50,000.00
	• Additional Listing Fee for Shares-for-Property Swap	17,333,824.99
(3)	Property Transfer (Local Government Units)	
	• Local Transfer Tax	107,506,755.62
	• Registration Fees	43,334,562.46
(d)	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 an 86% total shareholder return from dividend yield and price appreciation, based on the closing price of P37.75 on August 7, 2026.

AREIT started with 153 thousand square meters equivalent to P30 billion of Assets Under Management ("AUM") in 2020. By December 2021, this has grown to 549 thousand square meters, equivalent to P53 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 billion in AUM. In 2026, AREIT further grew its building portfolio to ₱159 billion in AUM, composed of 1.81 million square meters in gross leasable area and 286 hectares of industrial land. With this asset infusion, AREIT will further grow its building portfolio to over 2.16 million square meters in gross leasable area and 286 hectares of industrial land totaling ₱179 billion in AUM.⁸ The new asset infusion of prime commercial buildings will expand, balance, and diversify AREIT's portfolio to capture growth opportunities across various types of real estate and key cities and growth centers in the country, and expand AREIT's portfolio exposure to malls and hotels further diversifying its asset base.

The Properties are expected to contribute further to AREIT's operating cashflows, boosting dividends per share. At a competitive capitalization rate, the Properties were valued based on a stable level of operating income and the expected yield of the property after considering a long-term sustainable growth for the office, mall, and hotel assets. Notably, the malls will be infused under a direct lease structure, allowing AREIT to capture the full upside of mall operations and rent escalations rather than a fixed building lease. Meanwhile, the hotels will be infused under a master lease with fixed and variable components, providing AREIT with a stable base rental floor while retaining participation in hotel performance upside through the variable component. AREIT's dividend yield is approximately 6.7% from its existing assets based on the 30-day VWAP of ₱37.29. The asset-for-share swap will be accretive after the new assets are infused.

(e) 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 ₱17,333,824,985.20 within the range of values provided in the Fairness Opinion by FTI Consulting and the Appraisal Reports issued by Asian Appraisal.

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 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, 2025, 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 23, 2026. The schedules required under Part IV(C) of Revised SRC Rule 68 were

⁸ *Inclusive of the proposed cash acquisition of 49,049sqm Fairmont Raffles Hotel Makati Condominium Units for ₱2,616,897,832.00, as previously disclosed by the Company.*

included in the Annual Report (Form 17-A) of the Company which was filed to the SEC and PSE on April 14, 2026.

The most recent Quarterly Report (SEC Form 17-Q) of the Company for the second quarter 2026 will be uploaded to PSE Edge and submitted to the Commission on or before 14 August 2026.

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 the Subsidiaries valued at Seventeen Billion Three Hundred Thirty-Three Million Eight Hundred Twenty-Four Thousand Nine Hundred Eighty-Five and 20/100 Pesos (₱17,333,824,985.20) in exchange for the issuance of 462,481,990 primary common shares to ALI and the Subsidiaries, 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 the Subsidiaries will execute a property-for-share swap transaction whereby the Company will issue the Shares to ALI and the Subsidiaries (*as illustrated in Table 2 above*) in exchange for the following identified properties valued at ₱17,333,824,985.20 (the "Transaction"), at an issue price of ₱37.48 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)
Glorietta 4	ALI	5,162,510,000.00	5,007,664,757.80
New World Makati	ALI	2,858,920,000.00	2,726,161,321.44
Ayala Malls Capitol Central	CCCVC*	3,116,840,000.00	3,134,867,828.32
Ayala Malls Cloverleaf	BCCVC*	2,411,620,000.00	2,797,633,132.80
Ayala Malls Circuit	MCLC*	1,977,360,000.00	2,039,348,716.96
Seda Vertis North	NTHVI*	1,705,440,000.00	1,628,149,227.88
Total		₱17,232,690,000.00	₱17,333,824,985.20

**CCCVC, BCCVC, and MCLC, are wholly-owned subsidiaries of ALI. NTHVI is a wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp. (AHRC), a wholly-owned subsidiary of ALI. (collectively, the "Properties")*

An overview of the Properties are as follows

	Glorietta 4	Capitol Central	Circuit Mall	Cloverleaf	New World	Seda Vertis North
Location	Makati City	Bacolod City	Makati City	Quezon City	Makati	Quezon City
Description	Flagship Mall	Core Mall	Core Mall	Core Mall	5-Star Branded Hotel	4-Star Hotel
GLA, sqm	30,429	63,391	65,184	33,511	72,488	35,478
Lease-Out*/Occupancy	91%*	90%*	76%*	86%*	100%	100%
Building Owner	Ayala Land, Inc.	Capitol Central Commercial Ventures Corp.	Makati Cornerstone Leasing Corp.	Bay City Commercial Ventures Corp.	Ayala Land, Inc.	North Triangle Hotel Ventures, Inc.

Landowner	Ayala Land, Inc.	Province of Negros Occidental	Ayala Land, Inc.	AyalaLand Estates, Inc.	Ayala Land, Inc.	Ayala Land, Inc.
------------------	------------------	-------------------------------	------------------	-------------------------	------------------	------------------

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

Stockholder	Number of Shares
ALI	206,345,413
CCCVC	83,641,084
BCCVC	74,643,360
MCLC	54,411,652
NTHVI	43,440,481
TOTAL	462,481,990

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 PSE. The Properties have been evaluated by AFMI and have been appraised by Asian Appraisal.

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 September 23, 2026.

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 P37.29 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 maintain control of the transferee, 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 on or before October 2026, and the issuance of the Certificates Authorizing Registration (“eCAR”) with the relevant office of the Bureau of Internal Revenue (“BIR”) within 2027. The SEC’s approval of the Transaction is expected to be issued by the end of 2026, and the BIR’s eCAR issuance is expected to be issued within 2027. The Company shall likewise apply for the additional listing of shares with the Exchange by Q1 2028. The indicative timetable for implementation of the Transaction is as follows:

Table 5 – Indicative Timetable for Implementation

Special Stockholders’ Meeting	23 September 2026
Deed of Exchange Execution	On or before October 2026
SEC Approval (Issuance of Shares and Confirmation of Valuation of the Transaction)	End 2026
Issuance of eCAR	2027
PSE Listing of Additional Shares	1Q 2028

Nature and amount of consideration

The Properties were valued by the Company at ₱17,333,824,985.20 and the Transaction Price of ₱37.48 per share set at a premium over the 30-day VWAP or Market Price of ₱37.29. 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 Asian Appraisal.

The Company will issue the Shares to ALI and the Subsidiaries at an issue price of ₱37.48 per share, set at a premium over the 30-day VWAP or the Market Price of ₱37.29 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 ₱37.48 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 for the 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.

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. ALI owns and operates Glorietta 4 in Ayala Center Makati, and owns the New World Makati building.	ALI is the Sponsor of AREIT and, as of date hereof, directly and indirectly owns 59.03% of AREIT shares, as follows: ALI – direct ownership of 1,651,587,678 shares equivalent to 39.73% AyalaLand Malls, Inc. (ALMI) – direct ownership of 287,186,771 shares equivalent to 6.91% (ALMI is 100% owned by ALI) Northbeacon Commercial Corporation (NBCC) – direct ownership of 55,382,567 shares equivalent to 1.33% (NBCC is 100% owned by ALI) 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 1.86% Cebu Insular Hotel Co., Inc. (Cebu Insular), a subsidiary of ALI and AHRC – direct ownership of 38,326,934 shares equivalent to 0.92% Accendo Commercial Corp. (Accendo), a subsidiary of ALI, the latter owning 67%

		of Accendo – direct ownership of 112,424,084 shares equivalent to 2.70% 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 3.21% Summerhill Commercial Ventures Corp. (Summerhill), a 100% owned subsidiary of ALI – direct ownership of 94,272,644 shares equivalent to 2.27%
Capitol Central Commercial Ventures Corp.	CCCVC is organized primarily to develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial residential, industrial, or agricultural lands, buildings, structures or apertures; to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal, and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing. It owns and operates Ayala Malls Capitol Central located in Bacolod City.	CCCVC is a wholly-owned subsidiary of ALI.
Bay City Commercial Ventures Corp.	BCCVC is organized primarily to develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial residential, industrial, or agricultural lands, buildings, structures or apertures; to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal, and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing. It is the owner and operator of Ayala Malls Cloverleaf located in Balintawak, Quezon City, among others.	BCCVC is a wholly-owned subsidiary of ALI.
Makati Cornerstone Leasing Corp.	MCLC is organized primarily to develop, sell, own, acquire, lease, hold, mortgage, administer, or otherwise deal with or invest in commercial residential, industrial, or agricultural lands, buildings, structures or apertures; to engage or invest in any other profitable business enterprise, venture or establishment, and to own, hold in ownership, manage, deal, and engage in other allied businesses, and to the limit and extent permitted by law, alone or jointly, with other persons, natural or artificial except financial leasing. It owns and operates Ayala Malls Circuit, among others, located in Circuit, Makati City.	MCLC is a wholly-owned subsidiary of ALI.

North Triangle Hotel Ventures, Inc.	NTHVI is organized primarily to own, hold in ownership, manage, deal, and engage in the general business of a hotel, apartment hotel, inn, resort, restaurant, café, bar, entertainment, and other allied businesses and, to the limit and extent permitted by law, to acquire and own, either by purchase, lease, or other means of acquisition, lands, buildings, and other improvements necessary or required by its business and to use such lands, buildings, and improvements thereto for the conduct and operation of the general nature of its business and object and all other matters incidental thereto. It is the owner and operator of Seda Vertis North located in Vertis North, Quezon City.	NTHVI is a wholly-owned subsidiary of AyalaLand Hotels and Resorts Corp. (AHRC), 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	1,651,587,678	39.73%	1,817,933,091	39.35%
ALMI	287,186,771	6.91%	287,186,771	6.22%
NBCC	55,382,567	1.33%	55,382,567	1.20%
Greenhaven	77,505,974	1.86%	77,505,974	1.68%
Cebu Insular	38,326,934	0.92%	38,326,934	0.83%
BCHC	199,109,438	4.79%	199,109,438	4.31%
Accendo	112,424,084	2.70%	112,424,084	2.43%
CDOGC	133,334,821	3.21%	133,334,821	2.89%
Summerhill	94,272,644	2.27%	94,272,644	2.04%
CCVC	-	-	83,641,084	1.81%
BCCVC	-	-	74,643,360	1.62%
MCLC	-	-	54,411,652	1.18%
NTHVI	-	-	43,440,481	0.94%
Directors and Officers	3,611,707	0.09%	3,611,707	0.08%
Non-ALI/Public	1,504,145,200	36.18%	1,544,145,200	33.43%
TOTAL	4,156,887,818	100.00%	4,619,369,808	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 below the minimum public ownership requirements.

Likewise, the Company and ALI will ensure that it will comply with the reinvestment requirements as indicated in the REIT Law and its implementing rules and regulations.

Item 14. Restatement of accounts

The accounting policies adopted are disclosed in the Company's audited financial statements for full year 2025 and the Company's Definitive Information Statement for its Annual Stockholders' Meeting 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

There are no matters or action to be taken up in the meeting with respect to amendment of the Company's Charter, By-Laws or other documents.

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 matter presented to the stockholders for decision.

(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 September 14, 2026.

A stockholder may vote electronically *in absentia* using the online web address, <https://conveneagm.com/ph/AREIT2026SSM/>, 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 August 10, 2026, 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/AREIT2026SSM/> to shareholders who registered in the ConveneAGM (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 September 14, 2026, 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 August 25, 2026 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 September 16, 2026.⁹

* * *

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 August 24, 2026.

AREIT, INC.

by: **MA. FLORENCE THERESE dG. MARTIREZ-CRUZ**
Assistant Corporate Secretary

* * *

⁹ 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”

2026 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 August 25, 2026 (“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/AREIT2026SSM/> 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 September 14, 2026. Registered stockholders may vote until the end of the meeting. The Voting System will be open for registration on **September 2, 2026**.
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 September 14, 2026.

- 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. The registered Stockholder has the option to vote: For, Against, or Abstain on the agenda indicated in the Notice of the Meeting in ConveneAGM. The vote is considered cast for all shares of the registered Stockholder.

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 Proxy Validation Committee 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 August 25, 2026 ("Stockholders") intending to participate by remote communication should notify the Company by email on or before September 14, 2026. 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., Capitol Central Commercial Ventures, Corp., Makati Cornerstone Leasing Corp., Bay City Commercial Ventures Corp., and North Triangle Hotel Ventures, Inc.

Fairness Opinion Report

STRICTLY PRIVATE & CONFIDENTIAL

10 August 2026

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"), **Makati Cornerstone Leasing Corp.** ("MCLC"), **Capitol Central Commercial Ventures Corp.** ("CCCVC"), **Bay City Commercial Ventures Corp.** ("BCCVC"), and **North Triangle Hotel Ventures, Inc.** ("NTHVI") (collectively, the "Property Owners") into AREIT, Inc. ("AREIT"). The Property Owners intend to transfer the Properties to AREIT in exchange for primary shares to be issued by AREIT (the "Transaction").

The Properties consist of four shopping malls (i.e., Glorietta 4 owned by ALI, Ayala Malls Circuit Makati owned by MCLC, Ayala Malls Capitol Central owned by CCCVC, and Ayala Malls Cloverleaf owned by BCCVC) and two hotels (i.e., New World Makati Hotel owned by ALI and Seda Vertis North owned by NTHVI). After the Transaction, ALI and NTHVI will continue earning lease income from the hotels and will lease the hotels back from AREIT under a master lease agreement. The tenants of the four shopping malls will be under direct lease agreement with 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 31 March 2026, 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 Securities and Exchange Commission (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		
Glorietta 4	4,948	6,053
Ayala Malls Circuit Makati	1,987	2,455
Ayala Malls Capitol Central	3,100	3,880
Ayala Malls Cloverleaf	2,303	3,066
New World Makati Hotel	2,688	2,876
Seda Vertis North	1,611	1,721
TOTAL RANGE OF MARKET VALUES	16,637	20,051

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 Method	133,124	165,698	32.03	39.86
<i>Cross-checks:</i>				
Volume Weighted Average Price Method	162,462	176,751	39.08	42.52
Comparable Public Companies Method				
EV-to-NTM EBITDA	132,473	143,769	31.87	34.59
EV-to-NTM EBIT	130,453	141,293	31.38	33.99
Price-to-NTM Earnings	129,526	152,676	31.16	36.73
RANGE OF MARKET VALUES	133,124	165,698	32.03	39.86

¹Total shares outstanding of 4,156.89 million.

Source: S&P Capital IQ, 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		
Glorietta 4	4,948	6,053
Ayala Malls Circuit Makati	1,987	2,455
Ayala Malls Capitol Central	3,100	3,880
Ayala Malls Cloverleaf	2,303	3,066
New World Makati Hotel	2,688	2,876
Seda Vertis North	1,611	1,721
AREIT (PHP/share) ¹	32.03	39.86
Fair Range of AREIT Shares to be Issued (in millions) ²	Low Estimate	High Estimate
Glorietta 4	124.13	189.01
Ayala Malls Circuit Makati	49.85	76.66
Ayala Malls Capitol Central	77.77	121.16
Ayala Malls Cloverleaf	57.79	95.74
New World Makati Hotel	67.43	89.81
Seda Vertis North	40.42	53.72
Total Fair Range of AREIT Shares to be Exchanged	417.39	626.09

¹Rounded to two decimal places for presentation purposes

² The fair range of shares to be exchanged was computed by dividing the low estimate market value of each property by the high estimate AREIT value per share, and the high estimate market value of each property by the low estimate AREIT value per share.

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 In Millions	Fair Range of Shares to be Issued		Proposed Number of Shares to be issued by AREIT
	Low Estimate	High Estimate	
Glorietta 4	124.13	189.01	133.61
Ayala Malls Circuit Makati	49.85	76.66	54.41
Ayala Malls Capitol Central	77.77	121.16	83.64
Ayala Malls Cloverleaf	57.79	95.74	74.64
New World Makati Hotel	67.43	89.81	72.74
Seda Vertis North	40.42	53.72	43.44
Total number of shares	417.39	626.09	462.48

Source: FTI Consulting Analysis, AREIT Management

Given that the shares to be issued by AREIT for each property fall within our fair ranges of shares that AREIT can issue in exchange for each of the Properties (as seen in Exhibit 4), we are of the opinion that the proposed Transaction is 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, CCCVC, MCLC, BCCVC, AND NTHVI, 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 AREIT, Property Owners, 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, CCCVC's, MCLC's, BCCVC's, and NTHVI's directors, officers, or employees relative to the compensation to AREIT's, ALI's, CCCVC's, MCLC's, BCCVC's, and NTHVI'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, CCCVC's, MCLC's, BCCVC's, and NTHVI'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 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

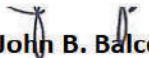
Pasig City, 1605 Philippines

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

PRC License No: 0113153

Validity Date: until 27 June 2028

APO Receipt Number: 46787

PTR Number: 4020014

TIN: 236-703-421



Dominador T. Gregorio III

Senior Managing Director

Suite 2403, Discovery Center, 25 ADB Avenue Ortigas Center, Pasig City

PRC License No: 0057726

Validity Date: until 18 May 2028

APO Receipt Number: 46787

PTR Number: 4020015

TIN: 177-088-250



Valuation Report

Property-for-Share Swap between AREIT, Inc., Ayala Land, Inc., Capitol Central Commercial Ventures, Corp., Makati Cornerstone Leasing Corp., Bay City Commercial Ventures Corp., and North Triangle Hotel Ventures, Inc.

Table of Contents

Executive Summary	3
Market Overview	8
Valuation Approach	15
Valuation Analysis – Properties	20
Valuation Analysis – AREIT, Inc.	28
Valuation Conclusion	36
Appendices	38
About FTI Consulting Philippines, Inc.	64
Our Team	68
Certificate of Reliance	72
FTI Consulting Philippines, Inc’s SEC and PSE Accreditation	74
Mandate Letter	76
Scope of Work	81
References	84



Executive Summary

Executive Summary

- **Ayala Land, Inc. (“ALI”), Makati Cornerstone Leasing Corp. (“MCLC”), Capitol Central Commercial Ventures Corp. (“CCCVC”), Bay City Commercial Ventures Corp. (“BCCVC”), and North Triangle Hotel Ventures, Inc. (“NTHVI”)** (collectively, the “Property Owners”) 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 four shopping malls (i.e., Glorietta 4 owned by ALI, Ayala Malls Circuit Makati owned by MCLC, Ayala Malls Capitol Central owned by CCCVC, and Ayala Malls Cloverleaf owned by BCCVC) and two hotels (i.e., New World Makati Hotel owned by ALI and Seda Vertis North owned by NTHVI). After the Transaction, ALI and NTHVI will continue earning lease income from the hotels and will lease the hotels back from AREIT under a master lease agreement. The tenants of the four shopping malls will be under direct lease agreement with AREIT.



Executive Summary

- 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 Glorietta 4 and New World Makati Hotel.
- CCCVC, MCLC, and BCCVC are 100 percent owned by ALI. These entities operate Ayala Malls Capitol Central, Ayala Malls Circuit Makati, and Ayala Malls Cloverleaf, respectively.
- NTHVI is 100 percent owned by Ayala Hotels and Resorts Corp., which is a subsidiary of ALI. NTHVI operates Seda Vertis North Hotel.
- 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 31 March 2026, 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 Property Owners’ management, research conducted, and the valuation analyses performed and described herein, the total range of market values of the Properties was estimated within **PHP16,637 million to PHP20,051 million** as of Valuation Date.

Exhibit 1. Valuation Summary – Properties

Properties	Low Estimate	High Estimate
In PHP millions		
Glorietta 4	4,948	6,053
Ayala Malls Circuit Makati	1,987	2,455
Ayala Malls Capitol Central	3,100	3,880
Ayala Malls Cloverleaf	2,303	3,066
New World Makati Hotel	2,688	2,876
Seda Vertis North	1,611	1,721
TOTAL RANGE OF MARKET VALUES	16,637	20,051

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 **PHP133,124 million to PHP165,698 million** or **PHP32.03 to PHP39.86** on a per share basis as of Valuation Date.

Exhibit 2. Valuation Summary – AREIT, Inc.

Method	Equity Value ¹		Value per Share ²	
	Low Estimate	High Estimate	Low Estimate	High Estimate
In PHP millions except for the per share values				
Discounted Cash Flows Method	133,124	165,698	32.03	39.86
<i>Cross-checks:</i>				
Volume Weighted Average Price Method	162,462	176,751	39.08	42.52
Comparable Public Companies Method				
EV-to-NTM EBITDA	132,473	143,769	31.87	34.59
EV-to-NTM EBIT	130,453	141,293	31.38	33.99
Price-to-NTM Earnings	129,526	152,676	31.16	36.73
RANGE OF MARKET VALUES	133,124	165,698	32.03	39.86

Source: FTI Consulting Analysis

*NTM = next twelve months

¹The valuation includes the contribution of ACC Mall and Feliz Mall, following their infusion into AREIT.

²The total share count is 4,156.89 million, which consists of 3,715.76 million outstanding shares as of the Valuation Date plus 441.13 million new shares issued for the ACC Mall and Feliz Mall property-for-share acquisition.



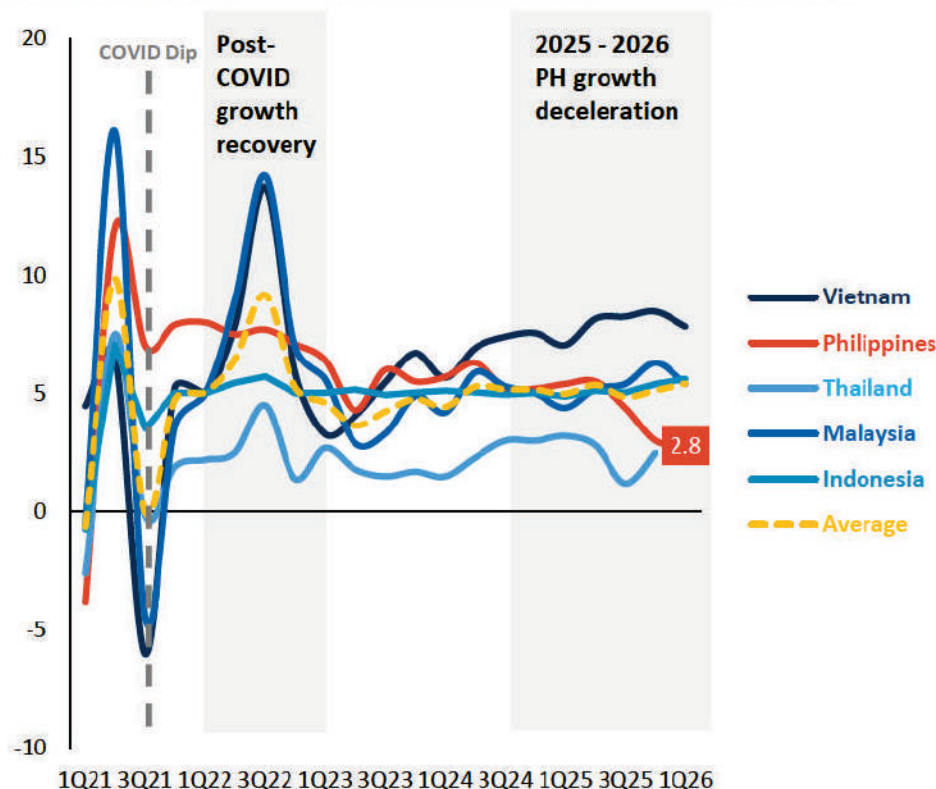
Market Overview

Market Overview

Southeast Asian and Philippine Economy

Vietnam has pulled away from its Southeast Asian peers, posting quarterly GDP growth that climbed from 4.5 percent in 1Q21 to 7.8 percent by 1Q26, while the Philippines, Thailand, and Malaysia show a more uneven, cyclical recovery pattern over the same period. This divergence sharpened notably from 2024 into 2025, even as regional inflation cooled from its 2022-2023 highs into a low, more stable band by late 2025 and early 2026.

GDP Growth Comparisons Across ASEAN-5 from 1Q21 to 1Q26 (in %)



Source: S&P Global Capital IQ

Source: S&P Global Capital IQ, Originally extracted from respective country statistics authority

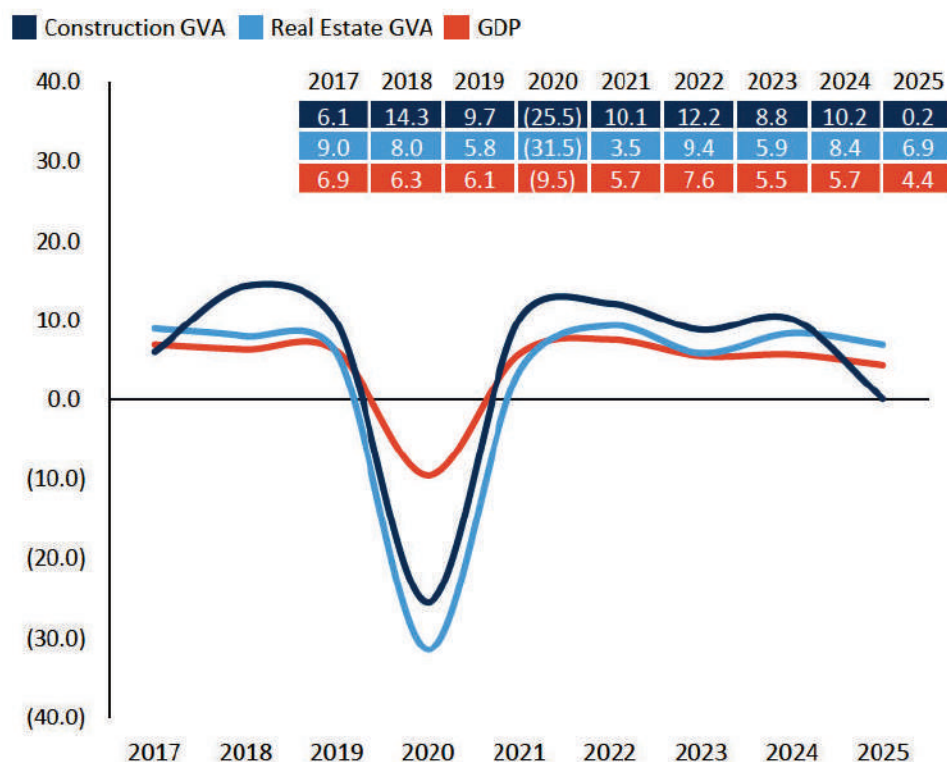
- Vietnam topped ASEAN-6 growth again in 1Q26 at 7.8 percent, and according to Vietnam's National Statistics Office, this was the strongest first-quarter performance in 16 years, powered by broad-based gains in industry and construction (8.9 percent), services (8.2 percent), and a 19.9 percent surge in exports.
- According to Development Bank of Singapore ("DBS"), ASEAN-6 economies faced the same Middle East-driven energy shock but saw sharply asymmetric inflation outcomes — Indonesia and Malaysia stayed contained at 2.4 percent and 1.9 percent respectively, while the Philippines, Vietnam, and Thailand saw inflation jump to 7.2 percent, 5.5 percent, and 2.9 percent, respectively, by April 2026.
- Per DBS, the Philippines is among the most exposed economies in the region to the oil price shock, as modest domestic fuel subsidy support leaves retail prices more directly exposed to swings in global crude prices and their second-round inflationary effects.
- This is on top of Philippine GDP deceleration. GDP growth decelerated for three straight quarters (3.9 percent in 3Q25, 3.0 percent in 4Q25, 2.8 percent in 1Q26). This is, similarly, mainly due to two reasons per Department of Economy, Planning, and Development ("DEPDev") Secretary Arsenio Balisacan: 1) flood-control scandal which eroded investor confidence and 2) Middle East conflict.

Market Overview

Philippine Real Estate Sector

Philippine real estate GVA has consistently outgrown headline GDP every year from 2017 to 2025, cementing its role as a driver of both the broader economy and construction activity. This outperformance became most critical in 2024-2025, when real estate GVA growth (8.4 percent and 6.9 percent) held well above GDP (5.7 percent and 4.4 percent), cushioning a broader economic slowdown.

YoY Growth Rate of Philippine Construction GVA, Real Estate GVA, and GDP at 2018 Constant Prices from 2017–2025 (Figures in %)



Sources: Philippine Statistics Authority

- Real estate GVA growth exceeded GDP growth in nearly every year from 2017-2025, including 8.4 percent versus 5.7 percent in 2024 and 6.9 percent versus 4.4 percent in 2025, showing the sector's persistent structural premium over the broader economy.
- The gap widened notably in 2024 and 2025, real estate GVA grew 8.4 percent and 6.9 percent respectively, well above GDP growth of 5.7 percent and 4.4 percent, positioning real estate as a key buffer against slowing overall output.
- Per Cushman & Wakefield, this decoupling is largely structural due to record OFW remittances of USD35.6 billion in 2025 and BSP policy rate cuts from a 6.5 percent peak in 2024 down to 4.3 percent, which directly channel cheaper credit and steady household income into housing demand, insulating real estate from the same export and infrastructure-spending shocks dragging down GDP.
- Moreover, according to Colliers, the property market stayed strong despite the economy slowing down in late 2025. This shows that the property market depends less on overall trade or government spending. Instead, it is driven by tech and call center expansions, companies moving to premium offices in Makati, BGC, and Ortigas, and multinational firms setting up their global support hubs in Metro Manila.

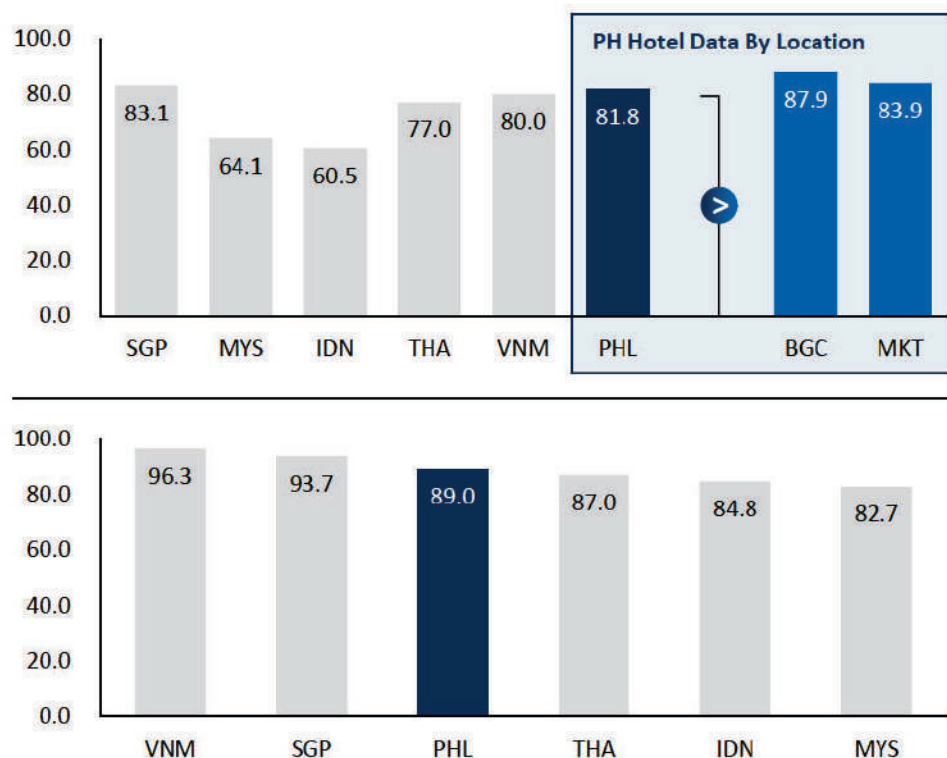
Source: Philippine Statistics Authority, Colliers, Cushman & Wakefield, Maybank Investment Group

Market Overview

Southeast Asian and Philippine Real Estate Sector – Hotel and Retail

Philippine retail space is running near-full at 89.0 percent occupancy in 1Q26, ranking third in Southeast Asia behind only Vietnam and Singapore, while Philippine hotel occupancy ranks second-highest among Southeast Asian markets at an average of 81.8 percent occupancy in 1Q26, which reflects retailers actively refreshing and reinvesting in mall space to capture resilient consumer footfall amid cost caution and geopolitical uncertainty.

Hotel (Top) and Retail (Bottom) Average Occupancy Rates Comparison for Southeast Asian Countries in 1Q26, Figures in %



Sources: Colliers, Leechiu, CBRE, Savills, Sanos Knight Frank

Hotels

- Philippine hotel occupancy averaged 81.8 percent in 1Q26, ranking second-highest among selected Southeast Asian markets, below Singapore (83.1 percent) but above Vietnam (80.0 percent), Thailand (77.0 percent), Malaysia (64.1 percent), and Indonesia (60.5 percent).
- Per JLL, the 81.8 percent occupancy rate, which covers Metro Manila, was supported by corporate accounts, MICE activities, and domestic leisure travel, with business demand remaining resilient across core commercial districts. However, higher jet-fuel prices, suspended airline routes, and delayed bookings could weigh on hotel demand in the succeeding quarters.

Retail

- Philippine retail occupancy stood at 89.0 percent in 1Q26, the third-highest in Southeast Asia after Vietnam (96.3 percent) and Singapore (93.7 percent), and ahead of Thailand (87.0 percent), Indonesia (84.8 percent), and Malaysia (82.7 percent).
- According to Colliers, this retail strength is driven by mall operators proactively refreshing retail spaces and earmarking billions in capex for reinvigoration, drawing sustained take-up from foreign F&B, clothing, and home furnishing brands even as personal consumption expenditure growth slowed through 2025.

Sources: Colliers, Leechiu, CBRE, Savills, Sanos Knight Frank

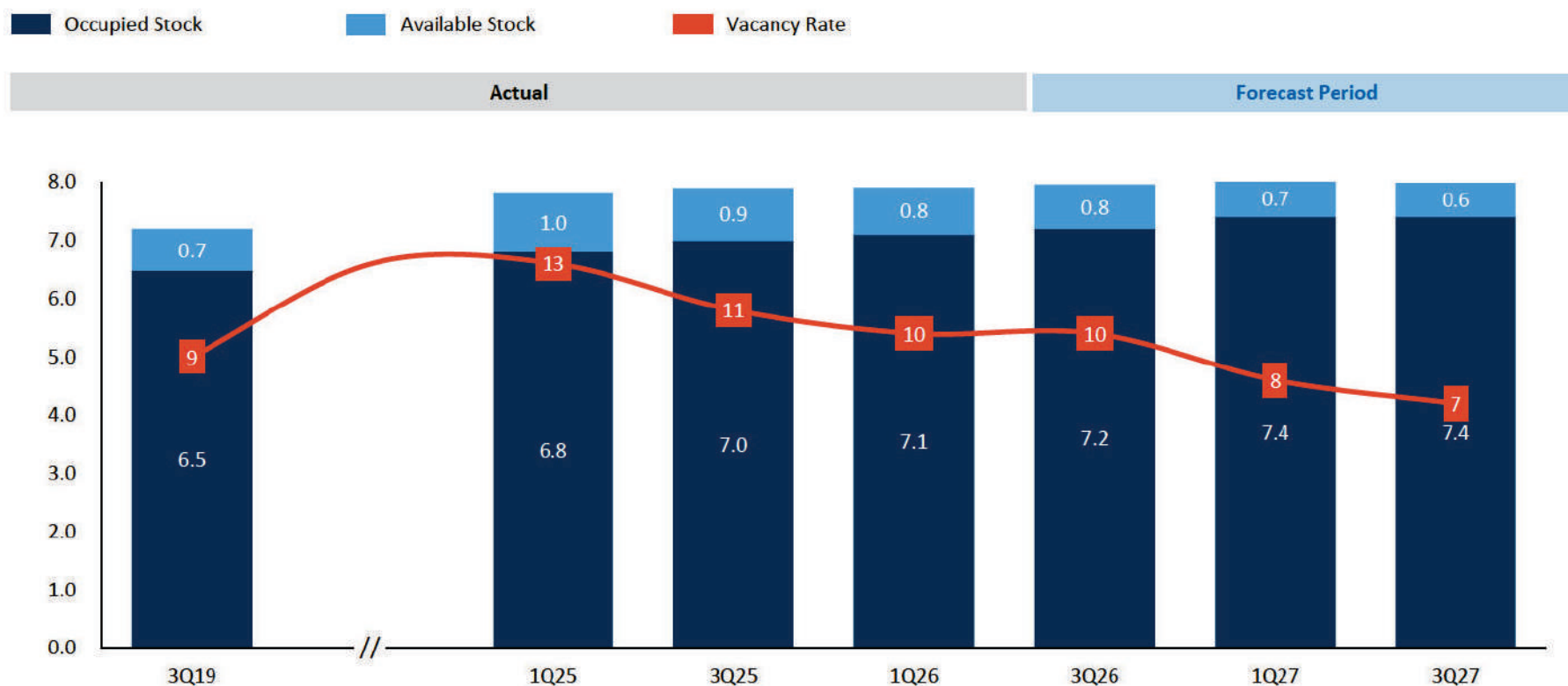
Note: SGP = Singapore; MYS = Malaysia; IDN = Indonesia; THA = Thailand; VNM = Vietnam; PHL = Philippines; SVS = Savills; CBRE = CBRE; SKF = Santos Knight Frank; LEE = Leechiu; CIGI = Colliers International Group Inc.

Market Overview

Philippine Real Estate Sector – Retail

Colliers Philippines now expects mall vacancy, which fell to 10.8 percent by 1Q26, its lowest since 1Q20, to revert fully to pre-pandemic levels.

Historical and Forecast for Retail Occupied Stock, Available Stock, and Vacancy Rate percent, Figures in Million sqm Except for Vacancy Rate %



Sources: Colliers

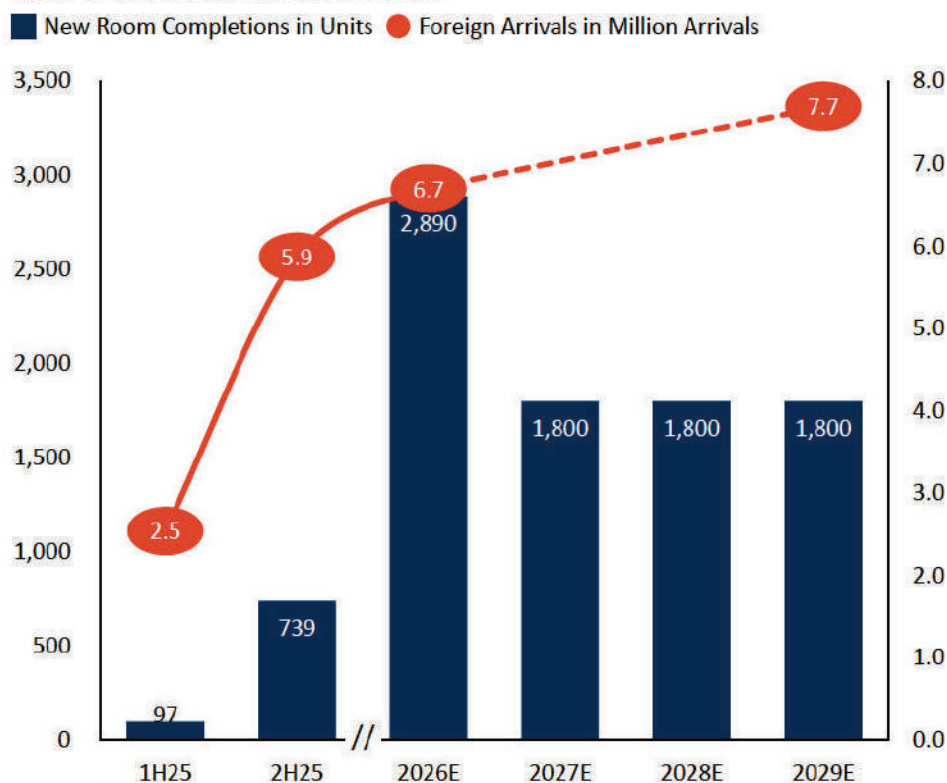
Source: Colliers

Market Overview

Philippine Real Estate Sector – Hotel

Metro Manila's hotel sector is entering its heaviest supply cycle in years, with 2026 completions (2,890 rooms) outpacing foreign arrival recovery, even as upscale 4- and 5-star properties continue to outperform on both occupancy and ADR growth. Colliers attributes much of this resilience to surging domestic MICE (Meetings, Incentives, Conferences, Exhibitions) demand — including property exhibits, pharmaceutical launches, and trade fairs.

Foreign Arrivals and New Room Completions in Philippine Hotels from 1H25 to Forecast Period 2026-2029

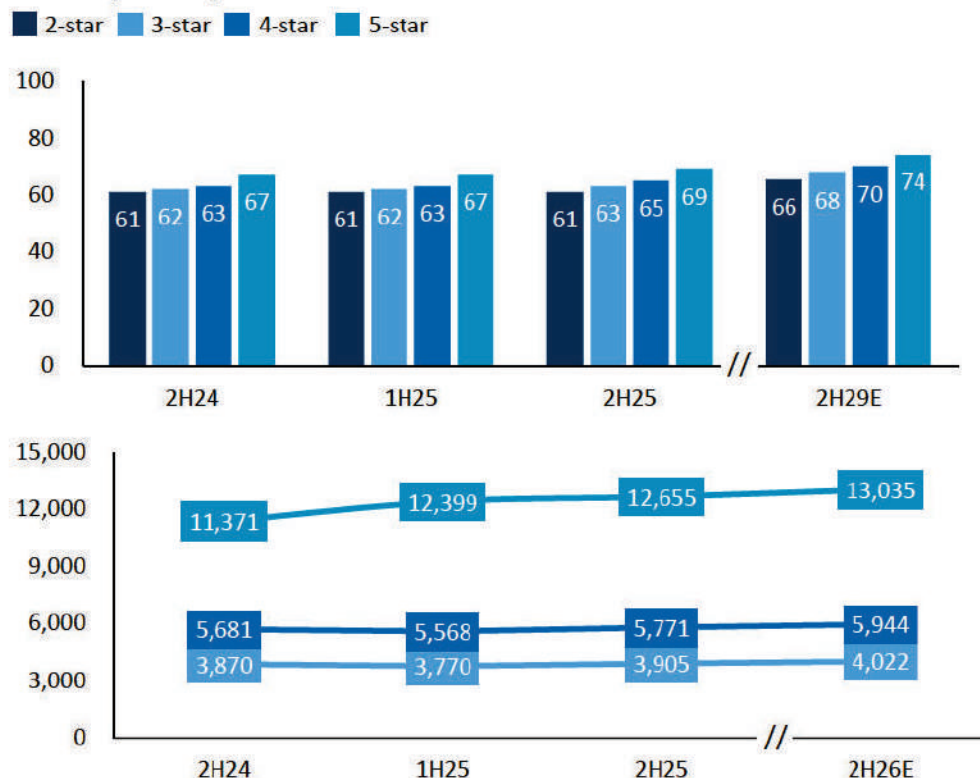


Sources: Colliers

Sources: Colliers

Note: Per Colliers, MICE is helping offset weak South Korean and Chinese arrivals and is projected to add 510,000 sqm of new MICE facility supply across Metro Manila, Tarlac, Cavite, and Cebu.

Metro Manila Hotel Occupancy (Top) and Average Daily Rates (Bottom) per Star Classification from 2H24 to 2H25 and 2H29 (estimate), Figures in % and PHP respectively



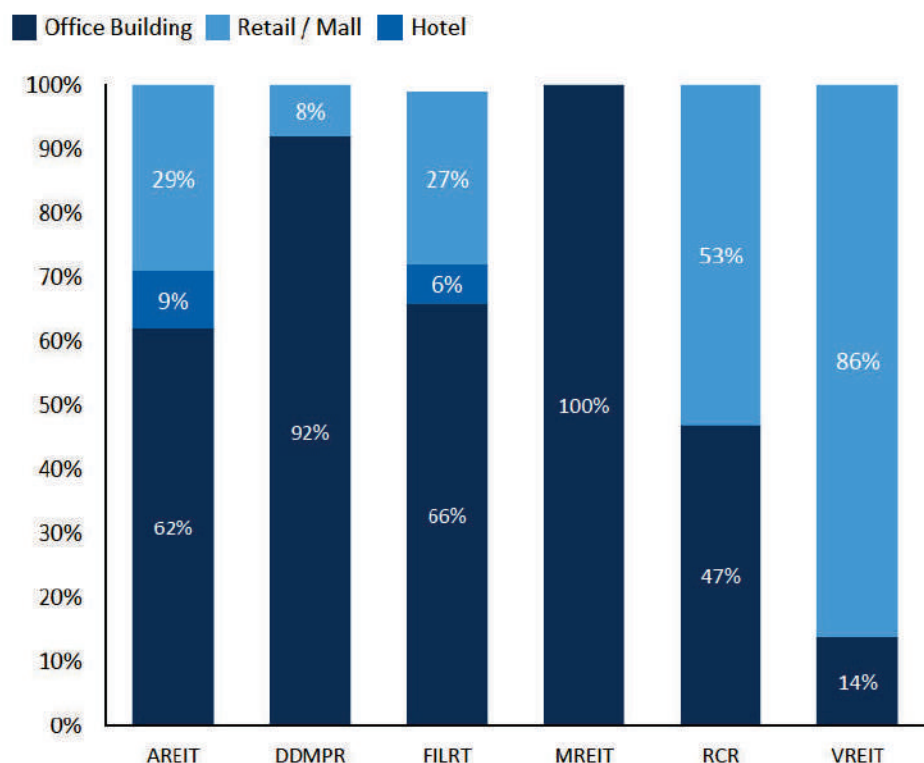
Sources: Colliers. Note: No data on PHP ADR for 2-star hotels.

Market Overview

Philippine REITs

Per Leechiu as of latest information in 2025, AREIT, FILRT, and RCR are predominantly office-backed REITs, with AREIT and FILRT holding roughly two-thirds or more of their portfolios in office buildings and RCR closer to a fifty-fifty split between office and retail/mall assets. DDMPR and MREIT are effectively pure-play office REITs, with close to 90 to 100 percent of their portfolios in office properties and little to no exposure to hotel or retail/mall assets.

Asset Class Breakdown of the Philippine REITs as of FY25, Figures in %



Sources: Leechiu Property Consultants (3Q25)

Growth Outlook

- Sell side coverage on Philippine REITs has turned more constructive, with recent UBS and J.P. Morgan notes pointing to a sector that is working through its correction and setting up for a stronger stretch ahead.
- UBS coverage on local Philippine REITs highlights that sponsor-led asset infusion pipelines remain a key growth lever, on top of weighted average lease expiries running close to two decades, which gives the sector recurring income visibility. Underpinned by this is that despite rental reversions turning negative in recent quarters, rental renewal rates across sectors still run above industry averages.
- J.P. Morgan's research on the REIT and real estate services sector points to asset diversification and regulatory support as the two forces set to bolster the sector's expansion through 2026 and 2027. While the bank models a decline in aggregate sector net income this year on higher funding costs and softer pre-sales, it expects sector profit growth to inflect positive in 2027 on an easier base driven by a recovery in residential pre-sales, steady gross margins and public spending tailwinds tied to the 2028 election cycle.
- Maybank's Philippines Strategy 2026 Year Ahead note describes Philippine REITs as an increasingly important part of the local capital markets. It expects continued asset diversification and regulatory support to keep widening the sector.

Sources: J.P. Morgan, UBS, Maybank Investment Group, Leechiu Property Consultants, Leechiu Property Consultants

Note: Zero malls were infused into MREIT under Wave 4 — that tranche consisted entirely of nine Grade A office buildings in McKinley Hill (plus office space in Eastwood City), with a combined GLA of about 165,500 sqm. Mall assets are instead earmarked for Wave 5, MREIT's upcoming retail diversification round, which is set to include five lifestyle malls — Eastwood Mall, Venice Mall, Lucky Chinatown Mall, Festive Walk Mall, and Southwoods Mall — totaling roughly 160,000 sqm of GLA.



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 ALL'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 and C.

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 Appendix D 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.

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 and C.

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 four malls (i.e., **Glorietta 4**, **Ayala Malls Circuit Makati**, **Ayala Malls Capitol Central**, **Ayala Malls Cloverleaf**) and two hotels (i.e., **New World Makati Hotel**, and **Seda Vertis North**). The following provides a brief overview of the mall Properties:

Glorietta 4

- Glorietta 4 is a shopping mall located at Ayala Center, Makati City.
- Glorietta 4 began operations in 1998 and has a gross leasable area of 30,429 square meters.
- Glorietta 4 is fully owned by ALI.

Ayala Malls Circuit Makati

- Ayala Malls Circuit Makati is a shopping mall located along Hippodromo Street, Barangay Carmona, Makati City.
- Ayala Malls Circuit Makati began operations in 2018 and has a gross leasable area of 65,161 square meters.
- Ayala Malls Circuit Makati is fully owned by MCLC.

Ayala Malls Capitol Central

- Ayala Malls Capitol Central is a shopping mall located along Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental.
- Ayala Malls Capitol Central began operations in 2018 and has a gross leasable area of 63,391 square meters.
- Ayala Malls Capitol Central is fully owned by CCCVC.

Ayala Malls Cloverleaf

- Ayala Malls Cloverleaf is a shopping mall located along A. Bonifacio Avenue, Barangay Balingasa, Quezon City.
- Ayala Malls Cloverleaf began operations in 2017 and has a gross leasable area of 33,511 square meters.
- Ayala Malls Cloverleaf is fully owned by BCCVC.

Valuation Analysis | Properties Overview

The Properties to be transferred to AREIT comprise of four malls (i.e., **Glorietta 4**, **Ayala Malls Circuit Makati**, **Ayala Malls Capitol Central**, **Ayala Malls Cloverleaf**) and two hotels (i.e., **New World Makati Hotel**, and **Seda Vertis North**). The following provides a brief overview of the hotel Properties:

New World Makati Hotel

- New World is a hotel located at Esperanza Street, corner Makati Avenue, Ayala Center, Makati City.
- New World Makati Hotel began operations in 1994 and has a gross leasable area of 72,488 square meters.
- New World Makati Hotel is fully owned by ALI.

Seda Vertis North

- Seda Vertis North is a hotel located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City.
- Seda Vertis North began operations in 2017 and has a gross leasable area of 35,478 square meters.
- Seda Vertis North is fully owned by NTHVI.

The Transaction involves the transfer of New World Makati Hotel and Seda Vertis North to AREIT. After the Transaction, ALI and NTHVI will continue earning lease income from the hotels and will lease the hotels back from AREIT under a master lease agreement.

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 6.93 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
 - Market risk premium of 6.55 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 AREIT's target capital structure.
 - Alpha risk premium was referenced from the Deciles Size Premia Study by Kroll.
 - Pre-tax cost of debt of 6.26 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 31 March 2026	Value
Risk-free Rate (RFR)	6.93%
Market Risk Premium (MRP)	6.55%
Unlevered Beta (β_U)	0.39
Debt-to-Equity Ratio (D/E)	0.43
Levered Beta (β_L)	0.55
Alpha Risk Premium (α)	1.05%
Cost of Equity (Ke)	11.61%
Cost of Debt, pre-tax (Kd)	6.26%
Weight of Equity (We)	70.00%
Weight of Debt (Wd)	30.00%
WACC, rounded	10.00%

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

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 - Hotels

Inputs to the determination of the WACC used to value the hotel 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 6.93 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
 - Market risk premium of 6.55 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 AREIT's target capital structure.
 - Alpha risk premiums were referenced from the Deciles Size Premia Study by Kroll.
- Pre-tax cost of debt of 6.26 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 Hotels As of 31 March 2026	Value (Low)	Value (High)
Risk-free Rate (RFR)	6.93%	6.93%
Market Risk Premium (MRP)	6.55%	6.55%
Unlevered Beta (β_U)	0.47	0.47
Debt-to-Equity Ratio (D/E)	0.43	0.43
Levered Beta (β_L)	0.67	0.67
Alpha Risk Premium (α)	1.05%	0.88%
Cost of Equity (Ke)	12.36%	12.19%
Cost of Debt, pre-tax (Kd)	6.26%	6.26%
Weight of Equity (We)	70.00%	70.00%
Weight of Debt (Wd)	30.00%	30.00%
WACC, rounded	10.55%	10.40%

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

Valuation Analysis | Properties

Discounted Cash Flows Method

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

Revenues

Mall revenues consist of the properties' rental income and other income from ancillary operations. For the hotels, revenues pertain to AREIT's future lease collections from ALI and NTHVI.

Rental Income

Rental income is derived from the leasing operations of the retail space. This was estimated using forecasted lease rates, escalation, and occupancy rates.

Lease Rates

Forecasted base lease rates provided by management were followed, taking into consideration the average rates from existing contracts of each property.

Escalation

Escalation rates were based on management's estimate of future increases in rent due to renovations and inflation. These rates were sensitized to arrive at the low and high estimates.

Occupancy Rates

Forecasted occupancy rates were based on management's projections, ranging between 70 percent and 90 percent. Occupancy is expected to decline during periods of major renovation.

Occupancy Rates (cont'd)

A gradual increase in occupancy rates was assumed for Glorietta 4 and Cloverleaf under the low estimate scenario to reflect a more conservative ramp-up, given the significant occupancy increases projected between 2026 and 2027.

Other Income

Other income comprises revenue from specialty leasing operations and AREIT's share of income from the properties' theater operations. These were projected based on inflation assumptions and management's expected growth.

Direct Operating Expenses

These include controllable and non-controllable expenses. Controllable expenses were forecasted to increase by 5 percent, in line with management's budget, while non-controllable expenses are forecasted based on percentage of revenues.

For Glorietta 4 and Circuit Mall, the forecasted non-controllable expenses were adjusted to align with historical percentages of revenue.

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):

General and Administrative Expenses

General and Administrative expenses were forecasted as a percentage of revenues based on management's budget and historical expense levels. These consist of payroll and non-payroll expenses.

Management Fees

Management fees pertain to fund and property management fees.

Depreciation Expense

Mall properties were depreciated using the straight-line method over their estimated useful lives. Depreciation was not considered in the valuation of hotel properties as these are subject to master lease agreements.

Capital Expenditures

For the mall properties, annual recurring capital expenditures were assumed to be 5 percent of rental income, except for Circuit Mall with 7 percent of rental income, as provided by management. Major CAPEX was based on management's budget and was assumed to occur every 10 years.

Working Capital Requirements

Working capital requirements for the mall properties were calculated based on the average collection period and average payment period, as provided by management.

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 2027 were used to determine NOI, except for Capitol Central for which the stabilized NOI was assumed in 2029 as the property is expected to turn positive margins until that year.

Capitalization Rate

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

For the mall properties, a capitalization rate of 7 percent was computed by obtaining the difference between the pre-tax WACC of 10 percent and the terminal growth rate of 3 percent based on the management's assumption of long-term stable growth rate.

For New World Hotel, capitalization rates ranging from 7.40 percent to 7.79 percent were used. The capitalization rates were computed by obtaining the difference between the pre-tax WACCs of 10.40 percent to 10.55 percent and the terminal growth rate of 2.76 percent to 3 percent.

For Seda Vertis North, capitalization rates ranging from 7.40 percent to 7.77 percent were used. The capitalization rates were computed by obtaining the difference between the pre-tax WACCs of 10.40 percent to 10.55 percent and the terminal growth rate of 2.78 percent to 3 percent.

The terminal growth rates for hotels were based on the blended escalation rate considering both the fixed and variable revenues of the hotel and the escalation rate of fixed lease rates under the Master Lease Agreement.

Valuation Analysis | Properties

Valuation Summary

Based upon discussions with and representations of Property Owners' management, research conducted, and the valuation analyses performed and described herein, the total market values of the Properties were estimated within the range of **PHP16,637 million to PHP20,051 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
Glorietta 4	4,948	6,053	4,948	6,053	5,149	5,784
Ayala Malls Circuit Makati	1,987	2,455	2,037	2,455	1,987	2,142
Ayala Malls Capitol Central	3,100	3,880	3,100	3,880	3,345	3,692
Ayala Malls Cloverleaf	2,303	3,066	2,576	3,066	2,303	2,711
New World Makati Hotel	2,688	2,876	2,688	2,772	2,757	2,876
Seda Vertis North	1,611	1,721	1,611	1,655	1,653	1,721
Total Range of Market Values	16,637	20,051				

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 three-month period ending 31 March 2026 were at PHP3,544.80 million while net income was at PHP2,559.66 million, posting a 72.21 percent net margin.
- AREIT’s main financial highlights for 2025 and the three-month period ending 31 March 2026 are as follows:

Amounts in PHP millions	FY25	1Q26
Total Revenues ¹	12,959.78	3,544.80
Direct Operating Expenses	(3,303.76)	(883.13)
General & Admin Expenses	(127.08)	(24.34)
Net Income	9,539.22	2,559.66
Total Assets	147,322.39	148,002.15
Total Equity	135,902.80	136,158.69

Source: Management, AREIT Financial Statements

¹Total Revenues is composed of PHP8,826.84 million and PHP2,320.32 million of rental income in FY25 and 1Q26, respectively.

- 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
 - Evotech One and Two
 - eBloc Towers 1 to 4
 - Seda Ayala Center Cebu Tower
 - The Tech Tower
 - One Ayala Tower 1 & 2
 - Glorietta 1 & 2
 - Marquee Mall
 - Seda Lio
 - Ayala Triangle Gardens Tower 2
 - Holiday Inn Makati
 - Greenbelt 3 & 5
 - Palauig Industrial Lot
 - Abreeza BPO and Mall
 - Centrio BPO and Mall
 - Central Bloc 1 & 2
 - Central Bloc Mall
 - Central Bloc Hotel
 - ACC Mall*
 - Feliz Mall*

*Note: ACC Mall and Feliz Mall were assumed part of AREIT’s portfolio for the purpose of the valuation exercise as of 31 March 2026. These malls were subject of a property-for-share swap acquisition.

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 6.93 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
 - Market risk premium of 6.55 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.
- Pre-tax cost of debt of 7.23 percent was based on risk-free rate with a spread based on management information.
- 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 31 March 2026	Value
Risk-free Rate (RFR)	6.93%
Market Risk Premium (MRP)	6.55%
Unlevered Beta (β_U)	0.49
Debt-to-Equity Ratio (D/E)	0.43
Levered Beta (β_L)	0.70
Cost of Equity (Ke)	11.49%
Cost of Debt, pre-tax (Kd)	7.23%
Weight of Equity (We)	70.00%
Weight of Debt (Wd)	30.00%
WACC, rounded	10.20%

Sources: Bloomberg, S&P Capital IQ, Aswath Damodaran, Management, 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. Net dues were estimated as a percentage of rental income.
- Occupancy rates were based on management assumptions.
- To arrive at the low and high estimates of values, we sensitized office lease rates and escalation assumed per property.
- Lease rates were sensitized by applying either the management's forecasts or the market-based lease rates in the respective locations of each property as of Valuation Date sourced from third-party market studies.
- Escalation rates were based on management's estimate of future increases/decreases in rent rates. These were sensitized to arrive at the low and high estimates.

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.
- Outside services, R&M costs, insurance, and other direct operating expenses were based on management's forecast from 2026 to 2031 and projected to grow by inflation thereafter.
- Land and building leases were based on contracted rates per land and building lease agreements.
- Taxes and licenses is composed of business tax, real property tax, and other permits.

General and Administrative Expenses

- General and administrative expenses include professional fees, taxes and licenses, and systems costs.
- Professional fees, taxes and licenses, system costs and other G&A expenses were based on management's forecast from 2026 to 2031 and projected to grow by inflation thereafter.

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 3.75 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 percent.

Using the DCF method, the equity value of AREIT as of the Valuation Date was estimated within the range of **PHP133,124 million to PHP165,698 million** or **PHP32.03 to PHP39.86** on a per share basis.

Valuation Summary (in PHP millions)	Low Estimate	High Estimate
Estimated Value of Operating Assets	139,228	171,802
[-] Net Debt	(1,924)	(1,924)
[-] Non-operating assets and liabilities	(4,179)	(4,179)
Estimated Equity Value	133,124	165,698
Outstanding Shares* (in millions)	4,157	4,157
Estimated Equity Value per Share	32.03	39.86

Source: FTI Consulting Analysis

*The total share count is 4,156.89 million, which consists of 3,715.76 million outstanding shares as of the Valuation Date plus 441.13 million new shares issued for the ACC Mall and Feliz Mall property-for-share acquisition.

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 **PHP 162,462 million to PHP 176,751 million**, or **PHP39.08 to PHP42.52** on a per share basis.

Valuation Summary	Low Estimate	High Estimate
	As of 31 March 2026	3-Month
VWAP (in PHP per share)	39.08	42.52
Outstanding Shares* (in millions)	4,156.89	4,156.89
Estimated Equity Value (in PHP millions)	162,462.40	176,750.66

Source: S&P Capital IQ, FTI Consulting Analysis

*The total share count is 4,156.89 million, which consists of 3,715.76 million outstanding shares as of the Valuation Date plus 441.13 million new shares issued for the ACC Mall and Feliz Mall property-for-share acquisition.

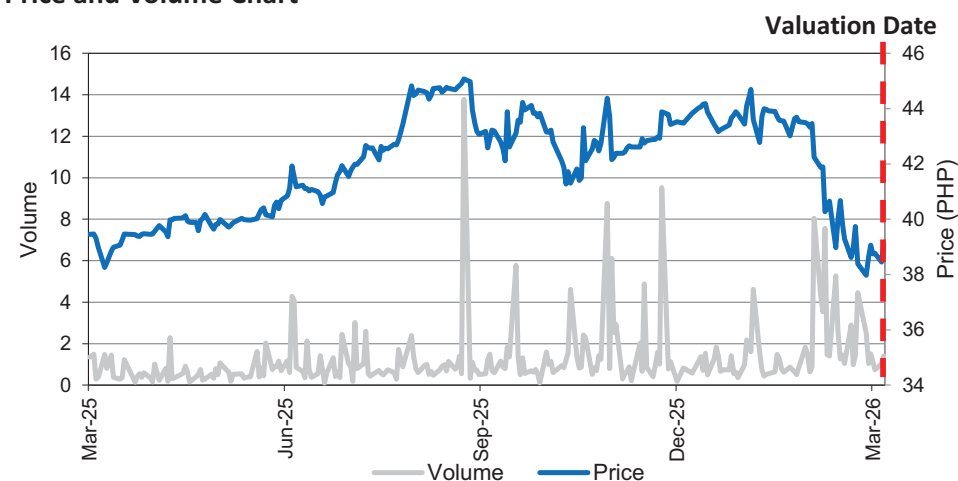
VWAP Computation as of 31 March 2026

Period	Price per Share ¹ (PHP per share)	Equity Value (In PHP millions)
1-year	40.53	168,487.10
6-month	42.32	175,900.43
3-month	42.52	176,750.66
1-month	41.96	174,424.59
VWAP as of 31 March 2026	39.08	162,462.40

¹Rounded to two decimal places for presentation purposes

Sources: S&P Capital IQ, 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, EV-to-NTM EBIT, and Price-to-NTM Earnings were considered.
- We took the minimum and maximum of the comparable companies' multiples gathered from S&P Capital IQ to estimate low and high case values. The calculated minimum and maximum multiples were multiplied by management's next twelve months' forecast of AREIT's EBITDA, EBIT, and Earnings. The enterprise value multiples were 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 **PHP129,526 million to PHP152,676 million**, or **PHP31.16 to PHP36.73** on a per share basis.

Price Multiples of Comparable Public Companies

Comparable Companies	EV-to-NTM EBITDA*	EV-to-NTM EBIT*	Price-to-NTM Earnings*
RCR	13.10	12.88	13.73
MREIT	12.09	12.70	11.65
FILRT	NM**	11.91	12.12
Minimum	12.09	11.91	11.65
Maximum	13.10	12.88	13.73

Sources: S&P Capital IQ, FTI Consulting Analysis

*NTM = next twelve months

**NM = no meaningful figure

Implied Equity Values of AREIT using Comparable Public Companies Method

Multiple	Implied Equity Value (In PHP millions)		Value per Share ¹ (PHP per share)	
	Minimum	Maximum	Low Est.	High Est.
EV-to-NTM EBITDA	132,473	143,769	31.87	34.59
EV-to-NTM EBIT	130,453	141,293	31.38	33.99
Price-to-NTM Earnings	129,526	152,676	31.16	36.73
Estimated Equity Value	129,526	152,676	31.16	36.73

¹Rounded to two decimal places for presentation purposes

Source: FTI Consulting Analysis

Note: DDMP REIT Inc. had no next-twelve-months multiples in S&P Capital IQ Database as of Valuation Date. Hence, it was not considered in Comparable Public Companies Method.

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 **PHP133,124.38 million to PHP165,698.46 million** or **PHP32.03 to PHP39.86** on a per share basis as of Valuation Date.

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 Method	133,124	165,698	32.03	39.86
<i>Cross-checks:</i>				
Volume Weighted Average Price Method	162,462	176,751	39.08	42.52
Comparable Public Companies Method				
EV-to-NTM EBITDA	132,473	143,769	31.87	34.59
EV-to-NTM EBIT	130,453	141,293	31.38	33.99
Price-to-NTM Earnings	129,526	152,676	31.16	36.73
RANGE OF MARKET VALUES	133,124	165,698	32.03	39.86

Source: FTI Consulting Analysis

*NTM = next twelve months

¹The total share count is 4,156.89 million, which consists of 3,715.76 million outstanding shares as of the Valuation Date plus 441.13 million new shares issued for the ACC Mall and Feliz Mall property-for-share acquisition.



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	16,637	20,051		
AREIT, Inc.	133,124	165,698	32.03	39.86

¹Rounded to two decimal places for presentation purposes

Source: FTI Consulting Analysis



Appendices

Appendix A

Glossary of Terms

Term	Definition
ADR	Average daily rate measures the average rental income per occupied unit over a specific period
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.
MICE	Meetings, Incentives, Conferences, and Exhibitions
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	59	9
Final Number of Comparable Companies Used		9

Sources: S&P Capital IQ, FTI Consulting Analysis

Appendix B

Selection of Comparable Companies | Hotel Properties

Using S&P Capital IQ, we obtained the population of public companies with properties in their portfolios which are possibly comparable to the hotel properties to be transferred to AREIT in the Transaction. We selected comparable public companies in the 'Hotels, Restaurants and Leisure', 'Hotel and Resorts 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: Hotels, Restaurants and Leisure/Hotel and Resorts REITs/Real Estate Management & Development		2765
Geographic Location: Within Southeast Asia	2292	473
Business Line: Majority Hotel Operations	466	7
Final Number of Comparable Companies Used		7

Sources: S&P Capital IQ, FTI Consulting Analysis

Appendix B

Selection of Comparable Companies | AREIT, Inc.

Using the S&P Capital IQ, we obtained the population of public companies which are possibly comparable to AREIT. We selected comparable public companies in the 'Office REITs' and 'Diversified REITs' industries which operate in the Philippines 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: Office REITs, Diversified REITs		366
Geographic Location: Within the Philippines	359	7
Business Description: Office Space Leasing (majority)	3	4
Final Number of Comparable Companies Used		4

Sources: S&P Capital IQ, FTI Consulting Analysis

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 (CLMT) is a real estate investment trust (REIT) listed on the Main Market of Bursa Malaysia Securities Berhad since 16 July 2010. CLMT's primary objective is to invest, on a long-term basis, in a geographically diversified portfolio of quality income-producing real estate assets across Malaysia, focusing on retail, logistics and industrial properties.
Frasers Centrepoint Trust	Singapore	Frasers Centrepoint Trust is a leading developer-sponsored retail real estate investment trust and one of the largest suburban retail mall owners in Singapore.
IGB Commercial Real Estate Investment Trust	Malaysia	IGB Commercial Real Estate Investment Trust (IGBCR) was listed on the Main Market of Bursa Malaysia Securities Berhad 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.
Landmark REIT	Singapore	Landmark REIT, formerly Lippo Malls Indonesia Retail Trust, is the only Indonesia-exposed retail real estate investment trust listed on SGX Securities.
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 Real Estate Investment Trust with the largest exposure to the retail sector by any listed Malaysian REIT, Pavilion REIT owns a RM9.1 billion portfolio based on appraised value, to which its most prominent assets are its retail malls, Pavilion Kuala Lumpur Mall and Pavilion Bukit Jalil.
RL Commercial REIT, Inc.	Philippines	RL Commercial REIT, Inc., a real estate company, invests in various real estate properties.
United Hampshire US Real Estate Investment Trust	Singapore	United Hampshire US Real Estate Investment Trust Listed on the Main Board of the Singapore Exchange.

Source: S&P Capital IQ

Appendix C

Comparable Companies | Hotel Properties

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

Comparable Companies	Country	Company Description
Avillion Berhad	Malaysia	Avillion Berhad, an investment holding company, engages in the hotel, property, and travel businesses in Malaysia, Hong Kong, Singapore, and Indonesia.
Grand Plaza Hotel Corporation	Philippines	Grand Plaza Hotel Corporation owns, leases, and manages hotels, inns, and resorts in the Philippines.
Magma Group Berhad	Malaysia	Magma Group Berhad, an investment holding company, engages in the development, operation, and management of hotels and resorts in Malaysia.
PH Resorts Group Holdings, Inc.	Philippines	PH Resorts Group Holdings, Inc. engages in the hotel and restaurant business.
Saigon Hotel Corporation	Vietnam	Saigon Hotel Corporation operates the Saigon Hotel in Ho Chi Minh City, Vietnam.
Shangri-La Hotels (Malaysia) Berhad	Malaysia	Shangri-La Hotels (Malaysia) Berhad, an investment holding company, owns and operates hotels and beach resorts primarily in Malaysia.
S Hotels and Resorts Public Company Limited	Thailand	S Hotels and Resorts Public Company Limited, together with its subsidiaries, engages in the investment and hospitality businesses.

Source: S&P Capital IQ

Appendix C

Comparable Companies | AREIT, Inc.

Presented below are the selected comparable companies for the Unlevered Beta Computation and 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.
DDMP REIT Inc.	Philippines	DDMP REIT Inc. operates as a real estate investment trust company in the Philippines.

Source: S&P 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
Axtra Future City Freehold And Leasehold Real Estate Investment Trust	0.66	0.10	0.00%	0.60
CapitaLand Malaysia Trust	0.54	1.04	2.14%	0.27
Frasers Centrepont Trust	0.60	0.60	17.00%	0.40
IGB Commercial Real Estate Investment Trust	0.48	0.62	0.00%	0.30
Landmark REIT	0.85	6.01	53.65%	0.22
LH Shopping Centers Leasehold Real Estate Investment Trust	0.59	0.29	0.00%	0.46
Pavilion Real Estate Investment Trust	0.47	0.58	0.00%	0.30
RL Commercial REIT, Inc.	0.55	0.01	0.10%	0.55
United Hampshire US Real Estate Investment Trust	0.73	1.03	16.96%	0.39
Average				0.39

^[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 D

Unlevered Beta Computation | Hotel 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 Hotel Properties.

Comparable Companies	Adjusted Beta ^[1]	Debt-to-Market Cap ^[2]	Effective Tax Rate	Unlevered Beta
Avillion Berhad	0.90	1.06	24.00%	0.50
Grand Plaza Hotel Corporation	0.58	0.46	93.98%	0.56
Magma Group Berhad	0.68	0.33	24.00%	0.54
PH Resorts Group Holdings, Inc.	0.52	3.24	25.00%	0.15
Saigon Hotel Corporation	0.45	0.00	18.72%	0.45
Shangri-La Hotels (Malaysia) Berhad	0.75	0.27	30.28%	0.63
S Hotels and Resorts Public Company Limited	1.38	2.73	20.00%	0.43
Average				0.47

^[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

Appendix D

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
RL Commercial REIT, Inc.	0.55	0.006	0.10%	0.55
MREIT, Inc.	0.51	0.113	0.07%	0.46
Filinvest REIT Corp.	0.49	0.313	0.00%	0.37
DoubleDragon Corporation	0.57	0.00	0.00%	0.57
Average				0.49

^[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

Sources: S&P Capital IQ, FTI Consulting Analysis

Appendix E

DCF Summary – Low and High Estimate | Properties

Glorietta 4

Low Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	749.98	792.76	837.48	884.23	932.89	971.94	1,012.15	1,043.53	1,065.66	1,088.44
(-) Operating Expenses	(324.06)	(329.12)	(344.34)	(363.44)	(418.89)	(434.12)	(452.54)	(468.08)	(480.59)	(493.58)
(-) Depreciation	(146.08)	(158.81)	(173.63)	(176.91)	(108.18)	(110.63)	(112.98)	(115.22)	(111.50)	(113.51)
Net Operating Profit	279.83	304.83	319.51	343.88	405.82	427.20	446.63	460.23	473.57	481.35
(+) Depreciation	146.08	158.81	173.63	176.91	108.18	110.63	112.98	115.22	111.50	113.51
(-) Working Capital Requirements	0.5	(3.3)	(2.9)	(2.8)	(0.0)	(2.0)	(2.2)	(1.6)	(1.0)	(1.0)
(-) Capital Expenditures	(450.0)	(43.1)	(45.5)	(47.9)	(50.5)	(53.1)	(54.9)	(56.7)	(58.6)	(60.5)
Total Cash Flows to the Firm	(23.52)	417.18	444.73	470.08	463.50	482.67	502.57	517.17	525.50	533.33
Terminal Value (TV)										6,755.95
Total Cash Flows to the Firm with TV	(23.52)	417.18	444.73	470.08	463.50	482.67	502.57	517.17	525.50	7,289.28
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	(20.87)	336.51	326.08	313.33	280.86	265.85	251.61	235.38	217.43	2,741.47

High Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	775.52	845.38	891.68	940.06	990.39	1,042.96	1,097.85	1,134.22	1,171.84	1,210.78
(-) Operating Expenses	(331.90)	(345.14)	(360.69)	(380.35)	(438.56)	(458.37)	(481.94)	(499.23)	(517.19)	(535.85)
(-) Depreciation	(146.08)	(158.81)	(173.63)	(176.91)	(108.18)	(110.63)	(112.98)	(115.22)	(111.50)	(113.51)
Net Operating Profit	297.54	341.43	357.36	382.80	443.65	473.96	502.93	519.76	543.16	561.43
(+) Depreciation	146.08	158.81	173.63	176.91	108.18	110.63	112.98	115.22	111.50	113.51
(-) Working Capital Requirements	(1.1)	(5.1)	(3.0)	(2.9)	0.0	(2.9)	(3.1)	(1.9)	(1.9)	(2.0)
(-) Capital Expenditures	(450.0)	(43.1)	(45.5)	(47.9)	(50.5)	(53.1)	(54.9)	(56.7)	(58.6)	(60.5)
Total Cash Flows to the Firm	(7.46)	451.98	482.46	508.89	501.40	528.58	557.94	576.38	594.11	612.39
Terminal Value (TV)										9,010.82
Total Cash Flows to the Firm with TV	(7.46)	451.98	482.46	508.89	501.40	528.58	557.94	576.38	594.11	9,623.21
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	(6.62)	364.58	353.73	339.19	303.82	291.14	279.33	262.33	245.82	3,619.26

Sources: FTI Consulting Analysis

Appendix E

DCF Summary – Low and High Estimate | Properties

Ayala Malls Circuit Makati

Low Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	339.59	352.53	462.69	565.10	662.86	691.05	720.45	751.12	783.10	816.46
(-) Operating Expenses	(165.90)	(177.70)	(250.74)	(304.04)	(363.06)	(378.42)	(394.44)	(411.14)	(428.57)	(446.74)
(-) Depreciation	(143.75)	(150.37)	(148.45)	(151.72)	(116.35)	(126.10)	(136.33)	(147.07)	(152.71)	(155.27)
Net Operating Profit	29.94	24.45	63.49	109.34	183.45	186.54	189.69	192.90	201.82	214.44
(+) Depreciation	143.75	150.37	148.45	151.72	116.35	126.10	136.33	147.07	152.71	155.27
(-) Working Capital Requirements	2.6	(0.4)	(5.6)	(5.6)	(4.3)	(1.4)	(1.5)	(1.6)	(1.6)	(1.7)
(-) Capital Expenditures	(395.0)	(396.8)	(190.6)	(64.5)	(46.4)	(48.7)	(51.2)	(53.7)	(56.4)	(59.2)
Total Cash Flows to the Firm	(218.67)	(222.29)	15.72	190.97	249.09	262.47	273.36	284.69	296.50	308.79
Terminal Value (TV)										3,911.57
Total Cash Flows to the Firm with TV	(218.67)	(222.29)	15.72	190.97	249.09	262.47	273.36	284.69	296.50	4,220.36
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	(194.05)	(179.30)	11.52	127.29	150.93	144.57	136.86	129.57	122.68	1,587.26

High Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	339.59	352.53	462.69	565.10	662.86	700.96	741.26	783.89	828.99	876.69
(-) Operating Expenses	(165.90)	(177.70)	(250.74)	(304.04)	(363.06)	(383.80)	(405.75)	(428.96)	(453.51)	(479.49)
(-) Depreciation	(143.75)	(150.37)	(148.45)	(151.72)	(116.35)	(126.10)	(136.33)	(147.07)	(152.71)	(155.27)
Net Operating Profit	29.94	24.45	63.49	109.34	183.45	191.06	199.19	207.86	222.77	241.93
(+) Depreciation	143.75	150.37	148.45	151.72	116.35	126.10	136.33	147.07	152.71	155.27
(-) Working Capital Requirements	2.6	(0.4)	(5.6)	(5.6)	(4.3)	(1.9)	(2.1)	(2.2)	(2.3)	(2.4)
(-) Capital Expenditures	(395.0)	(396.8)	(190.6)	(64.5)	(46.4)	(48.7)	(51.2)	(53.7)	(56.4)	(59.2)
Total Cash Flows to the Firm	(218.67)	(222.29)	15.72	190.97	249.09	266.49	282.30	299.04	316.77	335.54
Terminal Value (TV)										4,937.28
Total Cash Flows to the Firm with TV	(218.67)	(222.29)	15.72	190.97	249.09	266.49	282.30	299.04	316.77	5,272.83
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	(194.05)	(179.30)	11.52	127.29	150.93	146.78	141.33	136.10	131.07	1,983.09

Sources: FTI Consulting Analysis

Appendix E

DCF Summary – Low and High Estimate | Properties

Ayala Malls Capitol Central

Low Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	321.44	332.29	480.12	561.73	648.72	675.40	703.19	732.12	762.26	793.64
(-) Operating Expenses	(161.60)	(170.11)	(197.71)	(221.27)	(241.94)	(254.97)	(268.74)	(283.30)	(298.70)	(314.99)
(-) Depreciation	(206.26)	(210.04)	(211.78)	(105.45)	(111.93)	(118.75)	(125.90)	(133.41)	(137.35)	(139.14)
Net Operating Profit	(46.41)	(47.86)	70.63	235.01	294.85	301.69	308.55	315.41	326.20	339.50
(+) Depreciation	206.26	210.04	211.78	105.45	111.93	118.75	125.90	133.41	137.35	139.14
(-) Working Capital Requirements	9.2	(0.2)	(11.5)	(6.0)	(6.4)	(1.4)	(1.4)	(1.4)	(1.5)	(1.5)
(-) Capital Expenditures	(680.8)	(105.9)	(111.2)	(28.1)	(32.4)	(34.1)	(35.8)	(37.5)	(39.4)	(41.4)
Total Cash Flows to the Firm	(511.74)	56.07	159.79	306.40	367.98	385.02	397.29	409.83	422.65	435.73
Terminal Value (TV)										5,394.28
Total Cash Flows to the Firm with TV	(511.74)	56.07	159.79	306.40	367.98	385.02	397.29	409.83	422.65	5,830.01
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	(454.11)	45.23	117.16	204.22	222.98	212.06	198.90	186.53	174.88	2,192.65

High Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	321.44	332.29	480.12	561.73	648.72	686.91	727.36	770.19	815.56	863.60
(-) Operating Expenses	(161.60)	(170.11)	(197.71)	(221.27)	(241.94)	(256.53)	(272.02)	(288.48)	(305.95)	(324.50)
(-) Depreciation	(206.26)	(210.04)	(211.78)	(105.45)	(111.93)	(118.75)	(125.90)	(133.41)	(137.35)	(139.14)
Net Operating Profit	(46.41)	(47.86)	70.63	235.01	294.85	311.64	329.44	348.31	372.26	399.96
(+) Depreciation	206.26	210.04	211.78	105.45	111.93	118.75	125.90	133.41	137.35	139.14
(-) Working Capital Requirements	9.2	(0.2)	(11.5)	(6.0)	(6.4)	(2.3)	(2.4)	(2.6)	(2.7)	(2.9)
(-) Capital Expenditures	(680.8)	(105.9)	(111.2)	(28.1)	(32.4)	(34.1)	(35.8)	(37.5)	(39.4)	(41.4)
Total Cash Flows to the Firm	(511.74)	56.07	159.79	306.40	367.98	394.02	417.13	441.59	467.46	494.82
Terminal Value (TV)										7,280.95
Total Cash Flows to the Firm with TV	(511.74)	56.07	159.79	306.40	367.98	394.02	417.13	441.59	467.46	7,775.77
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	(454.11)	45.23	117.16	204.22	222.98	217.02	208.84	200.98	193.42	2,924.44

Sources: FTI Consulting Analysis

Appendix E

DCF Summary – Low and High Estimate | Properties

Ayala Malls Cloverleaf

Low Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	379.55	435.49	498.83	551.13	578.68	603.24	628.84	655.55	683.39	712.44
(-) Operating Expenses	(186.81)	(223.96)	(285.34)	(293.46)	(307.96)	(321.90)	(336.49)	(351.75)	(367.71)	(384.42)
(-) Depreciation	(120.65)	(128.41)	(132.08)	(121.57)	(127.36)	(133.43)	(139.81)	(146.51)	(150.03)	(151.63)
Net Operating Profit	72.09	83.13	81.41	136.09	143.36	147.90	152.54	157.29	165.65	176.39
(+) Depreciation	120.65	128.41	132.08	121.57	127.36	133.43	139.81	146.51	150.03	151.63
(-) Working Capital Requirements	5.1	(2.0)	(2.1)	(3.2)	(1.3)	(1.1)	(1.1)	(1.2)	(1.2)	(1.3)
(-) Capital Expenditures	(191.1)	(30.0)	(30.0)	(27.6)	(28.9)	(30.4)	(31.9)	(33.5)	(35.2)	(36.9)
Total Cash Flows to the Firm	6.78	179.52	181.41	226.89	240.45	249.85	259.31	269.11	279.28	289.81
Terminal Value (TV)										3,671.12
Total Cash Flows to the Firm with TV	6.78	179.52	181.41	226.89	240.45	249.85	259.31	269.11	279.28	3,960.93
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	6.01	144.80	133.01	151.23	145.70	137.61	129.82	122.48	115.55	1,489.69

High Estimate (Amounts in PHP Millions except Present Value Factors)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	402.65	442.75	486.86	551.13	578.68	612.00	647.24	684.53	723.97	765.70
(-) Operating Expenses	(192.72)	(225.38)	(280.85)	(292.81)	(307.31)	(323.83)	(341.24)	(359.61)	(378.99)	(399.42)
(-) Depreciation	(120.65)	(128.41)	(132.08)	(121.57)	(127.36)	(133.43)	(139.81)	(146.51)	(150.03)	(151.63)
Net Operating Profit	89.28	88.96	73.92	136.74	144.01	154.74	166.19	178.40	194.96	214.65
(+) Depreciation	120.65	128.41	132.08	121.57	127.36	133.43	139.81	146.51	150.03	151.63
(-) Working Capital Requirements	3.5	(0.9)	(0.8)	(4.0)	(1.3)	(1.7)	(1.8)	(1.9)	(2.0)	(2.2)
(-) Capital Expenditures	(191.1)	(30.0)	(30.0)	(27.6)	(28.9)	(30.4)	(31.9)	(33.5)	(35.2)	(36.9)
Total Cash Flows to the Firm	22.38	186.45	175.25	226.72	241.10	256.08	272.29	289.50	307.78	327.19
Terminal Value (TV)										4,814.37
Total Cash Flows to the Firm with TV	22.38	186.45	175.25	226.72	241.10	256.08	272.29	289.50	307.78	5,141.56
Present Value Factor	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	0.38
Total Discounted Cash Flows to the Firm	19.86	150.39	128.49	151.12	146.09	141.05	136.32	131.76	127.35	1,933.72

Sources: FTI Consulting Analysis

Appendix E

DCF Summary – Low Estimate | Properties

New World Makati Hotel

Amounts in PHP Millions (except Present Value Factors)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	-	242.41	248.84	255.46	262.27	269.29	276.51	283.94	291.59	299.47	307.58
(-) Operating Expenses	-	(15.42)	(15.67)	(15.93)	(16.19)	(16.46)	(16.74)	(17.02)	(17.32)	(17.62)	(17.93)
Total Net Cash Flows	-	226.98	233.16	239.53	246.08	252.83	259.77	266.92	274.27	281.85	289.64
Present Value Factor	0.96	0.88	0.80	0.72	0.65	0.59	0.53	0.48	0.44	0.40	0.36
Total Discounted Net Cash Flows	-	200.17	185.97	172.79	160.58	149.23	138.68	128.88	119.79	111.35	103.50
	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F	2046F	2047F
Revenues	315.92	324.52	333.36	342.47	351.85	361.50	371.44	381.67	392.21	403.06	414.22
(-) Operating Expenses	(18.26)	(18.59)	(18.93)	(19.28)	(19.64)	(20.01)	(20.39)	(20.79)	(21.19)	(21.61)	(22.04)
Total Net Cash Flows	297.67	305.93	314.44	323.20	332.21	341.49	351.05	360.89	371.02	381.45	392.18
Present Value Factor	0.32	0.29	0.26	0.24	0.22	0.20	0.18	0.16	0.14	0.13	0.12
Total Discounted Net Cash Flows	96.20	89.44	83.15	77.30	71.86	66.82	62.14	57.77	53.72	49.96	46.46
	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F	2056F	2057F	2058F
Revenues	425.72	437.56	449.75	462.29	475.22	488.52	502.22	516.32	530.84	545.80	561.19
(-) Operating Expenses	(22.48)	(22.94)	(23.41)	(23.89)	(24.39)	(24.90)	(25.43)	(25.97)	(26.53)	(27.11)	(27.70)
Total Net Cash Flows	403.24	414.62	426.34	438.40	450.83	463.62	476.79	490.35	504.31	518.69	533.50
Present Value Factor	0.11	0.10	0.09	0.08	0.07	0.06	0.06	0.05	0.05	0.04	0.04
Total Discounted Net Cash Flows	43.21	40.18	37.38	34.77	32.33	30.07	27.98	26.03	24.21	22.52	20.95
	2059F	2060F	2061F	2062F	2063F	2064F	2065F	2066F			
Revenues	577.05	593.37	610.18	627.49	645.32	663.67	682.57	702.03			
(-) Operating Expenses	(28.31)	(28.94)	(29.58)	(30.25)	(30.94)	(31.64)	(32.37)	(33.12)			
Total Net Cash Flows	548.74	564.44	580.60	597.24	614.38	632.03	650.20	668.91			
Present Value Factor	0.04	0.03	0.03	0.03	0.02	0.02	0.02	0.02			
Total Discounted Net Cash Flows	19.50	18.14	16.87	15.70	14.61	13.59	12.65	11.77			

Sources: FTI Consulting Analysis

Appendix E

DCF Summary – High Estimate | Properties

New World Makati Hotel

Amounts in PHP Millions (except Present Value Factors)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	-	242.41	249.87	257.45	252.10	259.77	272.52	287.97	296.48	305.25	314.35
(-) Operating Expenses	-	(15.42)	(15.71)	(16.00)	(15.80)	(16.09)	(16.58)	(17.18)	(17.51)	(17.84)	(18.19)
Total Net Cash Flows	-	226.98	234.16	241.45	236.30	243.67	255.93	270.79	278.97	287.40	296.16
Present Value Factor	0.96	0.88	0.80	0.72	0.66	0.59	0.54	0.49	0.44	0.40	0.36
Total Discounted Net Cash Flows	-	200.51	187.34	174.95	155.09	144.86	137.80	132.04	123.22	114.99	107.31
	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F	2046F	2047F
Revenues	323.58	333.16	343.02	353.27	363.66	357.04	367.88	385.98	407.63	419.65	432.02
(-) Operating Expenses	(18.55)	(18.92)	(19.30)	(19.69)	(20.09)	(19.84)	(20.26)	(20.95)	(21.79)	(22.25)	(22.73)
Total Net Cash Flows	305.03	314.24	323.73	333.58	343.57	337.21	347.62	365.02	385.85	397.40	409.30
Present Value Factor	0.33	0.30	0.27	0.24	0.22	0.20	0.18	0.16	0.15	0.13	0.12
Total Discounted Net Cash Flows	100.10	93.41	87.16	81.34	75.88	67.46	62.99	59.90	57.35	53.50	49.91
	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F	2056F	2057F	2058F
Revenues	444.88	457.90	471.41	485.34	499.80	514.45	506.23	521.56	547.27	577.71	594.70
(-) Operating Expenses	(23.22)	(23.72)	(24.24)	(24.78)	(25.33)	(25.90)	(25.58)	(26.17)	(27.16)	(28.33)	(28.99)
Total Net Cash Flows	421.66	434.17	447.17	460.56	474.46	488.55	480.64	495.39	520.10	549.37	565.71
Present Value Factor	0.11	0.10	0.09	0.08	0.07	0.07	0.06	0.06	0.05	0.05	0.04
Total Discounted Net Cash Flows	46.57	43.43	40.52	37.80	35.27	32.89	29.31	27.36	26.02	24.89	23.21
	2059F	2060F	2061F	2062F	2063F	2064F	2065F	2066F			
Revenues	612.19	630.36	648.77	667.88	687.56	707.99	728.70	750.19			
(-) Operating Expenses	(29.66)	(30.36)	(31.07)	(31.81)	(32.56)	(33.35)	(34.15)	(34.97)			
Total Net Cash Flows	582.53	600.00	617.70	636.07	654.99	674.64	694.55	715.22			
Present Value Factor	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02			
Total Discounted Net Cash Flows	21.65	20.20	18.83	17.57	16.38	15.28	14.25	13.29			

Sources: FTI Consulting Analysis

Appendix E

DCF Summary – Low Estimate | Properties

Seda Vertis North

Amounts in PHP Millions (except Present Value Factors)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	-	146.90	150.83	154.87	159.04	163.32	167.73	172.27	176.95	181.76	186.71
(-) Operating Expenses	-	(11.12)	(11.32)	(11.53)	(11.74)	(11.96)	(12.18)	(12.41)	(12.65)	(12.90)	(13.15)
Total Net Cash Flows	-	135.78	139.51	143.35	147.30	151.36	155.55	159.86	164.29	168.86	173.56
Present Value Factor	0.96	0.88	0.80	0.72	0.65	0.59	0.53	0.48	0.44	0.40	0.36
Total Discounted Net Cash Flows	-	119.74	111.27	103.41	96.12	89.34	83.04	77.19	71.76	66.71	62.02
	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F	2046F	2047F
Revenues	191.81	197.06	202.47	208.03	213.76	219.66	225.73	231.98	238.42	245.05	251.87
(-) Operating Expenses	(13.41)	(13.68)	(13.95)	(14.24)	(14.53)	(14.83)	(15.14)	(15.46)	(15.79)	(16.13)	(16.47)
Total Net Cash Flows	178.40	183.38	188.51	193.79	199.23	204.83	210.59	216.53	222.63	228.92	235.40
Present Value Factor	0.32	0.29	0.26	0.24	0.22	0.20	0.18	0.16	0.14	0.13	0.12
Total Discounted Net Cash Flows	57.66	53.61	49.85	46.35	43.10	40.08	37.28	34.66	32.24	29.98	27.89
	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F	2056F	2057F	2058F
Revenues	258.90	266.14	273.58	281.25	289.15	297.28	305.66	314.28	323.15	332.29	341.71
(-) Operating Expenses	(16.83)	(17.20)	(17.58)	(17.97)	(18.37)	(18.79)	(19.22)	(19.66)	(20.11)	(20.58)	(21.06)
Total Net Cash Flows	242.07	248.93	256.00	263.28	270.78	278.49	286.44	294.62	303.04	311.72	320.65
Present Value Factor	0.11	0.10	0.09	0.08	0.07	0.06	0.06	0.05	0.05	0.04	0.04
Total Discounted Net Cash Flows	25.94	24.13	22.44	20.88	19.42	18.07	16.81	15.64	14.55	13.53	12.59
	2059F	2060F	2061F	2062F	2063F	2064F	2065F	2066F			
Revenues	351.40	361.38	371.65	382.23	393.13	404.35	415.90	427.80			
(-) Operating Expenses	(21.55)	(22.06)	(22.58)	(23.12)	(23.68)	(24.25)	(24.84)	(25.45)			
Total Net Cash Flows	329.85	339.32	349.07	359.11	369.45	380.10	391.06	402.35			
Present Value Factor	0.04	0.03	0.03	0.03	0.02	0.02	0.02	0.02			
Total Discounted Net Cash Flows	11.72	10.90	10.14	9.44	8.79	8.18	7.61	7.08			

Sources: FTI Consulting Analysis

Appendix E

DCF Summary – High Estimate | Properties

Seda Vertis North

Amounts in PHP Millions (except Present Value Factors)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F
Revenues	-	146.90	151.34	155.86	160.53	157.42	162.24	167.16	178.97	184.22	189.66
(-) Operating Expenses	-	(11.12)	(11.35)	(11.58)	(11.82)	(11.66)	(11.90)	(12.15)	(12.76)	(13.02)	(13.30)
Total Net Cash Flows	-	135.78	139.99	144.28	148.72	145.76	150.33	155.01	166.22	171.20	176.36
Present Value Factor	0.96	0.88	0.80	0.72	0.66	0.59	0.54	0.49	0.44	0.40	0.36
Total Discounted Net Cash Flows	-	119.95	112.00	104.54	97.61	86.66	80.94	75.59	73.42	68.49	63.90
	2037F	2038F	2039F	2040F	2041F	2042F	2043F	2044F	2045F	2046F	2047F
Revenues	195.19	200.91	206.81	212.92	219.13	225.56	232.18	239.05	246.03	253.26	260.70
(-) Operating Expenses	(13.58)	(13.87)	(14.18)	(14.49)	(14.80)	(15.13)	(15.47)	(15.82)	(16.18)	(16.54)	(16.92)
Total Net Cash Flows	181.60	187.04	192.63	198.43	204.32	210.43	216.71	223.23	229.85	236.71	243.78
Present Value Factor	0.33	0.30	0.27	0.24	0.22	0.20	0.18	0.16	0.15	0.13	0.12
Total Discounted Net Cash Flows	59.60	55.60	51.87	48.39	45.13	42.10	39.27	36.63	34.16	31.87	29.73
	2048F	2049F	2050F	2051F	2052F	2053F	2054F	2055F	2056F	2057F	2058F
Revenues	256.53	264.30	272.33	291.18	299.78	308.52	317.58	326.91	336.57	346.39	356.57
(-) Operating Expenses	(16.71)	(17.11)	(17.52)	(18.48)	(18.92)	(19.36)	(19.82)	(20.30)	(20.79)	(21.29)	(21.81)
Total Net Cash Flows	239.82	247.19	254.81	272.70	280.86	289.16	297.76	306.61	315.77	325.10	334.76
Present Value Factor	0.11	0.10	0.09	0.08	0.07	0.07	0.06	0.06	0.05	0.05	0.04
Total Discounted Net Cash Flows	26.49	24.73	23.09	22.38	20.88	19.47	18.16	16.93	15.80	14.73	13.74
	2059F	2060F	2061F	2062F	2063F	2064F	2065F	2066F			
Revenues	367.05	377.90	388.94	400.38	412.15	424.35	436.76	449.61			
(-) Operating Expenses	(22.35)	(22.90)	(23.46)	(24.05)	(24.65)	(25.27)	(25.90)	(26.56)			
Total Net Cash Flows	344.70	355.00	365.48	376.33	387.51	399.08	410.86	423.05			
Present Value Factor	0.04	0.03	0.03	0.03	0.03	0.02	0.02	0.02			
Total Discounted Net Cash Flows	12.81	11.95	11.14	10.39	9.69	9.04	8.43	7.86			

Sources: FTI Consulting Analysis

Appendix F

DCM Summary – Low and High Estimate | Properties

Glorietta 4

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	749.98
(-) Operating Expenses	PHP mn	(324.06)
(-) CAPEX	PHP mn	(37.50)
Net Operating Income	PHP mn	388.42
Capitalization Rate	%	7.00%
Market Value of the Property	PHP mn	5,148.88

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	775.52
(-) Operating Expenses	PHP mn	(331.90)
(-) CAPEX	PHP mn	(38.78)
Net Operating Income	PHP m	404.85
Capitalization Rate	%	7.00%
Market Value of the Property	PHP mn	5,783.55

Ayala Malls Circuit Makati

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	339.59
(-) Operating Expenses	PHP mn	(165.90)
(-) CAPEX	PHP mn	(23.77)
Net Operating Income	PHP mn	149.91
Capitalization Rate	%	7.00%
Market Value of the Property	PHP mn	1,987.25

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	339.59
(-) Operating Expenses	PHP mn	(165.90)
(-) CAPEX	PHP mn	(23.77)
Net Operating Income	PHP m	149.91
Capitalization Rate	%	7.00%
Market Value of the Property	PHP mn	2,141.61

Appendix F

DCM Summary – Low and High Estimate | Properties

Ayala Malls Capitol Central

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2029
Revenues	PHP mn	480.12
(-) Operating Expenses	PHP mn	(197.71)
(-) CAPEX	PHP mn	(24.01)
Net Operating Income	PHP mn	258.41
Capitalization Rate	%	7.00%
Market Value of the Property	PHP mn	3,345.43

Direct Capitalization Method (High Estimate)		
Operating Year	year	2029
Revenues	PHP mn	480.12
(-) Operating Expenses	PHP mn	(197.71)
(-) CAPEX	PHP mn	(24.01)
Net Operating Income	PHP m	258.41
Capitalization Rate	%	7.00%
Market Value of the Property	PHP mn	3,691.54

Ayala Malls Cloverleaf

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	379.55
(-) Operating Expenses	PHP mn	(186.81)
(-) CAPEX	PHP mn	(18.98)
Net Operating Income	PHP mn	173.77
Capitalization Rate	%	7.00%
Market Value of the Property	PHP mn	2,303.45

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	402.65
(-) Operating Expenses	PHP mn	(192.72)
(-) CAPEX	PHP mn	(20.13)
Net Operating Income	PHP m	189.80
Capitalization Rate	%	7.00%
Market Value of the Property	PHP mn	2,711.45

Appendix F

DCM Summary – Low and High Estimate | Properties

New World Makati Hotel

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	242.41
(-) Operating Expenses	PHP mn	(15.42)
Net Operating Income	PHP mn	226.98
Capitalization Rate	%	7.79%
Market Value of the Property	PHP mn	2,757.05

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	242.41
(-) Operating Expenses	PHP mn	(15.42)
Net Operating Income	PHP m	226.98
Capitalization Rate	%	7.40%
Market Value of the Property	PHP mn	2,876.11

Seda Vertis North

Direct Capitalization Method (Low Estimate)		
Operating Year	year	2027
Revenues	PHP mn	146.90
(-) Operating Expenses	PHP mn	(11.12)
Net Operating Income	PHP mn	135.78
Capitalization Rate	%	7.77%
Market Value of the Property	PHP mn	1,652.83

Direct Capitalization Method (High Estimate)		
Operating Year	year	2027
Revenues	PHP mn	146.90
(-) Operating Expenses	PHP mn	(11.12)
Net Operating Income	PHP m	135.78
Capitalization Rate	%	7.40%
Market Value of the Property	PHP mn	1,720.54

Appendix G

DCF Summary – Low Estimate | AREIT

Amounts in PHP millions (except Present Value Factors)		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Revenues	PHP Mn	11,433	15,278	15,780	15,721	15,688	15,441	16,532	16,862	17,197	17,538	17,887
[-] Direct Operating Expenses	PHP Mn	(2,783)	(3,851)	(3,939)	(3,984)	(4,042)	(4,120)	(4,234)	(4,350)	(4,468)	(4,590)	(4,715)
[-] General and Admin Expenses	PHP Mn	(46)	(65)	(67)	(69)	(71)	(73)	(75)	(78)	(80)	(82)	(85)
EBITDA	PHP Mn	8,605	11,361	11,774	11,668	11,575	11,248	12,223	12,435	12,648	12,865	13,087
[-] Taxes	PHP Mn											
NOPAT	PHP Mn	8,605	11,361	11,774	11,668	11,575	11,248	12,223	12,435	12,648	12,865	13,087
[-] Working Capital Requirements	PHP Mn	(930)	(1,275)	(184)	85	86	229	(487)	(54)	(53)	(54)	(54)
[-] Capital Expenditures	PHP Mn	(369)	(496)	(513)	(511)	(512)	(507)	(542)	(553)	(564)	(575)	(587)
Total Free CF to the Firm	PHP Mn	7,305	9,590	11,077	11,242	11,149	10,970	11,193	11,828	12,031	12,236	12,446
[+] Terminal Value	PHP Mn											178,045
Total Free CF to the Firm with TV	PHP Mn	7,305	9,590	11,077	11,242	11,149	10,970	11,193	11,828	12,031	12,236	190,491
Present Value Factor	x	0.96	0.89	0.80	0.73	0.66	0.60	0.54	0.49	0.45	0.41	0.37
Discounted Free CF to the Firm	PHP Mn	7,043	8,490	8,900	8,194	7,374	6,584	6,096	5,844	5,394	4,978	70,330

Estimated Operating Value	PHP Mn	139,228
Add: Cash	PHP Mn	76
Less: Net Debt	PHP Mn	(2,000)
Less: Non-operating assets and liabilities	PHP Mn	(4,179)
Estimated Equity Value	PHP Mn	133,124

Source: FTI Consulting Analysis

Appendix G

DCF Summary – High Estimate | AREIT

Amounts in PHP millions (except Present Value Factors)		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Revenues	PHP Mn	11,433	15,303	15,850	15,837	15,852	15,657	20,320	20,918	21,531	22,162	22,813
[-] Direct Operating Expenses	PHP Mn	(2,783)	(3,851)	(3,939)	(3,984)	(4,042)	(4,120)	(4,234)	(4,350)	(4,468)	(4,590)	(4,715)
[-] General and Admin Expenses	PHP Mn	(46)	(65)	(67)	(69)	(71)	(73)	(75)	(78)	(80)	(82)	(85)
EBITDA	PHP Mn	8,605	11,386	11,843	11,784	11,738	11,463	16,011	16,491	16,982	17,489	18,013
[-] Taxes	PHP Mn											
NOPAT	PHP Mn	8,605	11,386	11,843	11,784	11,738	11,463	16,011	16,491	16,982	17,489	18,013
[-] Working Capital Requirements	PHP Mn	(930)	(1,289)	(209)	59	59	200	(2,511)	(205)	(211)	(218)	(225)
[-] Capital Expenditures	PHP Mn	(369)	(497)	(515)	(515)	(517)	(514)	(667)	(686)	(706)	(727)	(748)
Total Free CF to the Firm	PHP Mn	7,305	9,600	11,119	11,328	11,280	11,149	12,834	15,599	16,065	16,544	17,039
[+] Terminal Value	PHP Mn											243,755
Total Free CF to the Firm with TV	PHP Mn	7,305	9,600	11,119	11,328	11,280	11,149	12,834	15,599	16,065	16,544	260,795
Present Value Factor	x	0.96	0.89	0.80	0.73	0.66	0.60	0.54	0.49	0.45	0.41	0.37
Discounted Free CF to the Firm	PHP Mn	7,043	8,499	8,934	8,257	7,461	6,692	6,990	7,707	7,203	6,731	96,286

Estimated Operating Value	PHP Mn	171,802
Add: Cash	PHP Mn	76
Less: Net Debt	PHP Mn	(2,000)
Less: Non-operating assets and liabilities	PHP Mn	(4,179)
Estimated Equity Value	PHP Mn	165,698

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 City	
Charlotte	Los Angeles	Richmond	
Chicago	McLean	Roseland	
Columbia	Miami	San Francisco	
Dallas	Milwaukee	Santa Barbara	
Denver	New York	Scottsdale	
Detroit	Oakland	Seattle	

Latin America

Argentina	Colombia
Buenos Aires	Bogotá
Brazil	Mexico
São Paulo	Mexico City
Caribbean	
British Virgin Islands	
Cayman Islands	

Europe, Middle East, Africa

Belgium	Ireland	Spain
Brussels	Dublin	Barcelona
Ixelles		Madrid
Denmark	Italy	Switzerland
Copenhagen	Milan	Zurich
Finland	Netherlands	United Arab Emirates
Helsinki	Amsterdam	Abu Dhabi
France	Qatar	Dubai
Paris	Doha	
Germany	Saudi Arabia	United Kingdom
Berlin	Riyadh	London
Düsseldorf		Stirling
Frankfurt	South Africa	
Hamburg	Cape Town	
Munich	Johannesburg	
	Sandton	

Asia

China	Japan
Beijing	Tokyo
Hong Kong	Korea
Shanghai	Seoul
Shenzhen	Malaysia
	Kuala Lumpur
India	Philippines ¹
Mumbai	Manila
New Delhi	
Indonesia	Singapore
Jakarta	

Australia

Brisbane
Melbourne
Perth
Sydney



Our Team

Dominador (“Butch”) Gregorio III

Senior Managing Director



Location
Manila, Philippines

Certifications
Certified Public Accountant
Licensed Real Estate Broker
Fellow - Institute of Corporate Directors (ICD)

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
BS Business Administration and
Accountancy, University of the
Philippines – *Cum Laude*

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 mergers and acquisitions (“M&A”), transaction support, debt restructuring and corporate financial advisory.

Mr. Gregorio has advised clients in healthy and distressed situations in connection with sell-side advisory, valuations, corporate reorganizations, recapitalizations, funds advisory, and strategic business/financial 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, business process reviews, interim management roles, and corporate directorships. He is an independent director of National Reinsurance Corporation and Home Credit Philippines.

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. .

+63 920.928.3514

butch.gregorio@fticonsulting-ph.com

Relevant Experience

- Buy-side M&A advisory for the purchase of Wizards Group by NTT Data which included structuring, valuation, due diligence, and negotiations until financial closing
- Sell-side advisor for the successful disposition of 100 percent of Country Builders Bank, a 36-branch Metro Manila-based rural bank
- Financial advisory and due diligence on the potential acquisition of Chemphil Industries
- Sell-side advisor on the successful sale of a distributor of medical devices to a foreign buyer
- Financial advisor to the buyers of National Life Insurance Corporation in successful bidding through the Insurance Commission
- Fairness opinion and valuation engagement for the property-for-share swap of a listed energy company for an international renewable energy portfolio
- Fairness opinion and valuation covering a property-for share swap in relation to the infusion of certain assets listed real estate developers to REITS.
- Assessment of financial condition and recommendations for the debt restructuring of a listed agriculture company with its banks

John Balce

Senior Managing Director



Location
Manila, Philippines

Certifications
Certified Public Accountant
Chartered Financial Analyst
AMAVI-Certified Intellectual
Property Valuer

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

Education
Executive Master 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 19 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 the President and Chairman of the CFA Society Philippines, a member of the CFA Institute, a member of the Philippine Institute of Certified Public Accountants, and an officer of the Finance Executives Institute of the Philippines.

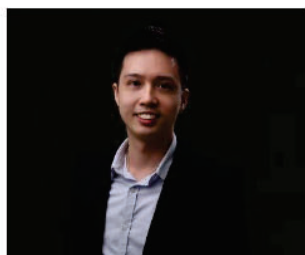
+63 928.503.9492
john.balce@fticonsulting-ph.com

Relevant Experience

- Spearheaded the team assisting a group of Philippine conglomerates that submitted an unsolicited proposal for the rehabilitation of the Ninoy Aquino International Airport
- Managed the team performing a valuation of a portfolio of onshore and offshore energy assets for purposes of two-stage property-for-share swaps
- Spearheaded the team which built financial models for several coal-fired power plants on behalf of a major power generation company
- Led the team reviewing the financial model for a biomass power plant facility which is a joint venture between MPIC and an LGU
- Spearheaded the creation of the financial model for the LRT2 O&M PPP project for the Consortium of AC Infra and MPIC
- Managed the team reviewing the financial models for several regional airports on which the Philippine government is bidding under its PPP program
- Managed the preparation of an O&M model for the AC Infra – Metro Pacific Consortium in its bid for the LRT1 extension PPP project
- Managed the reorganization and sale of the Philippines' second-largest biodiesel producer owned by a Singapore-based hedge fund

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

Executive Master in Business
Administration, Asian Institute
of Management – High
Distinction

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 & financial services, 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 usufruct valuations, 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, restructuring, and sell-side M&As in the Philippines.

Mr. Tan obtained his Executive Master in Business Administration with High Distinction at the Asian Institute of Management. He graduated valedictorian from the University of Santo Tomas with a Bachelor's degree in Business Administration Major in Financial Management and was awarded the most outstanding graduate. He is a CFA Charterholder, a CVA Charterholder, and a Certified Advanced Financial Modeler. He serves as a board of trustee and the Vice President for Academic Relations of the CFA Society Philippines.

+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

30 July 2026

FTI Consulting Philippines, Inc.
Pasig City, Philippines

Attention: Alvin T. Tan
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. and certain properties (the "Properties") owned by Ayala Land Inc., Capitol Central Commercial Ventures, Corp., Makati Cornerstone Leasing Corp., Bay City Commercial Ventures Corp., and North Triangle Hotel Ventures, Inc. (collectively, the "Asset Owners")

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, 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,


Tomas Julian R. Santos
President and CEO
AREIT Fund Managers, Inc.

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

File Name	Information
1 AFS 2023_MSRD_AREIT-Inc._SEC-Form-17-C_29February2024.pdf	Audited Financial Statements of AREIT as of December 31, 2023
2 AFS 2024_MSRD_AREIT, Inc._SEC Form 17-A_14April2025.pdf	Audited Financial Statements of AREIT as of December 31, 2024
3 AFS 2025_MSRD_AREIT, Inc._SEC Form 17-A_14April2026.pdf	Audited Financial Statements of AREIT as of December 31, 2025
4 FS_Q1-26_MSRD_AREIT-Inc._SEC-Form17-Q_14May20.pdf	Audited Financial Statements of AREIT as of March 31, 2026
5 2025-2026 AREIT Historical and Forecast Opstats vf.xlsx	Historical and Forecasted Operating Statistics with breakdown per property from 2022-2036
6 2025-2036 AREIT Financial Historical and Forecast PnL vF.xlsx	Historical and Forecasted Income Statement
7 (SHARED) Project Golden – Mall Valuations_07212026.xlsx	Historical and Forecasted Income Statement for Mall Properties
8 (SHARED) Project Golden - Hotel Valuations.xlsx	Historical and Forecasted Income Statement for Hotel Properties
9 Glorietta - Tenant Roll.xlsx	Tenant Roll
10 Cloverleaf_Tenant Roll Fields.xlsx	Tenant Roll
11 Circuit Mall_Tenant Roll_as of June 2026.xlsx	Tenant Roll
12 Circuit Mall_Tenant Roll with GLA.xlsx	Tenant Roll
13 Capitol Central_Tenant Roll Fields.xlsx	Tenant Roll
14 AFMI_Tranche 1A_Information Request List_July 15 2026.xlsx	Information request list and series of queries and responses regarding management's forecast and assumptions



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

FTI Consulting Philippines, Inc. Accreditations



Accreditation No. 032-PSO

CERTIFICATE OF ACCREDITATION

THIS IS TO CERTIFY that

FTI CONSULTING PHILIPPINES, INC.

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).

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.

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.

Issued at Makati City, Philippines this 30th day of September, Two Thousand and Twenty-Five.

FIDELIS D. PE BENITO
 Officer-in-Charge
 Office of the General Accountant

CN - No. 2024-0063



MEMORANDUM

THE PHILIPPINE STOCK EXCHANGE, INC.

☐ Listing
☐ Market Education
☐ Market Information
☐ Products and Services

☐ Public Advisory
☐ Regulatory Updates
☐ TP Announcements
☒ Others Accredited Firms

TO : INVESTING PUBLIC AND ALL TRADING PARTICIPANTS

DATE : December 13, 2024

SUBJECT : FTI Consulting Philippines, Inc.
Accredited Firm for Issuing Fairness Opinions and Valuation Reports

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.

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.

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.

For your information and guidance.

1/

RAMON S. MONZON
 President and Chief Executive Officer

¹ As previously announced, the existing accreditation of FTI Consulting Philippines, Inc. is valid from December 29, 2023 to December 29, 2024.

CMGO

FD

IRG

MOD

TS

HRD / RSK / SJ

CCD / FMD / AD

ODG

GOO

Tel. No. (632) 8874-4888

E-mail Address: info@pse.com.ph



Mandate Letter

Mandate Letter

DocuSign Envelope ID: A635CB47-927C-89F1-80E0-30C3B72B24F2



FAIRNESS OPINION SERVICES ENGAGEMENT LETTER

STRICTLY PRIVATE & CONFIDENTIAL

June 19, 2026

Thomas 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., Ayala Land Estates, Inc., Capitol Central Commercial Ventures, Corp., Makati Cornerstone Leasing Corp., Bay City Commercial Ventures Corp., and North Triangle Hotel Ventures, Inc. (collectively, the "Asset Owners"), 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	Type	Properties
Ayala Land, Inc. ("ALI")	Mall	Glorietta 4
	Hotel	New World
	Land	Land under Seda Vertis
Ayala Land Estates, Inc. ("ALEI")	Land	Land under Cloverleaf
	Mall	Capitol Central
Capitol Central Commercial Ventures, Corp. ("CCVC")		
Makati Cornerstone Leasing Corp. ("MCLC")	Mall	Circuit Mall
Bay City Commercial Ventures Corp. ("BCCVC")	Mall	Manila Bay
	Mall	Cloverleaf

FTI Consulting Philippines Inc.
Suite 2403 Discovery Center, 20 ADB Avenue, Ortigas Center, Pasig City, 1606 Philippines
fticonsulting.com

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

DocuSign Envelope ID: A635CB47-927C-89F1-80E0-30C3B72B24F2

Asset Owner	Type	Properties
North Triangle Hotel Ventures, Inc. ("NTHVI")	Hotel	Seda Vertis

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 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):

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.

-2-

DocuSign Envelope ID: A635CB47-927C-89F1-80E0-30C3B72B24F2

The Properties	The Shares
- Income Approach: Discounted Cash Flows Method - Income Approach: Direct Capitalization Method	- Income Approach: Discounted Cash Flows Method - Market Approach: Volume-Weighted Average Price ("VWAP") Method - Market Approach: Comparable Public Companies Method

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 and the lease payments with AREIT for some 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 market valuation and appraisal of the land and any property and equipment. The Client shall be responsible for providing current appraisals for the land, property and equipment. We are not providing financial modelling services and will not deliver a financial model.

Reporting

- A. Internal
 - Drafting of valuation study of the Shares and the Properties and opining on the fairness of the Transaction;

-3-

Mandate Letter

DocuSign Envelope ID: A635CB47-927C-89F1-80E0-30C3B72B24F2

- 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.

B. Regulatory

- 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		
Confirmation of Independence*	FTI and PSE		
Provision of information requirements for valuation exercise	Client		
Valuation Exercise	FTI		
Submission and review of draft results and presentation materials	FTI and Client		
Submission, review, and receipt of comments on draft report	FTI and Client		
Report finalization and submission of soft copy of the Report*	FTI		

* Indicative duration for securing a confirmation of independence from the PSE which may extend to additional [REDACTED] days from submission of documents which is at the sole discretion of the PSE.

** Please note that it will take [REDACTED] 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.

DocuSign Envelope ID: A635CB47-927C-89F1-80E0-30C3B72B24F2

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.

Upon closing of the Engagement, FTI Consulting will issue a Certificate of Completion as part of our internal documentation procedures. The Client agrees to sign this Certificate of Completion once the Engagement has been satisfactorily completed. FTI Consulting will also issue a Client Satisfaction Survey as part of our internal process. The Client agrees to respond to said Survey honestly.

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

advisors 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 and the Asset Owners 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 the Asset Owners. 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 and the Asset Owners, and publicly available information. Prior to issuing the final report, we will require that management of AREIT and the Asset Owners 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 and the Asset Owners 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). The fees shall be billed and due to FTI Consulting as follows:

- [REDACTED] net, upon signing of the Engagement Letter;
- [REDACTED] net, upon receipt of confirmation of our independence from the PSE; and
- [REDACTED] net, 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.

Mandate Letter

DocuSign Envelope ID: A635CB47-827C-89F1-80E0-30C3872824F2

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, including the revision or update of financial forecasts, underlying assumptions or valuation date, or require us to perform additional tasks pre- and post-finalization, 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 these requests. We will bill you for the additional time spent in excess of [REDACTED] 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 [REDACTED].

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:

-2-

DocuSign Envelope ID: A635CB47-827C-89F1-80E0-30C3872824F2

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 of [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 [REDACTED] 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 [REDACTED].

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

-3-

DocuSign Envelope ID: A635CB47-827C-89F1-80E0-30C3872824F2

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.

This agreement is valid for 10 days from the date of this Engagement Letter. If we are engaged after the validity date, we reserve the right to adjust the proposed fees and the engagement timetable for the delivery of our service.

* * * * *

-4-

Mandate Letter

DocuSign Envelope ID: A835CB47-627C-89F1-80E0-30C3972B24F2

If you have any questions, please call Alvin T. Tan, Senior Managing Director, at +63.998.844.0835. 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: 
Alvin T. Tan
Senior Managing Director

-10-

DocuSign Envelope ID: A835CB47-627C-89F1-80E0-30C3972B24F2

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: _____

-11-



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
 - Market Approach: Volume-Weighted Average Price ("VWAP") Method
 - Market Approach: Comparable Companies Method
- 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 and the lease payments with AREIT for some 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 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.



References

References

- <https://www.colliers.com/en-ph/research/philippine-property-market-outlook-2026>
- <https://www.sunstar.com.ph/cebu/ph-tourist-arrivals-up-104-in-q1-china-arrivals-offset-korea-decline>
- <https://pia.gov.ph/press-release/dot-caps-2025-with-global-gastronomy-tourism-infrastructure-milestones-thanks-stakeholders-for-continued-support/>
- <https://www.jll.com/en-hk/insights/philippine-hotel-sector-shows-resilience-amid-market-shifts>
- <https://www.jll.com/en-sea/guides/metro-manilas-hospitality-sector-set-for-further-growth>
- <https://www.jll.com/en-sea/insights/market-dynamics/manila-retail>
- <https://realestateasia.com/commercial-hotel/news/manila-hotel-pipeline-set-surge-in-2026-4500-new-rooms>
- <https://psa.gov.ph/content/tourism-contributes-89-percent-philippine-economy-2024>
- [https://psa.gov.ph/system/files/nap/Q1 percent202026 percent20NAP percent20Publication.pdf](https://psa.gov.ph/system/files/nap/Q1%20percent202026%20percent20NAP%20percent20Publication.pdf)
- <https://www.reuters.com/world/india/philippines-offers-indian-nationals-visa-free-travel-boost-tourism-2025-06-07/>
- <https://www.pna.gov.ph/articles/1241179>
- <https://mb.com.ph/2026/01/16/mapping-the-tourism-growth-in-2026>
- <https://www.colliers.com/en-ph/research/philippine-property-market-outlook-2026>
- [https://www.bsp.gov.ph/Price percent20Stability/MonetaryPolicyReport/FullReport-February2026.pdf](https://www.bsp.gov.ph/Price%20Stability/MonetaryPolicyReport/FullReport-February2026.pdf)
- <https://pia.gov.ph/press-release/dot-caps-2025-with-global-gastronomy-tourism-infrastructure-milestones-thanks-stakeholders-for-continued-support/>
- <https://www.jll.com/en-hk/insights/philippine-hotel-sector-shows-resilience-amid-market-shifts>
- <https://www.jll.com/en-sea/guides/metro-manilas-hospitality-sector-set-for-further-growth>
- <https://realestateasia.com/commercial-hotel/news/manila-hotel-pipeline-set-surge-in-2026-4500-new-rooms>
- <https://psa.gov.ph/content/tourism-contributes-89-percent-philippine-economy-2024>
- <https://www.reuters.com/world/india/philippines-offers-indian-nationals-visa-free-travel-boost-tourism-2025-06-07/>
- <https://mb.com.ph/2026/01/16/mapping-the-tourism-growth-in-2026>
- <https://www.pna.gov.ph/articles/1241179>
- <https://www.jll.com/en-hk/insights/philippine-hotel-sector-shows-resilience-amid-market-shifts>
- <https://www.businesstimes.com.sg/singapore/singapore-hotel-performance-tourist-arrivals-tick-q1-despite-iran-war>

References

- https://www.dosm.gov.my/uploads/release-content/file_20260624095346.pdf
- <https://pdf.savills.asia/asia-pacific-research/indonesia-research/id-ppty-market-spotlight-q1-2026.pdf>
- https://assets.cushmanwakefield.com/-/media/cw/marketbeat-pdfs/2026/q1/apac-and-gc/bangkok-hotel-mb-1q2026-final_.pdf
- https://www.savills.us/research_articles/256536/234917-1
- <https://www.bsp.gov.ph/Price percent20Stability/MonetaryPolicyReport/FullReport-February2026.pdf>
- <https://www.colliers.com/en-ph/research/property-market-report-office-q1-2026-philippines>
- <https://www.colliers.com/en-ph/research/property-market-report-retail-q1-2026-philippines>
- <https://bworldonline.com/corporate/2025/12/30/721556/analysts-see-cautious-upside-for-reits-if-rates-fall-and-inflation-stays-on-target>
- <https://bworldonline.com/corporate/2026/01/15/724274/reit-rule-changes-may-spur-listings-asset-diversification-analysts>
- <https://www.milbank.com/a/web/5RKmZW2ys9er8VG74XB4xx/bmVDpE/milbank-insights-philippine-sec-revises-its-rules-on-philippine-real-estate-investment-trusts.pdf>
- <https://wealthinsights.metrobank.com.ph/analysis/philippine-reit-outlook-as-of-April-2026>
- <https://www.pse.com.ph/new-listings-ipo/>
- <https://www.pse.com.ph/real-estate-investment-trust/>
- <https://cruzmarcelo.com/sec-amends-reit-rules-to-expand-eligible-assets-and-strengthen-regulatory-framework/>
- <https://www.sec.gov/ph/mc-2026/sec-mc-no-01-series-of-2026/>
- <https://stockanalysis.com/quote/pse/AREIT/history/>
- <https://stockanalysis.com/quote/pse/CREIT/history/>
- <https://stockanalysis.com/quote/pse/DDMPR/history/>
- <https://stockanalysis.com/quote/pse/FILRT/history/>
- <https://stockanalysis.com/quote/pse/MREIT/history/>
- <https://stockanalysis.com/quote/pse/RCR/history/>



Experts with Impact™

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of Glorietta 4

Ayala Center, Makati City, Metropolitan Manila

BCG26-C10923-001.1 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.

Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

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

Re: **AACI File No. BCG26-C10923-001.1**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final* report on the valuation as of 31 March 2026, of *Glorietta 4* (the "PROPERTY") located at Ayala Center, Makati City, Metro Manila.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Ayala Land, Inc. (ALI).
Subject of the valuation:	The subject of the valuation is <i>Glorietta 4</i> , located at Ayala Center, Makati City, Metro Manila.
Basis of value:	The valuation was made on the basis of <i>market value</i> .

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

Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation" (IVSC 2025).

Valuation date:	The valuation date is as of 31 March 2026.
-----------------	--

Opinion of value:

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of *THE PROPERTY* as of 31 March 2026 is as follows:

**PESOS:
FIVE BILLION
ONE HUNDRED SIXTY-TWO MILLION
FIVE HUNDRED TEN THOUSAND ONLY**
(In Words)

PHP5,162,510,000.00
(In Figures)

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

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

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

)

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by Asian Appraisal Company, Inc. (AACI), were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026 was done under the direct supervision of the undersigned.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

- a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.
- b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.
- c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.
- d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.
- e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.
- f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.
- g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.
- h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

- i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.
- j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.
- k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.
- l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.
- m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.
- n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.
- o) Erasures on the appraisal date and values invalidate this valuation report.
- p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Ayala Land, Inc. (ALI).

3 Basis of Value

The basis of value shall be **market value**, which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.

(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

- a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;
- b. For the term of the lease, we have used documents provided by the COMPANY; and
- c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 Glorietta 4

The property appraised, identified as “Glorietta 4” is a flagship retail and lifestyle center with a gross leasable area of approximately 30,429 square meters. The property integrates fashion outlets, dining clusters, cinemas, and event spaces, serving as a central hub within Ayala Center. Developed by Ayala Land, it is positioned as one of the largest and most prominent malls in the country.



Figure 1: Glorietta 4

6.2 Location

The property is located at Ayala Center, Makati City, Metro Manila. It is bounded by Ayala Avenue, Makati Avenue, and Pasay Road. It lies approximately 500 meters north of Makati Medical Center and directly adjoins Greenbelt, Landmark, and SM Makati. Accessibility is reinforced by MRT Ayala Station and major thoroughfares such as EDSA and Ayala Avenue.

6.3 Property Ownership

The land and the building are currently owned by **Ayala Land, Inc. ("ALI")**. Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a commercial mall with a gross leasable area of 30,429 sq. m.

6.5 Occupancy Rate

As of the valuation date, the PROPERTY has an occupancy rate of 70%.

6.6 Lease Out Rate

The PROPERTY has a lease out rate of 91%.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** “provides an indication of value by comparing the asset with identical or comparable (that is, similar) assets for which price information is available.”

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities, and complexity of the structure, among others.

7.1.2 Cost Approach

The **cost approach** “provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk, or other factors involved.” The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** “provides an indication of value by converting future cash flow to a single current value.” Under the income approach, the value of an asset is determined by reference to the value of income, cash flow, or cost savings generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances, for long-lived or indefinite-lived assets, DCF may include a terminal value, which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)^t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period, usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply the expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)^t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FV_t / (1 + i)^t] - I_0$$

The last equation states that the Net Present Value, $\sum PV$, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumptions

To arrive at the market value of the PROPERTY, we used the following assumptions.

- 8.2.1 The projection was based on the data provided by the CLIENT;
- 8.2.2 The Gross Leasable Area (GLA) was based on the data provided by the CLIENT;
- 8.2.3 The occupancy rate was based on the projection provided by the CLIENT;
- 8.2.4 The Rental rates per square meter per month were based on the data provided by the CLIENT;
- 8.2.5 To determine the terminal value/reversion value, we have used the Gordon Growth Model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.1767	0.6001	0.8573
Cost of equity	14.8087%	10.95%	12.67%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	12.67%	70.00%	8.87%
Weighted average cost of capital			11.40%

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.
- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.
- We used the 1.1767 Industry Beta as of the valuation date.
- Client's preferred debt-to-equity ratio is at 30/70.

9 Valuation Conclusion

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of *THE PROPERTY* as of 31 March 2026 is as follows:

**PESOS:
FIVE BILLION
ONE HUNDRED SIXTY-TWO MILLION
FIVE HUNDRED TEN THOUSAND ONLY
(In Words)**

**PHP5,162,510,000.00
(In Figures)**

10 Valuation Date

This valuation is as of 31 March 2026.

ANNEX A

AREIT FUND MANAGERS, INC.
GLORIETTA 4
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030	2031	2032
FREE CASH FLOWS							
Revenues:							
Rental Income	PHP	681,190,670	719,167,050	758,808,941	800,182,095	843,354,710	888,397,519
Cinema Tickets	PHP	-	-	-	-	-	-
Ice and Beverages	PHP	-	-	-	-	-	-
Carparks	PHP	32,575,134	34,203,891	35,914,085	37,709,789	39,595,279	41,575,043
Specialty Leasing	PHP	49,519,969	51,995,967	54,595,766	57,325,554	60,191,832	63,201,423
Carts and Kiosks	PHP	24,776,546	26,015,373	27,316,142	28,681,949	30,116,046	31,621,849
Venue Rental	PHP	-	-	-	-	-	-
Ad Panels	PHP	-	-	-	-	-	-
Other Income	PHP	8,888,287	9,332,701	9,799,336	10,289,303	10,597,982	10,915,922
Other Income-Ancillary	PHP	21,146,175	22,203,484	23,313,658	24,479,341	25,703,308	26,988,474
GROSS REVENUES	PHP	818,096,781	862,918,467	909,747,928	958,668,032	1,009,559,158	1,062,700,229
Cost of Sales	PHP	-	-	-	-	-	-
GROSS OPERATING PROFIT	PHP	818,096,781	862,918,467	909,747,928	958,668,032	1,009,559,158	1,062,700,229
Direct Operating Expenses (DOE)	PHP	(72,630,887)	(76,262,431)	(80,075,553)	(84,079,330)	(88,283,297)	(92,697,462)
Controllable	PHP	(199,933,107)	(198,363,387)	(203,857,702)	(213,164,465)	(228,550,043)	(239,233,117)
Non-controllable	PHP	-	-	-	-	-	-
General Administrative Expenses	PHP	(30,601,348)	(28,694,116)	(31,200,425)	(33,962,187)	(36,423,827)	(38,341,100)
Direct	PHP	-	-	-	-	-	-
Indirect	PHP	-	-	-	-	-	-
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	PHP	514,931,439	559,598,532	594,614,248	627,462,050	656,301,992	692,428,551
Depreciation	PHP	(146,082,244)	(158,810,792)	(173,630,603)	(176,914,899)	(108,184,755)	(110,630,790)
Interest Income/Expense	PHP	2,707,367	2,817,201	2,960,575	3,112,247	2,835,892	2,835,892
NET INCOME BEFORE TAX	PHP	371,556,762	403,604,941	423,944,221	453,659,399	550,953,129	584,633,653
Provision for Income Tax	PHP	(92,889,190)	(100,901,235)	(105,986,055)	(113,414,850)	(137,738,282)	(146,158,413)
NET INCOME AFTER TAX (ALI)	PHP	278,667,571	302,703,706	317,958,166	340,244,549	413,214,847	438,475,240
AREIT - DIRECT LEASE							
EBITDA	PHP	514,931,439	559,598,532	594,614,248	627,462,050	656,301,992	692,428,551
Less: Capital Expenditures	PHP	(449,953,230)	(43,145,923)	(45,487,396)	(47,933,402)	(50,477,958)	(53,135,011)
Less: Changes in working capital	PHP	(4,404,527)	(3,514,509)	(3,084,002)	(2,926,813)	(2,572,733)	(3,126,890)
Less: Property Management Fees	PHP	(43,461,364)	(46,369,363)	(48,999,797)	(51,617,073)	(54,153,204)	(57,011,866)
Less: Fund Management Fees	PHP	(23,926,125)	(25,489,473)	(26,715,023)	(27,864,696)	(28,874,094)	(30,138,524)
FREE CASH FLOW TO FIRM	PHP	(6,813,807)	441,079,264	470,328,030	497,120,066	520,224,003	549,016,259
TERMINAL VALUE	PHP						
NET PRESENT VALUE							
Period lapsed	years	1.0000	2.0000	3.0000	4.0000	5.0000	6.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.8977	0.8059	0.7234	0.6494	0.5830	0.5233
Present value	PHP	-	6,116,700	340,238,174	322,827,753	303,268,531	287,309,218
Net present value (NPV)	PHP	5,162,514,085					
Rounded to:	PHP	5,162,510,000					

ANNEX A

AREIT FUND MANAGERS, INC.
GLORIETTA 4
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2033	2034	2035	2036	TERMINAL VALUE
FREE CASH FLOWS						
Revenues:						
Rental Income	PHP	915,049,444	942,500,928	970,775,956	999,899,234	
Cinema Tickets	PHP	-	-	-	-	
Ice and Beverages	PHP	-	-	-	-	
Carparks	PHP	43,653,795	45,836,485	48,128,309	50,534,725	
Specialty Leasing	PHP	66,361,495	69,679,569	73,163,548	76,821,725	
Carts and Kiosks	PHP	33,202,941	34,863,088	36,606,242	38,436,555	
Venue Rental	PHP	-	-	-	-	
Ad Panels	PHP	11,243,400	11,580,702	11,928,123	12,285,966	
Other Income	PHP	28,337,897	29,754,792	31,242,532	32,804,658	
Other Income-Ancillary	PHP	1,097,848,972	1,134,215,564	1,171,844,709	1,210,782,863	
GROSS REVENUES	PHP	1,097,848,972	1,134,215,564	1,171,844,709	1,210,782,863	
Cost of Sales	PHP	-	-	-	-	
GROSS OPERATING PROFIT	PHP	1,097,848,972	1,134,215,564	1,171,844,709	1,210,782,863	
Direct Operating Expenses (DOE)						
Controllable	PHP	(97,332,335)	(102,198,951)	(107,308,899)	(112,674,344)	
Non-controllable	PHP	(246,299,151)	(253,610,012)	(261,174,687)	(269,002,515)	
General Administrative Expenses						
Direct	PHP	(39,609,230)	(40,921,298)	(42,278,918)	(43,683,765)	
Indirect	PHP	-	-	-	-	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	PHP	714,608,257	737,485,302	761,082,205	785,422,239	
Depreciation	PHP	(112,980,095)	(115,224,771)	(111,497,314)	(113,509,551)	
Interest Income/Expense	PHP	2,835,892	2,835,892	2,835,892	2,835,892	
NET INCOME BEFORE TAX	PHP	604,464,054	625,096,423	652,420,783	674,748,579	
Provision for Income Tax	PHP	(151,116,014)	(156,274,106)	(163,105,196)	(168,687,145)	
NET INCOME AFTER TAX (ALI)	PHP	453,348,041	468,822,318	489,315,587	506,061,434	
AREIT - DIRECT LEASE						
EBITDA	PHP	714,608,257	737,485,302	761,082,205	785,422,239	
Less: Capital Expenditures	PHP	(54,892,449)	(56,710,778)	(58,592,235)	(60,539,143)	
Less: Changes in working capital	PHP	(1,927,219)	(1,988,146)	(2,051,057)	(2,116,018)	
Less: Property Management Fees	PHP	(58,842,618)	(60,734,312)	(62,689,078)	(64,709,124)	
Less: Fund Management Fees	PHP	(30,914,814)	(31,715,510)	(32,541,402)	(33,393,303)	
FREE CASH FLOW TO FIRM	PHP	568,031,157	586,336,555	605,208,433	624,664,651	
TERMINAL VALUE	PHP					7,662,522,707
NET PRESENT VALUE						
Period lapsed	years	7.0000	8.0000	9.0000	10.0000	10.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.4698	0.4217	0.3786	0.3398	0.3398
Present value	PHP	266,847,970	247,266,971	229,113,933	212,285,755	2,604,028,285
Net present value (NPV)	PHP					
Rounded to:						

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of Ayala Malls Capitol Central

Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental

BCG26-C10923-001.2 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.

Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

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

Re: **AACI File No. BCG26-C10923-001.2**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final* report on the valuation as of 31 March 2026, of the *Ayala Malls Capitol Central* (the "PROPERTY") located along Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Capitol Central Commercial Ventures Corp. (CCCVC).
Subject of the valuation:	The subject of the valuation is the <i>Ayala Malls Capitol Central</i> , located along Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental.
Basis of value:	The valuation was made on the basis of <i>market value</i> .

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

Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation" (IVSC 2025).

Valuation date: The valuation date is as of 31 March 2026.

Opinion of value: Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of *THE PROPERTY* as of 31 March 2026 is as follows:

**PESOS:
THREE BILLION
ONE HUNDRED SIXTEEN MILLION
EIGHT HUNDRED FORTY THOUSAND ONLY**
(In Words)

PHP3,116,840,000.00
(In Figures)

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

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

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

\

ENGR. ~~JOHN~~ C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by Asian Appraisal Company, Inc. (AACI), were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026 was done under the direct supervision of the undersigned.

ENGR. ~~JOHN~~ C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

- a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.
- b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.
- c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.
- d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.
- e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.
- f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.
- g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.
- h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

- i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.
- j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.
- k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.
- l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.
- m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.
- n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.
- o) Erasures on appraisal date and values invalidate this valuation report.
- p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Capitol Central Commercial Ventures Corp. (CCCVC).

3 Basis of Value

The basis of value shall be **fair value** which is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS 13)."

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.

(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

- a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;
- b. For the term of lease, we have used documents provided by the COMPANY; and
- c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 Ayala Malls Capitol Central

The property appraised, identified as “Ayala Malls Capitol Central,” is a core retail and lifestyle center with a gross leasable area of approximately 63,391 square meters. It houses retail shops, dining clusters, cinemas, and service establishments, serving Bacolod City and nearby towns in Negros Occidental. The property is designed to cater to both local residents and regional visitors, integrating lifestyle and convenience retail. Developed by Ayala Land, it is positioned as a major commercial destination in Bacolod. Its scale and tenant mix reinforce its role as a regional shopping center.



Figure 1: The Ayala Malls Capitol Central

6.2 Location

The property is located along Gatuslao Street, Capitol Central, Bacolod City, Negros Occidental. It is accessible via Lacson Street and nearby transport routes.

6.3 Property Ownership

The land is currently owned by the **Province of Negros Occidental**, while the building and other improvements thereon are currently owned by **Capitol Central Commercial Ventures Corp.** Upon the transfer of the building and other land improvements to **AREIT, Inc.**, ownership of the land shall remain vested in the Province of Negros Occidental, which shall continue to act as the Lessor under the existing long-term lease agreement.

In connection with the transfer of the building and other improvements, the existing land lease from the Province of Negros Occidental to Capitol Central Commercial Ventures Corp. shall be transferred/assigned to AREIT, Inc., subject to the applicable terms and conditions of the lease agreement, the consent of the Lessor, and the relevant transaction documents. Accordingly, AREIT, Inc. shall become the Lessee under the transferred lease, while legal title to the land shall remain with the Province of Negros Occidental. The building and other improvements shall likewise be transferred to and owned by AREIT, Inc., in accordance with the terms and conditions of the transaction documents and applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a commercial mall with a gross leasable area of 63,391 sq. m.

6.5 Occupancy Rate

As of the valuation date, the PROPERTY has an occupancy rate of 81%.

6.6 Lease Out Rate

The PROPERTY has a lease out rate of 90%.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** “provides an indication of value by comparing the asset with identical or comparable (that is, similar) assets for which price information is available.”

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities, and complexity of the structure, among others.

7.1.2 Cost Approach

The **cost approach** “provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk, or other factors involved.” The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** “provides an indication of value by converting future cash flow to a single current value.” Under the income approach, the value of an asset is determined by reference to the value of income, cash flow, or cost savings generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances, for long-lived or indefinite-lived assets, DCF may include a terminal value, which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)^t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period, usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply the expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)^t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FV_t / (1 + i)^t] - I_0$$

The last equation states that the Net Present Value, $\sum PV$, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumptions

To arrive at the market value of the PROPERTY, we used the following assumptions.

- 8.2.1 The projection was based on the data provided by the CLIENT;
- 8.2.2 The Gross Leasable Area (GLA) was based on the data provided by the CLIENT;
- 8.2.3 The occupancy rate was based on the projection provided by the CLIENT;
- 8.2.4 Average rental rates per square meter were based on the data provided by the CLIENT;
- 8.2.5 To determine the terminal value/reversion value, we have used the Gordon Growth Model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.1767	0.6001	0.8573
Cost of equity	14.8087%	10.95%	12.67%

Computation of Weighted Average Cost of Capital			
	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	12.67%	70.00%	8.87%
Weighted average cost of capital			11.40%

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.
- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.
- We used the 1.1767 Industry Beta as of the valuation date.
- Client's preferred debt-to-equity ratio is at 30/70.

9 **Valuation Conclusion**

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of *THE PROPERTY* as of 31 March 2026 is as follows:

**PESOS:
THREE BILLION
ONE HUNDRED SIXTEEN MILLION
EIGHT HUNDRED FORTY THOUSAND ONLY
(In Words)**

**PHP3,116,840,000.00
(In Figures)**

10 **Valuation Date**

This valuation is as of 31 March 2026.

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CAPITOL CENTRAL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030	2031	2032
FREE CASH FLOWS							
Revenues:							
Rental Income-Mall	PHP	261,201,471	269,037,515	413,701,230	491,989,861	575,497,733	604,272,620
Rental Income-Office	PHP	-	-	-	-	-	-
Cinema Tickets	PHP	-	-	-	-	-	-
Snackbar	PHP	-	-	-	-	-	-
Ice and Beverages	PHP	-	-	-	-	-	-
Carparks	PHP	2,258,578	2,371,507	2,490,082	2,614,586	2,745,315	2,882,581
Specialty Leasing	PHP	27,673,749	29,057,436	30,510,308	32,035,824	33,637,615	35,319,495
Carts and Kiosks	PHP	17,680,699	18,564,734	19,492,971	20,467,619	21,491,000	22,565,550
Venue Rental	PHP	-	-	-	-	-	-
Ad Panels	PHP	3,706,864	3,892,207	4,086,817	4,291,158	4,505,716	4,731,002
Other Income	PHP	8,922,554	9,368,681	9,837,115	10,328,971	10,845,420	11,387,691
Other Income-Ancillary	PHP	321,443,914	332,292,080	480,118,523	561,728,019	648,722,799	681,158,939
GROSS REVENUES	PHP	-	-	-	-	-	-
Cost of Sales	PHP	321,443,914	332,292,080	480,118,523	561,728,019	648,722,799	681,158,939
GROSS OPERATING PROFIT	PHP	-	-	-	-	-	-
Direct Operating Expenses (DOE)	PHP	321,443,914	332,292,080	480,118,523	561,728,019	648,722,799	681,158,939
Controllable	PHP	(32,129,572)	(33,736,051)	(35,422,853)	(37,193,996)	(39,053,696)	(41,006,381)
Non-controllable	PHP	(90,543,669)	(92,063,674)	(94,287,417)	(100,424,077)	(106,968,742)	(113,948,538)
General Administrative Expenses	PHP	-	-	-	-	-	-
Direct	PHP	-	-	-	-	-	-
Indirect	PHP	(8,595,226)	(8,666,274)	(14,029,081)	(21,651,842)	(25,005,061)	(26,255,314)
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	PHP	190,173,447	197,826,082	336,379,171	402,458,104	477,695,301	499,948,707
Depreciation	PHP	(206,258,096)	(210,044,586)	(211,782,271)	(105,447,518)	(111,934,746)	(118,746,335)
Interest Income/Expense	PHP	(13,324,412)	(7,011,888)	(2,039,136)	(14,701,411)	(14,701,411)	(14,701,411)
Other Income/Expense	PHP	(2,677,924)	(2,193,360)	(1,892,419)	(1,892,419)	(1,892,419)	(1,892,419)
PAS/PFRS	PHP	(3,635,621)	(10,119,236)	(10,300,049)	(5,627,036)	(6,498,495)	(6,823,420)
NET INCOME BEFORE TAX	PHP	(35,722,606)	(31,542,989)	110,365,295	274,789,719	342,668,229	357,785,121
Provision for Income Tax	PHP	8,930,652	7,885,747	(27,591,324)	(85,697,430)	(85,667,057)	(89,446,280)
NET INCOME AFTER TAX (ALI)	PHP	(26,791,955)	(23,657,242)	82,773,972	206,092,289	257,001,172	268,338,841
AREIT - DIRECT LEASE							
EBITDA	PHP	190,173,447	197,826,082	336,379,171	402,458,104	477,695,301	499,948,707
Less: Capital Expenditures	PHP	(680,828,783)	(105,870,222)	(111,163,733)	(26,086,401)	(34,057,947)	(34,057,947)
Less: Changes in working capital	PHP	11,357,057	(634,823)	(11,828,704)	(6,057,673)	(6,459,486)	(1,931,808)
Less: Property Management Fees	PHP	(16,366,967)	(16,962,254)	(26,246,405)	(31,007,453)	(36,250,598)	(38,002,551)
Less: Fund Management Fees	PHP	(9,860,517)	(10,128,359)	(14,977,717)	(17,290,480)	(19,923,782)	(20,702,651)
FREE CASH FLOW TO FIRM	PHP	(505,527,762)	64,230,423	172,162,612	320,016,097	382,625,295	405,253,750
TERMINAL VALUE	PHP	-	-	-	-	-	-
NET PRESENT VALUE							
Period lapsed	years	1.0000	2.0000	3.0000	4.0000	5.0000	6.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.8977	0.8059	0.7234	0.6494	0.5830	0.5233
Present value	PHP	-	453,808,267	124,543,487	207,817,154	223,054,320	212,075,938
Net present value (NPV)	PHP	-	3,116,844,447	-	-	-	-
Rounded to:	PHP	3,116,840,000	-	-	-	-	-

ASIAN APPRAISAL

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CAPITAL CENTRAL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2033	2034	2035	2036	TERMINAL VALUE
FREE CASH FLOWS						
Revenues:						
Rental Income-Mall	PHP	634,486,251	666,210,564	699,521,092	734,497,146	
Rental Income-Office	PHP	-	-	-	-	
Cinema Tickets	PHP	-	-	-	-	
Snackbar	PHP	-	-	-	-	
Ice and Beverages	PHP	-	-	-	-	
Carparks	PHP	3,026,710	3,178,046	3,336,948	3,503,795	
Specialty Leasing						
Carts and Kiosks	PHP	37,085,470	38,939,744	40,886,731	42,931,067	
Venue Rental	PHP	23,693,828	24,878,519	26,122,445	27,428,567	
Ad Panels	PHP	-	-	-	-	
Other Income	PHP	4,967,552	5,215,930	5,476,726	5,750,562	
Other Income-Ancillary	PHP	11,957,075	12,554,929	13,182,675	13,841,809	
GROSS REVENUES	PHP	715,216,886	750,977,731	788,526,617	827,952,948	
Cost of Sales	PHP	-	-	-	-	
GROSS OPERATING PROFIT	PHP	715,216,886	750,977,731	788,526,617	827,952,948	
Direct Operating Expenses (DOE)						
Controllable	PHP	(43,056,700)	(45,209,535)	(47,470,011)	(49,843,512)	
Non-controllable	PHP	(121,392,396)	(129,331,168)	(137,797,762)	(146,827,269)	
General Administrative Expenses						
Direct	PHP	-	-	-	-	
Indirect	PHP	(27,568,080)	(28,946,483)	(30,393,808)	(31,913,498)	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	PHP	523,199,712	547,490,544	572,865,036	599,368,669	
Depreciation	PHP	(125,898,504)	(133,408,281)	(137,350,914)	(139,143,216)	
Interest Income/Expense	PHP	(14,701,411)	(14,701,411)	(14,701,411)	(14,701,411)	
Other Income/Expense	PHP	(1,892,419)	(1,892,419)	(1,892,419)	(1,892,419)	
PAS/PFRS	PHP	(7,164,591)	(7,522,820)	(7,898,961)	(8,293,909)	
NET INCOME BEFORE TAX	PHP	373,542,786	389,965,612	411,021,330	435,337,713	
Provision for Income Tax	PHP	(93,385,697)	(97,491,403)	(102,755,332)	(108,834,428)	
NET INCOME AFTER TAX (ALI)	PHP	280,157,090	292,474,209	308,265,997	326,503,285	
AREIT - DIRECT LEASE						
EBITDA	PHP	523,199,712	547,490,544	572,865,036	599,368,669	
Less: Capital Expenditures	PHP	(35,760,844)	(37,548,887)	(39,426,331)	(41,397,647)	
Less: Changes in working capital	PHP	(2,018,940)	(2,109,800)	(2,204,533)	(2,303,287)	
Less: Property Management Fees	PHP	(39,838,075)	(41,761,079)	(43,775,653)	(45,886,070)	
Less: Fund Management Fees	PHP	(21,516,436)	(22,366,615)	(23,254,723)	(24,182,350)	
FREE CASH FLOW TO FIRM	PHP	424,065,416	443,704,162	464,203,797	485,599,315	
TERMINAL VALUE	PHP					5,956,661,344
NET PRESENT VALUE						
Period lapsed	years	7.0000	8.0000	9.0000	10.0000	10.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.4698	0.4217	0.3786	0.3398	0.3398
Present value	PHP	199,216,177	187,116,739	175,733,767	165,025,854	2,024,309,124
Net present value (NPV)	PHP					
Rounded to:	PHP					

ASIAN APPRAISAL

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of Ayala Malls Circuit

**Hippodromo Street, Brgy. Carmona, Makati City,
Metropolitan Manila**

BCG26-C10923-001.3 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.

Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

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

Re: **AACI File No. BCG26-C10923-001.3**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final* report on the valuation as of 31 March 2026, of the *Ayala Malls Circuit (excluding Circuit Lane)*, (the "PROPERTY") located along Hippodromo St., Barangay Carmona, Makati City, Metro Manila.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Makati Cornerstone Leasing Corp. (MCLC).
Subject of the valuation:	The subject of the valuation is the <i>Ayala Malls Circuit (excluding Circuit Lane)</i> , located along Hippodromo St., Barangay Carmona, Makati City, Metro Manila.
Basis of value:	The valuation was made on the basis of <i>market value</i> .

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

Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation" (IVSC 2025).

Valuation date: The valuation date is as of 31 March 2026.

Opinion of value: Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of *THE PROPERTY* as of 31 March 2026 is as follows:

PESOS:
ONE BILLION
NINE HUNDRED SEVENTY-SEVEN MILLION
THREE HUNDRED SIXTY THOUSAND ONLY
(In Words)

PHP1,977,360,000.00
(In Figures)

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

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

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

)

ENGR. ~~JOHN~~ C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by Asian Appraisal Company, Inc. (AACI), were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026 was done under the direct supervision of the undersigned.

\

ENGR. ~~JOHN~~ C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

- a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.
- b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.
- c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.
- d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.
- e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.
- f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.
- g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.
- h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

- i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.
- j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.
- k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.
- l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.
- m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.
- n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.
- o) Erasures on appraisal date and values invalidate this valuation report.
- p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Makati Cornerstone Leasing Corp. (MCLC).

3 Basis of Value

The basis of value shall be **fair value** which is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS 13)."

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.

(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

- a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;
- b. For the term of lease, we have used documents provided by the COMPANY; and
- c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 Ayala Malls Circuit

The property appraised, identified as “Ayala Malls Circuit,” is a core retail and lifestyle center with a gross leasable area of approximately 65,184 square meters excluding the Circuit Lane. The property houses retail shops, dining clusters, cinemas, and entertainment facilities. Developed by Ayala Land, it serves as the retail anchor of the Circuit Makati estate, integrating with office towers, residential condominiums, and event venues.



Figure 1: The Ayala Malls Circuit

6.2 Location

The property is located along Hippodromo St., Barangay Carmona, Makati City, Metro Manila. It is situated within the 21-hectare Circuit Makati mixed-use development in Barangay Carmona. Accessibility is reinforced by J. P. Rizal Avenue and public transport routes connecting to Makati and other parts of Metro Manila.

6.3 Property Ownership

The land is currently owned by **Ayala Land Inc. ("ALI")**, and the building is currently owned by **Makati Cornerstone Leasing Corp.** Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a commercial mall with a gross leasable area of 65,184 sq. m.

6.5 Occupancy Rate

As of the valuation date, the PROPERTY has an occupancy rate of 77%.

6.6 Lease Out Rate

The PROPERTY has a lease out rate of 76%.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** “provides an indication of value by comparing the asset with identical or comparable (that is, similar) assets for which price information is available.”

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities, and complexity of the structure, among others.

7.1.2 Cost Approach

The **cost approach** “provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk, or other factors involved.” The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** “provides an indication of value by converting future cash flow to a single current value.” Under the income approach, the value of an asset is determined by reference to the value of income, cash flow, or cost savings generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances, for long-lived or indefinite-lived assets, DCF may include a terminal value, which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)^t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period, usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply the expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)^t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FV_t / (1 + i)^t] - I_0$$

The last equation states that the Net Present Value, $\sum PV$, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumptions

To arrive at the market value of the PROPERTY, we used the following assumptions.

- 8.2.1 The projection was based on the data provided by the CLIENT;
- 8.2.2 The Gross Leasable Area (GLA) was based on the data provided by the CLIENT;
- 8.2.3 The occupancy rate was based on the projection provided by the CLIENT;
- 8.2.4 The Rental rates per square meter per month were based on the data provided by the CLIENT;
- 8.2.5 To determine the terminal value/reversion value, we have used the Gordon Growth Model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.1767	0.6001	0.8573
Cost of equity	14.8087%	10.95%	12.67%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	12.67%	70.00%	8.87%
Weighted average cost of capital			11.40%

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.
- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.
- We used the 1.1767 Industry Beta as of the valuation date.
- Client's preferred debt-to-equity ratio is at 30/70.

9 **Valuation Conclusion**

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of *THE PROPERTY* as of 31 March 2026 is as follows:

**PESOS:
ONE BILLION
NINE HUNDRED SEVENTY-SEVEN MILLION
THREE HUNDRED SIXTY THOUSAND ONLY
(In Words)**

**PHP1,977,360,000.00
(In Figures)**

10 **Valuation Date**

This valuation is as of 31 March 2026.

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CIRCUIT
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030	2031	2032
FREE CASH FLOWS							
Revenues:							
Rental Income	PHP	201,850,894	207,906,421	310,833,940	405,652,446	495,443,222	520,215,383
Cinema Tickets	PHP	-	-	-	-	-	-
Snackbar	PHP	-	-	-	-	-	-
Ice and Beverages	PHP	-	-	-	-	-	-
Carparks	PHP	65,318,316	68,584,232	72,013,443	75,614,115	79,394,821	83,364,562
Specialty Leasing	PHP	-	-	-	-	-	-
Carts and Kiosks	PHP	23,604,978	24,785,227	26,024,488	27,325,713	28,691,998	30,126,598
Venue Rental	PHP	12,497,509	13,122,385	13,778,504	14,467,429	15,190,800	15,950,341
Ad Panels	PHP	-	-	-	-	-	-
Other Income	PHP	26,024,511	27,325,737	28,692,024	30,126,625	31,632,956	33,214,604
Other Income-Ancillary	PHP	10,291,611	10,806,192	11,346,502	11,913,827	12,509,518	13,134,994
GROSS REVENUES	PHP	339,587,820	352,530,193	462,688,901	565,100,154	662,863,316	696,006,482
Cost of Sales	PHP	-	-	-	-	-	-
GROSS OPERATING PROFIT	PHP	339,587,820	352,530,193	462,688,901	565,100,154	662,863,316	696,006,482
Direct Operating Expenses (DOE)	PHP	(615,210)	(645,971)	(678,269)	(712,183)	(747,792)	(785,181)
Controllable	PHP	(123,370,471)	(131,928,260)	(173,340,443)	(207,206,598)	(249,941,937)	(262,292,821)
Non-controllable	PHP	-	-	-	-	-	-
General Administrative Expenses	PHP	(202,611)	(225,903)	(390,306)	(477,295)	(481,485)	(505,560)
Direct	PHP	(18,419,675)	(21,104,811)	(46,187,774)	(58,493,421)	(50,371,411)	(52,889,981)
Indirect	PHP	-	-	-	-	-	-
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	PHP	196,979,853	198,625,249	242,092,109	298,210,657	361,320,691	379,532,939
Depreciation	PHP	(143,746,334)	(150,373,369)	(148,450,757)	(151,719,537)	(116,350,935)	(126,095,026)
Interest Income/Expense	PHP	12,383,069	15,620,528	20,952,033	21,413,967	16,432,599	16,432,599
NET INCOME BEFORE TAX	PHP	65,616,587	63,872,409	114,593,385	167,905,087	261,402,355	269,870,512
Provision for Income Tax	PHP	(16,404,147)	(15,968,102)	(28,648,346)	(41,976,272)	(65,350,589)	(67,467,628)
NET INCOME AFTER TAX (ALI)	PHP	49,212,440	47,904,307	85,945,039	125,928,815	196,051,766	202,402,884
AREIT - DIRECT LEASE							
EBITDA	PHP	196,979,853	198,625,249	242,092,109	298,210,657	361,320,691	379,532,939
Less: Capital Expenditures	PHP	(394,989,525)	(396,759,211)	(190,581,987)	(64,459,447)	(46,400,432)	(48,720,454)
Less: Changes in working capital	PHP	2,635,377	(357,849)	(5,647,745)	(5,631,056)	(4,519,908)	(1,705,882)
Less: Property Management Fees	PHP	(17,184,279)	(17,660,139)	(22,456,240)	(27,492,727)	(32,634,473)	(34,286,197)
Less: Fund Management Fees	PHP	(9,035,993)	(9,093,582)	(10,614,922)	(12,579,071)	(14,787,922)	(15,425,351)
FREE CASH FLOW TO FIRM	PHP	(221,594,568)	(225,215,531)	12,791,215	188,048,356	262,977,955	279,415,056
TERMINAL VALUE	PHP	-	-	-	-	-	-
NET PRESENT VALUE							
Period lapsed	years	1.0000	2.0000	3.0000	4.0000	5.0000	6.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.8977	0.8059	0.7234	0.6494	0.5830	0.5233
Present value	PHP	- 198,925,688	- 181,490,176	9,253,243	122,117,839	153,304,995	146,222,484
Net present value (NPV)	PHP	1,977,356,221	-	-	-	-	-
Rounded to:	PHP	1,977,360,000	-	-	-	-	-

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CIRCUIT
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2033	2034	2035	2036	TERMINAL VALUE
FREE CASH FLOWS						
Revenues:						
Rental Income	PHP	546,226,152	573,537,460	602,214,333	632,325,050	
Cinema Tickets	PHP	-	-	-	-	
Snackbar	PHP	-	-	-	-	
Ice and Beverages	PHP	-	-	-	-	
Carparks	PHP	87,532,790	91,909,430	96,504,901	101,330,146	
Specialty Leasing						
Carts and Kiosks	PHP	31,632,928	33,214,574	34,875,303	36,619,068	
Venue Rental	PHP	16,747,858	17,585,250	18,464,513	19,387,739	
Ad Panels	PHP	-	-	-	-	
Other Income	PHP	34,875,334	36,619,101	38,450,056	40,372,559	
Other Income-Ancillary	PHP	13,791,743	14,481,331	15,205,397	15,965,667	
GROSS REVENUES	PHP	730,806,806	767,347,146	805,714,504	846,000,229	
Cost of Sales	PHP	-	-	-	-	
GROSS OPERATING PROFIT	PHP	730,806,806	767,347,146	805,714,504	846,000,229	
Direct Operating Expenses (DOE)						
Controllable	PHP	(824,440)	(865,662)	(908,946)	(954,393)	
Non-controllable	PHP	(275,261,248)	(288,878,097)	(303,175,788)	(318,188,364)	
General Administrative Expenses						
Direct	PHP	(530,838)	(557,379)	(585,248)	(614,511)	
Indirect	PHP	(55,534,480)	(58,311,204)	(61,226,765)	(64,288,103)	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	PHP	398,655,800	418,734,803	439,817,757	461,954,858	
Depreciation	PHP	(136,326,321)	(147,069,181)	(152,709,183)	(155,273,100)	
Interest Income/Expense	PHP	16,432,599	16,432,599	16,432,599	16,432,599	
NET INCOME BEFORE TAX	PHP	278,762,077	288,098,221	303,541,173	323,114,358	
Provision for Income Tax	PHP	(69,690,519)	(72,024,555)	(75,885,293)	(80,778,589)	
NET INCOME AFTER TAX (ALI)	PHP	209,071,558	216,073,666	227,655,880	242,335,768	
AREIT - DIRECT LEASE						
EBITDA	PHP	398,655,800	418,734,803	439,817,757	461,954,858	
Less: Capital Expenditures	PHP	(51,156,476)	(53,714,300)	(56,400,015)	(59,220,016)	
Less: Changes in working capital	PHP	(1,791,176)	(1,880,734)	(1,974,771)	(2,073,510)	
Less: Property Management Fees	PHP	(35,979,507)	(37,778,482)	(39,667,406)	(41,650,776)	
Less: Fund Management Fees	PHP	(16,094,651)	(16,797,416)	(17,535,320)	(18,310,118)	
FREE CASH FLOW TO FIRM	PHP	293,633,989	308,563,870	324,240,245	340,700,438	
TERMINAL VALUE	PHP					4,179,242,157
NET PRESENT VALUE						
Period lapsed	years	7.0000	8.0000	9.0000	10.0000	10.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.4698	0.4217	0.3786	0.3398	0.3398
Present value	PHP	137,942,493	130,126,039	122,747,724	115,783,484	1,420,271,783
Net present value (NPV)	PHP					
Rounded to:						

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of Ayala Malls Cloverleaf

**A. Bonifacio Avenue, Brgy. Balingasa, Quezon City,
Metropolitan Manila**

BCG26-C10923-001.4 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.

Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

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

Re: **AACI File No. BCG26-C10923-001.4**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final* report on the valuation as of 31 March 2026, of the *Ayala Malls Cloverleaf* (the "PROPERTY") located along A. Bonifacio Avenue, Barangay Balingasa, Quezon City, Metro Manila.

Purpose of the valuation:	For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Bay City Commercial Ventures Corp. (BCCVC).
Subject of the valuation:	The subject of the valuation is the <i>Ayala Malls Cloverleaf</i> , located along A. Bonifacio Avenue, Barangay Balingasa, Quezon City, Metro Manila.
Basis of value:	The valuation was made on the basis of <i>market value</i> .

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

Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation" (IVSC 2025).

Valuation date: The valuation date is as of 31 March 2026.

Opinion of value: Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of *THE PROPERTY* as of 31 March 2026 is as follows:

PESOS:
TWO BILLION
FOUR HUNDRED ELEVEN MILLION
SIX HUNDRED TWENTY THOUSAND ONLY
(In Words)

PHP2,411,620,000.00
(In Figures)

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

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

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

\

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by Asian Appraisal Company, Inc. (AACI), were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026 was done under the direct supervision of the undersigned.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

- a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.
- b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.
- c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.
- d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.
- e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.
- f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.
- g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.
- h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

- i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.
- j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.
- k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.
- l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.
- m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.
- n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.
- o) Erasures on appraisal date and values invalidate this valuation report.
- p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Bay City Commercial Ventures Corp. (BCCVC).

3 Basis of Value

The basis of value shall be **fair value** which is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (IFRS 13).”

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.

(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

- a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;
- b. For the term of lease, we have used documents provided by the COMPANY; and
- c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 Ayala Malls Cloverleaf

The property appraised, identified as “Ayala Malls Cloverleaf,” is a core retail and lifestyle center with a gross leasable area of approximately 33,277 square meters. The property integrates retail shops, dining clusters, and community facilities, serving northern Quezon City and nearby provinces. Developed by Ayala Land, it is positioned as the retail component of the Cloverleaf estate.



Figure 1: Ayala Malls Cloverleaf

6.2 Location

The property is located along A. Bonifacio Avenue, Barangay Balingasa, Quezon City, Metro Manila. It is situated near the Balintawak Cloverleaf interchange, providing direct access to EDSA and NLEX. Accessibility is reinforced by A. Bonifacio Avenue and major transport routes serving Quezon City and northern Metro Manila.

6.3 Property Ownership

The land is currently owned by **Ayalaland Estates Inc. ("ALEI")**, and the building is currently owned by **Bay City Commercial Corp.** Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALEI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALEI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a commercial mall with a gross leasable area of 33,277 sq. m.

6.5 Occupancy Rate

As of the valuation date, the PROPERTY has an occupancy rate of 78%.

6.6 Lease Out Rate

The PROPERTY has a lease out rate of 86%.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** “provides an indication of value by comparing the asset with identical or comparable (that is, similar) assets for which price information is available.”

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities, and complexity of the structure, among others.

7.1.2 Cost Approach

The **cost approach** “provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk, or other factors involved.” The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** “provides an indication of value by converting future cash flow to a single current value.” Under the income approach, the value of an asset is determined by reference to the value of income, cash flow, or cost savings generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances, for long-lived or indefinite-lived assets, DCF may include a terminal value, which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)^t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period, usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply the expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)^t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FV_t / (1 + i)^t] - I_0$$

The last equation states that the Net Present Value, $\sum PV$, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumptions

To arrive at the market value of the PROPERTY, we used the following assumptions.

- 8.2.1 The projection was based on the data provided by the CLIENT;
- 8.2.2 The Gross Leasable Area (GLA) was based on the data provided by the CLIENT;
- 8.2.3 The occupancy rate was based on the projection provided by the CLIENT;
- 8.2.4 The Rental rates per square meter per month were based on the data provided by the CLIENT;
- 8.2.5 To determine the terminal value/reversion value, we have used the Gordon Growth Model. We calculated the capitalization rate using the discount rate and the 5% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.1767	0.6001	0.8573
Cost of equity	14.8087%	10.95%	12.67%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	12.67%	70.00%	8.87%
Weighted average cost of capital			11.40%

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.
- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.
- We used the 1.1767 Industry Beta as of the valuation date.
- Client's preferred debt-to-equity ratio is at 30/70.

9 **Valuation Conclusion**

Based on the given assumptions used and the Discounted Cash Flow analysis made, it is our opinion that the fair value of *THE PROPERTY* as of 31 March 2026 is as follows:

**PESOS:
TWO BILLION
FOUR HUNDRED ELEVEN MILLION
SIX HUNDRED TWENTY THOUSAND ONLY
(In Words)**

**PHP2,411,620,000.00
(In Figures)**

10 **Valuation Date**

This valuation is as of 31 March 2026.

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CLOVERLEAF
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030	2031	2032
FREE CASH FLOWS							
Revenues:							
Rental Income	PHP	296,983,249	326,681,574	359,349,731	417,244,965	438,107,214	460,012,574
Cinema Tickets	PHP	-	-	-	-	-	-
Snackbar	PHP	-	-	-	-	-	-
Ice and Beverages	PHP	-	-	-	-	-	-
Carparks	PHP	29,793,629	32,772,992	36,050,291	37,852,806	39,745,446	41,732,719
Specialty Leasing	PHP	25,493,696	28,043,066	30,847,372	32,389,741	34,009,228	35,709,689
Carts and Kiosks	PHP	22,160,250	24,376,275	26,813,903	28,154,598	29,562,328	31,040,444
Venue Rental	PHP	-	-	-	-	-	-
Ad Panels	PHP	-	-	-	-	-	-
Other Income	PHP	3,247,141	3,409,499	3,579,973	3,758,972	3,946,921	4,144,267
Other Income-Ancillary	PHP	24,971,238	27,468,362	30,215,198	31,725,958	33,312,256	34,977,869
GROSS REVENUES	PHP	402,649,204	442,751,767	486,856,469	551,127,040	578,683,392	607,617,562
Cost of Sales	PHP	-	-	-	-	-	-
GROSS OPERATING PROHIT	PHP	402,649,204	442,751,767	486,856,469	551,127,040	578,683,392	607,617,562
Direct Operating Expenses (DOE)	PHP	-	-	-	-	-	-
Controllable	PHP	(81,319,074)	(103,275,225)	(131,159,535)	(137,717,512)	(144,603,388)	(151,833,557)
Non-controllable	PHP	(70,211,264)	(77,104,877)	(84,083,903)	(92,641,170)	(97,023,228)	(101,624,390)
General Administrative Expenses	PHP	-	-	-	-	-	-
Direct	PHP	(14,386,382)	(16,349,318)	(36,389,386)	(27,225,337)	(28,586,603)	(30,015,933)
Indirect	PHP	-	-	-	-	-	-
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	PHP	236,732,484	246,022,348	235,223,645	293,543,022	308,470,173	324,143,682
Depreciation	PHP	(120,650,000)	(128,410,000)	(132,080,000)	(121,570,477)	(127,357,311)	(133,433,487)
Interest Income/Expense	PHP	-	1,330,000	3,710,000	3,028,356	3,028,356	3,028,356
Other Income	PHP	48,950,000	50,420,000	51,940,000	51,940,000	51,940,000	51,940,000
PAS/PFRS	PHP	(14,740,000)	(8,530,000)	(3,610,000)	(9,832,417)	(10,324,038)	(10,840,240)
NET INCOME BEFORE TAX	PHP	150,292,484	160,832,348	155,183,645	217,108,484	225,757,180	234,838,311
Provision for Income Tax	PHP	(37,573,121)	(40,208,087)	(38,795,911)	(54,277,121)	(56,439,295)	(58,709,578)
NET INCOME AFTER TAX (ALI)	PHP	112,719,363	120,624,261	116,387,734	162,831,363	169,317,885	176,128,733
AREIT - DIRECT LEASE							
EBITDA	PHP	236,732,484	246,022,348	235,223,645	293,543,022	308,470,173	324,143,682
Less: Capital Expenditures	PHP	(191,059,681)	(30,000,000)	(30,000,000)	(27,556,352)	(28,934,170)	(30,380,878)
Less: Changes in working capital	PHP	2,548,956	(924,888)	(759,564)	(4,040,164)	(1,338,774)	(1,405,713)
Less: Property Management Fees	PHP	(20,540,113)	(22,068,335)	(23,013,522)	(26,982,817)	(28,331,958)	(29,748,556)
Less: Fund Management Fees	PHP	(11,258,270)	(11,583,415)	(11,205,461)	(13,246,639)	(13,769,089)	(14,317,662)
FREE CASH FLOW TO FIRM	PHP	16,423,375	181,445,710	170,245,098	221,717,050	236,096,182	248,290,873
TERMINAL VALUE							
NET PRESENT VALUE	years	1.0000	2.0000	3.0000	4.0000	5.0000	6.0000
Period lapsed	%	11.40%	11.40%	11.40%	11.40%	11.40%	11.40%
Discount rate	%	0.8977	0.8059	0.7234	0.6494	0.5830	0.5233
Present value factor							
Present value	PHP	147,743,133	146,218,219	123,156,345	143,982,152	137,634,062	129,934,688
Net present value (NPV)	PHP	2,411,623,776					
Rounded to:	PHP	2,411,620,000					

ASIAN APPRAISAL

ANNEX A

AREIT FUND MANAGERS, INC.
AYALA MALLS CLOVERLEAF
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2033	2034	2035	2036	TERMINAL VALUE
FREE CASH FLOWS						
Revenues:						
Rental Income	PHP	483,013,203	507,163,863	532,522,056	559,148,159	
Cinema Tickets	PHP	-	-	-	-	
Snackbar	PHP	-	-	-	-	
Ice and Beverages	PHP	-	-	-	-	
Carparks	PHP	43,819,355	46,010,322	48,310,838	50,726,380	
Specialty Leasing	PHP					
Carts and Kiosks	PHP	37,495,174	39,369,932	41,338,429	43,405,350	
Venue Rental	PHP	32,592,466	34,222,089	35,933,194	37,729,854	
Ad Panels	PHP	-	-	-	-	
Other Income	PHP	4,351,480	4,569,054	4,797,507	5,037,382	
Other Income-Ancillary	PHP	36,726,762	38,563,100	40,491,256	42,515,818	
GROSS REVENUES	PHP	637,998,440	669,898,362	703,393,280	738,562,944	
Cost of Sales	PHP	-	-	-	-	
GROSS OPERATING PROHIT	PHP	637,998,440	669,898,362	703,393,280	738,562,944	
Direct Operating Expenses (DOE)						
Controllable	PHP	(159,425,235)	(167,396,497)	(175,766,321)	(184,554,637)	
Non-controllable	PHP	(106,455,609)	(111,528,390)	(116,854,809)	(122,447,549)	
General Administrative Expenses						
Direct	PHP	-	-	-	-	
Indirect	PHP	(31,516,730)	(33,092,567)	(34,747,195)	(36,484,555)	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)	PHP	340,600,866	357,880,909	376,024,954	395,076,202	
Depreciation	PHP	(139,813,471)	(146,512,455)	(150,029,421)	(151,628,217)	
Interest Income/Expense	PHP	3,028,356	3,028,356	3,028,356	3,028,356	
Other Income	PHP	51,940,000	51,940,000	51,940,000	51,940,000	
PAS/PFRS	PHP	(11,382,252)	(11,951,364)	(12,548,933)	(13,176,379)	
NET INCOME BEFORE TAX	PHP	244,373,499	254,385,446	268,414,957	285,239,962	
Provision for Income Tax	PHP	(61,093,375)	(63,596,361)	(67,103,739)	(71,309,991)	
NET INCOME AFTER TAX (ALI)	PHP	183,280,124	190,789,084	201,311,217	213,929,972	
AREIT - DIRECT LEASE						
EBITDA	PHP	340,600,866	357,880,909	376,024,954	395,076,202	
Less: Capital Expenditures	PHP	(31,899,922)	(33,494,918)	(35,169,664)	(36,928,147)	
Less: Changes in working capital	PHP	(1,475,998)	(1,549,798)	(1,627,288)	(1,708,453)	
Less: Property Management Fees	PHP	(31,235,983)	(32,797,783)	(34,437,672)	(36,159,555)	
Less: Fund Management Fees	PHP	(14,893,663)	(15,498,465)	(16,133,507)	(16,800,300)	
FREE CASH FLOW TO FIRM	PHP	261,095,298	274,539,945	288,656,824	303,479,547	
TERMINAL VALUE	PHP					3,722,667,699
NET PRESENT VALUE						
Period lapsed	years	7.0000	8.0000	9.0000	10.0000	10.0000
Discount rate	%	11.40%	11.40%	11.40%	11.40%	11.40%
Present value factor	%	0.4698	0.4217	0.3786	0.3398	0.3398
Present value	PHP	122,656,565	115,777,637	109,276,898	103,134,353	1,265,109,724
Net present value (NPV)	PHP					
Rounded to:						

ASIAN APPRAISAL

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of New World Makati Hotel

**Esperanza Street corner Makati Avenue, Ayala Center ,
Makati City, Metropolitan Manila**

BCG26-C10923-001.5 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.

Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

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

Re: **AACI File No. BCG26-C10923-001.5**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final report* on the valuation as of 31 March 2026, of the *New World Makati Hotel* (the "PROPERTY") located at Esperanza Street, corner Makati Ave, Ayala Center, Makati City, 1228 Metro Manila.

Purpose of the valuation: For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Ayala Land, Inc. (ALI).

Subject of the valuation: The subject of the valuation is the *New World Makati Hotel* located at Esperanza Street, corner Makati Ave, Ayala Center, Makati City, 1228 Metro Manila.

Basis of value: The valuation was made on the basis of *market value*.

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

Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation." (IVSC 2025).

Valuation date: The valuation date is as of 31 March 2026.

Opinion of value:

Based on the given assumptions used, and the Discounted Cash Flow analysis made, it is our opinion that the market value of **THE PROPERTY** as of 31 March 2026 is as follows:

**PESOS:
TWO BILLION
EIGHT HUNDRED FIFTY-EIGHT MILLION
NINE HUNDRED TWENTY THOUSAND ONLY
(In Words)**

**PHP2,858,920,000.00
(In Figures)**

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

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

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by **Asian Appraisal Company, Inc. (AACI)**, were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of 31 March 2026, was done under the direct supervision of the undersigned.

ENGR. ~~JOHN~~ C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

- a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.
- b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.
- c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.
- d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.
- e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.
- f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.
- g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.
- h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

- i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.
- j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.
- k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.
- l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.
- m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.
- n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.
- o) Erasures on appraisal date and values invalidate this valuation report.
- p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

The principal office of AREIT Fund Managers, Inc. is located at 9th Floor, Ayala North Exchange Tower 1, Ayala Avenue corner Salcedo Street, Makati City 1229, Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and Ayala Land, Inc. (ALI).

3 Basis of Value

The basis of value shall be **market value** which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.

(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

- a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;
- b. For the term of lease, we have used documents provided by the COMPANY; and
- c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 New World Makati Hotel

The property appraised, identified as New World Makati Hotel, is a five-star luxury hotel located at Esperanza Street corner Makati Avenue, Ayala Center, Makati City, Metro Manila.

New World Makati Hotel comprises 578 guestrooms and suites, offering a range of accommodations designed for both business and leisure travelers. The property features comprehensive hotel facilities including multiple dining outlets, a fitness center, spa, outdoor swimming pool, and extensive meeting and function spaces suitable for corporate events and social functions.

The hotel benefits from its strategic location adjacent to Greenbelt and near Glorietta, with convenient access to major offices, retail centers, and transport networks within Makati.



Figure 1: The New World Makati Hotel

6.2 Location

Esperanza Street, corner Makati Ave, Ayala Center, Makati City, 1228 Metro Manila.

6.3 Property Ownership

The land and the building are currently owned by **Ayala Land, Inc. ("ALI")**. Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a luxury hotel with a gross leasable area of 72,488 sq. m.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS 2025, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** “provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.”

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities and complexity of the structure among others.

7.1.2 Cost Approach

The **cost approach** “provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors involved.” The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** “provides an indication of value by converting future cash flow to a single current value.” Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances for long-lived or indefinite lived assets, DCF may include a terminal value which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)^t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply an expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)^t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FV_t / (1 + i)^t] - I_0$$

The last equation states that the Net Present Value, $\sum PV$, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumption

To arrive at the fair value of the PROPERTY, we used the following assumptions.

- 8.2.1 The property has a total of 578 available rooms, with the projected occupancy rate furnished to us by the CLIENT;
- 8.2.2 The projected average room rate was furnished to us by the CLIENT;
- 8.2.3 The COMPANY's cash inflows consist of daily rental income from its guests, exclusive of value added tax (VAT), provided by the CLIENT;
- 8.2.4 For the operating expenses, we have used the data provided by the CLIENT;
- 8.2.5 The provision for business tax was assumed at zero-point seventy-five percent (0.75%) of gross revenue throughout the projection period;
- 8.2.6 To determine the terminal value/reversion value, we have used the Gordon growth model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.0700	0.5243	0.7490
Cost of equity	14.0946%	10.44%	11.95%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	11.95%	70.00%	8.36%
Weighted average cost of capital			10.89%

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.
- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.
- We used the 1.07 Industry Beta as of the valuation date.
- Client's preferred debt-to-equity ratio is at 30/70.

9 **Valuation Conclusion**

Based on the given assumptions used, and the Discounted Cash Flow analysis made, it is our opinion that the market value of *THE PROPERTY* as of 31 March 2026 is as follows:

**PESOS:
TWO BILLION
EIGHT HUNDRED FIFTY-EIGHT MILLION
NINE HUNDRED TWENTY THOUSAND ONLY
(In Words)**

**PHP2,858,920,000.00
(In Figures)**

10 **Valuation Date**

This valuation is as of 31 March 2026.

ANNEX A

AREIT FUND MANAGERS, INC.
NEW WORLD MAKATI HOTEL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030
FREE CASH FLOWS					
Revenues:					
Base Rent	PHP	208,764,432	215,027,365	221,478,186	228,122,531
Variable Rent	PHP	33,641,602	34,844,553	35,975,204	23,977,353
GROSS REVENUES	PHP	242,406,034	249,871,918	257,453,390	252,099,884
Operating Expenses					
Unutilized CWT	PHP	(242,406)	(249,872)	(257,453)	(252,100)
Real Property Tax	PHP	(3,354,624)	(3,354,624)	(3,354,624)	(3,354,624)
Business Tax	PHP	(1,818,045)	(1,874,039)	(1,930,900)	(1,890,749)
Fund Managers Fees	PHP	(2,737,681)	(2,737,681)	(2,737,681)	(2,737,681)
Property Management Fees	PHP	(7,272,181)	(7,496,158)	(7,723,602)	(7,562,997)
NET OPERATING INCOME	PHP	226,981,097	234,159,544	241,449,129	236,301,734
TERMINAL VALUE	PHP				
NET PRESENT VALUE					
Period lapsed	years	1.0000	2.0000	3.0000	4.0000
Discount rate	%	10.89%	10.89%	10.89%	10.89%
Present value factor	%	0.9018	0.8132	0.7334	0.6614
Present value	PHP	204,691,624	190,428,798	177,074,811	156,281,810
Net present value (NPV)	PHP	2,858,918,899			
Rounded to:	PHP	2,858,920,000			

ANNEX A

AREIT FUND MANAGERS, INC.
NEW WORLD MAKATI HOTEL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2031	2032	2033	2034
FREE CASH FLOWS					
Revenues:					
Base Rent	PHP	234,966,207	242,015,194	249,275,649	256,753,919
Variable Rent	PHP	24,800,852	30,500,867	38,691,804	39,724,803
GROSS REVENUES	PHP	259,767,059	272,516,060	287,967,454	296,478,722
Operating Expenses					
Unutilized CWT	PHP	(259,767)	(272,516)	(287,967)	(296,479)
Real Property Tax	PHP	(3,354,624)	(3,354,624)	(3,354,624)	(3,354,624)
Business Tax	PHP	(1,948,253)	(2,043,870)	(2,159,756)	(2,223,590)
Fund Managers Fees	PHP	(2,737,681)	(2,737,681)	(2,737,681)	(2,737,681)
Property Management Fees	PHP	(7,793,012)	(8,175,482)	(8,639,024)	(8,894,362)
NET OPERATING INCOME	PHP	243,673,723	255,931,887	270,788,402	278,971,987
TERMINAL VALUE	PHP				
NET PRESENT VALUE					
Period lapsed	years	5.0000	6.0000	7.0000	8.0000
Discount rate	%	10.89%	10.89%	10.89%	10.89%
Present value factor	%	0.5964	0.5379	0.4850	0.4374
Present value	PHP	145,331,783	137,653,318	131,341,728	122,023,546
Net present value (NPV)	PHP				
Rounded to:	PHP				

ANNEX A

AREIT FUND MANAGERS, INC.
NEW WORLD MAKATI HOTEL
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2035	2036	TERMINAL VALUE
FREE CASH FLOWS				
Revenues:				
Base Rent	PHP	264,456,537	272,390,233	
Variable Rent	PHP	40,788,828	41,959,734	
GROSS REVENUES	PHP	305,245,365	314,349,966	
Operating Expenses				
Unutilized CWT	PHP	(305,245)	(314,350)	
Real Property Tax	PHP	(3,354,624)	(3,354,624)	
Business Tax	PHP	(2,289,340)	(2,357,625)	
Fund Managers Fees	PHP	(2,737,681)	(2,737,681)	
Property Management Fees	PHP	(9,157,361)	(9,430,499)	
NET OPERATING INCOME	PHP	287,401,114	296,155,188	
TERMINAL VALUE	PHP			3,866,503,606
NET PRESENT VALUE				
Period lapsed	years	9.0000	10.0000	10.0000
Discount rate	%	10.89%	10.89%	10.89%
Present value factor	%	0.3945	0.3557	0.3557
Present value	PHP	113,365,752	105,347,238	1,375,378,491
Net present value (NPV)	PHP			
Rounded to:	PHP			

VALUATION REPORT

presented to

AREIT FUND MANAGERS, INC.

Valuation of SEDA Vertis North

**Astra corner Lux Drives, Barangay North Triangle,
Vertis North, Quezon City, Metropolitan Manila**

BCG26-C10923-001.6 | As of 31 March 2026

ASIAN APPRAISAL

PRIVATE AND CONFIDENTIAL

10 August 2026

AREIT FUND MANAGERS, INC.

Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Metro Manila
(The "CLIENT/COMPANY")

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

Re: **AACI File No. BCG26-C10923-001.6**
Appraisal of Property

Gentlemen:

We are pleased to submit our *final report* on the valuation as of 31 March 2026, of the **SEDA Vertis North** (the "PROPERTY") located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City, Metropolitan Manila.

Purpose of the valuation: For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and North Triangle Hotel Ventures, Inc. (NTHVI).

Subject of the valuation: The subject of the valuation is the **SEDA Vertis North** located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City, Metropolitan Manila.

Basis of value: The valuation was made on the basis of *market value*.

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

Meanwhile, a **basis of value** is defined as "a statement of the fundamental measurement assumptions of a valuation." (IVSC 2025).

Valuation date: The valuation date is as of 31 March 2026.

Opinion of value:

Based on the given assumptions used, and the Discounted Cash Flow analysis made, it is our opinion that the market value of **THE PROPERTY** as of 31 March 2026 is as follows:

**PESOS:
ONE BILLION
SEVEN HUNDRED FIVE MILLION
FOUR HUNDRED FORTY THOUSAND ONLY**
(In Words)

PHP1,705,440,000.00
(In Figures)

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

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

Yours faithfully,

ASIAN APPRAISAL COMPANY, INC.

\

ENGR. JOHN C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

GENERAL SERVICE CONDITIONS

The services provided by **Asian Appraisal Company, Inc. (AACI)**, were performed in accordance with recognized professional appraisal standards, which is the International Valuation Standards (IVS). We have acted as an independent contractor. Our compensation was not contingent in any way upon our conclusion of value. We assumed, without independent verification, the accuracy of all data provided to us. Although it is not our normal practice, we reserve the right to use subcontractors. All files, work papers or documents furnished, obtained, or developed during the course of the assignment shall remain our property. We will retain this data for at least five (5) years.

Our appraisal is valid only for the purpose for which it is stated herein. Any other use or reliance by you or third parties is invalid. You may show our report in part or in its entirety to interested parties outside your organization; however, you agree not to reference our name or our report, in whole or in part, in any document distributed to third parties without our prior written consent. We will, subject to legal orders, maintain the confidentiality of all conversations, documents provided to us, and our report. These conditions can only be modified in writing by both parties.

CERTIFICATE OF APPRAISER

It is hereby certified that, to the best of our knowledge and belief, the statements of fact, upon which the analyses, opinions, and conclusions expressed in this report are based, are true and correct; that this report sets forth the limiting conditions affecting the analyses, opinions and conclusions it contains; that this report has been made in accordance with generally accepted valuation principles and procedures and in conformity with the requirements of the Code of Ethics applying to the realty services in the Philippines; and that we have no present nor contemplated future interest in the property, nor is the appraisal fee contingent upon the final estimate of value. It is further certified that the valuation of the property as of March 2026, was done under the direct supervision of the undersigned.

ENGR.  C. PAR
First Vice President
Certified Review Appraiser
Licensed Real Estate Appraiser
PRC REA No. 0002803
PTR No. 10764277

ASSUMPTIONS AND LIMITING CONDITIONS

- a) This Report has been produced without reference to, and in disregard of, any liens, liabilities, charges or encumbrances relating to or affecting the subject matter of the same, whether known or unknown. Any person relying upon this Report shall be deemed to be aware of all such liens, liabilities charges and/or encumbrances and shall be responsible for making his own assumptions as to the cost or valuation implication of the same and no responsibility in respect thereof will be accepted by us or by any of our employees.
- b) AACI or any of its employees shall not be required to give evidence or otherwise testify in any court or tribunal or otherwise in relation to this Report or anything therein contained save on such terms as we may reasonably specify or unless arrangements have been previously made.
- c) No instrument survey was made to pinpoint the exact location and boundaries of the property. It is then assumed that the property as indicated on plans or as shown by the owner (s)/representative(s) is the property described in the title furnished us.
- d) No structural survey or engineering tests were made, and no responsibility is assumed for the soundness of the structure, physical defects which were not readily apparent to the appraiser(s) during inspection or the condition of the services.
- e) Plats and other illustrative data used in the report are presented as aids in visualizing the property and its environs. Although preparation of materials was based on the best available data, it should not be considered as a survey nor scaled for size. No independent surveys were conducted.
- f) No soil analysis or geological studies were made in conjunction with this Report nor was an investigation made of any water, oil, gas, coal, or other sub-surface mineral and use rights or conditions.
- g) This Report is confidential and is intended for the sole use of the CLIENT/COMPANY to whom it is addressed and is intended for the specific purpose to which it refers only. No responsibility will be accepted for any loss, direct or indirect, caused to any third party as a consequence of its use, or reliance upon, this Report or anything contained herein other than that for which it has been produced. This report may not be reproduced in whole or in part nor shall it be disclosed to any third party without our express consent in writing.
- h) We have assumed in our valuation that the Property as currently used is not in contravention of any planning or similar governmental regulations.

- i) It is assumed that all building, sidewalk and occupancy permit, consents, or other licenses and certificates from governmental institutions have been or can be obtained or renewed for any use on which the value estimate contained in this Report is based.
- j) We give no guarantee or warranty in respect of the accuracy where such information has been provided by or is based on information, estimates or data provided, directly or indirectly, by third parties. Subject to this qualification, all information contained in this Report is believed to be correct at the time at which it was published.
- k) In providing this Report, no warranties are given as to the ownership of the subject matter of the same. The CLIENT/COMPANY shall be deemed to have made all appropriate and proper investigations as to the title and shall be deemed to have satisfied itself to the same.
- l) We did not observe the existence of hazardous materials, unless otherwise stated in this Report, which may or may not be present on the property. The presence of hazardous materials, which we are not qualified to detect, may affect the value of the property. The value estimate is asserted on the assumption that there is no such material on, or in, the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required discovering them.
- m) Any requirements or preconditions imposed by the CLIENT/COMPANY in connection with the preparation of this Report have been duly taken into account but no liability is accepted in respect of a CLIENT/COMPANY withholding approval and finalization of the Report.
- n) The values reported herein are based upon the premise and for the purpose(s) for which they are stated herein.
- o) Erasures on appraisal date and values invalidate this valuation report.
- p) This appraisal report is invalid unless it bears the service seal of AACI.

1 Identification of the Client

1.1 AREIT FUND MANAGERS, INC.

AREIT Fund Managers, Inc. (AFMI) is a Philippine corporation incorporated to serve as the fund manager of AREIT, Inc., the country's first publicly listed Real Estate Investment Trust (REIT). The company is licensed by the Philippine Securities and Exchange Commission (SEC) to perform fund management services pursuant to the provisions of the REIT Act of 2009 (Republic Act No. 9856) and its Implementing Rules and Regulations. AFMI is a wholly owned subsidiary of Ayala Land, Inc., one of the Philippines' leading real estate developers, and was established to oversee the management and growth of AREIT's real estate investment portfolio.

As the fund manager, AFMI is responsible for the strategic and financial management of AREIT's investment portfolio. Its primary functions include formulating investment strategies, evaluating property acquisitions and divestments, monitoring portfolio performance, managing capital allocation, ensuring regulatory compliance, and implementing initiatives aimed at enhancing the long-term value of the REIT. Working in coordination with the property manager and other service providers, AFMI oversees a diversified portfolio comprising office buildings, retail developments, hotels, industrial facilities, and other income-generating real estate assets across the Philippines.

2 Purpose of the Valuation

For possible property-for-share swap purposes only between AREIT, Inc. (AREIT) and North Triangle Hotel Ventures, Inc. (NTHVI).

3 Basis of Value

The basis of value shall be **market value** which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

4 Macroeconomic Overview: Philippine Economy

The Philippine economy expanded by 2.8% year-on-year in the first quarter of 2026, reflecting a marked slowdown compared to the 5.4% growth recorded in the same period last year. On a seasonally adjusted basis, quarter-on-quarter growth was modest at 0.93%, slightly higher than the 0.6% pace in Q4 2025.

Sectoral performance was uneven. The Services sector remained the primary driver, posting a 4.5% annual increase, supported by Wholesale and retail trade (4.6%), Financial and insurance activities (3.4%), and public administration and defense (8.6%). In contrast, both Agriculture, forestry, and fishing (-0.2%) and Industry (-0.1%) contracted year-on-year, underscoring persistent structural challenges.

On the expenditure side, Household Final Consumption Expenditure (HFCE) grew by 3.0%, indicating restrained consumer demand amid inflationary pressures. Government spending rose by 4.8%, while Gross Capital Formation (GCF) declined by 3.3%, highlighting weak investment activity. External trade provided some support, with exports up 7.8% and imports increasing 6.1%.

Gross National Income (GNI) expanded by 3.0%, while Net Primary Income from the Rest of the World registered a 4.5% gain, reflecting continued strength in overseas remittances and external earnings.

Overall, the Q1 2026 results point to a slower growth trajectory, with services and external trade cushioning the impact of weaker agriculture, industry, and investment. The economy remains under pressure from global headwinds and domestic constraints, though resilience in consumption and government expenditure provides a measure of stability moving into the next quarter.

(Source: Philippine Statistics Authority)

5 Extent of investigation and nature and source of the information relied upon

- a. For the COMPANY, we have relied on documents available from online resources and the Securities and Exchange Commission (SEC) website;
- b. For the term of lease, we have used documents provided by the COMPANY; and
- c. For the macroeconomic and industry data, we have gathered information from the websites of the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC) and the Philippine Statistics Authority (PSA).

6 Particulars of the Property

6.1 SEDA Vertis North

The property appraised, identified as “Seda Vertis North,” is an upscale business hotel located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City, Metropolitan Manila. The hotel is part of the Seda Hotels portfolio under Ayala Land Hospitality, and is integrated within the Vertis North mixed-use development, a major urban center that combines business, retail, residential, and lifestyle elements in northern Metro Manila.

Seda Vertis North occupies a 24-storey building and offers 438 guestrooms and suites that cater to both business and leisure travelers. Room categories range from deluxe, club, and premier rooms to corner suites and a presidential suite, each equipped with modern amenities and services designed for comfort and convenience. The hotel also features multiple leisure and event facilities including a rooftop bar, swimming pool, gym, spa, banquet and meeting spaces, an executive lounge, and dining outlets.

The property benefits from its strategic location within Vertis North, adjacent to Ayala Malls Vertis North and within walking distance of Trinoma Mall and the North Avenue MRT Station, providing accessibility to major transport links and commercial destinations.



Figure 1: The SEDA Vertis North

6.2 Location

The PROPERTY is located at Astra corner Lux Drives, Barangay North Triangle, Vertis North, Quezon City, Metropolitan Manila.

6.3 Property Ownership

The land and the building are currently owned by **Ayala Land, Inc. ("ALI")**. Upon the transfer of the property to **AREIT, Inc.**, ownership of the land shall remain with ALI, which shall act as the Lessor under a long-term lease agreement. Accordingly, AREIT, Inc. shall acquire only the leasehold rights over the land as Lessee, while legal title to the land shall continue to be vested in ALI. The building and other improvements shall be transferred to AREIT, Inc. in accordance with the terms and conditions of the transaction documents and the applicable agreements between the parties.

6.4 Existing use of the PROPERTY

The subject PROPERTY is a business hotel with a gross leasable area of 35,478 sq. m.

7 Valuation Approaches and Methodology

7.1 Three Approaches to Value

Based on IVS 2025, there are three (3) approaches to value, namely:

7.1.1 Market Approach

The **market approach** “provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.”

In this approach, the value of the building is based on sales and listings of comparable properties registered within the vicinity. The technique of this approach requires the adjustments of a comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison is premised on the factors of construction materials used, quality of workmanship, age of building, floor area, maintenance, amenities and facilities and complexity of the structure among others.

7.1.2 Cost Approach

The **cost approach** “provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors involved.” The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

7.1.3 Income Approach

The **income approach** “provides an indication of value by converting future cash flow to a single current value.” Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost saving generated by the asset.

Considering that the PROPERTY is an investment property that generates income, we have used the income approach to value, specifically, the discounted cash flow method.

8 Valuation Analysis

8.1.1 Discounted Cash Flow (DCF)

We used the discounted cash flow (DCF) method. In theory, the worth of a project is the present value of all the future benefits accruing to its owner, with each expected future benefit discounted back to present value at a discount rate that reflects the risk that those benefits will not be realized.

In some circumstances for long-lived or indefinite lived assets, DCF may include a terminal value which represents the value of the asset at the end of the explicit projection period. (IVS, 2025)

8.1.2 Future and Present Value

The Future Value of an amount or investment is the value obtained after it is compounded by an interest rate over a specific number of time periods (usually in number of years). The formula is expressed as:

$$FV = PV (1 + i)^t$$

such that:

FV	=	the future value of the investment PV after t years
PV	=	the principal amount of an investment or its present value
i	=	the applicable compound interest or discount rate
t	=	the relevant time period usually in number of years

From this same equation, the formula for the Present Value can be derived. The Present Value of an investment is simply an expected worth at a particular time in the future brought back to present terms, or:

$$PV = FV / (1 + i)^t$$

The expression states that an expected future amount, FV pesos, at year t is worth PV pesos in present terms in view of an i% compounded discount rate. The FV refers to the future worth of benefits such as cash on hand, profits, revenues, market recognition, or excess income expected to be gained.

8.1.3 Net Present Value

Given that annual earnings and benefits are brought back to present worth, the formula for the Net Present Value may now be expressed as:

$$NPV = [\sum FV_t / (1 + i)^t] - I_0$$

The last equation states that the Net Present Value, $\sum PV$, is just the sum of the present worth of the expected economic benefits to be received.

8.2 Valuation Assumption

To arrive at the fair value of the PROPERTY, we used the following assumptions.

- 8.2.1 The property has a total of 438 available rooms, with the projected occupancy rate furnished to us by the CLIENT;
- 8.2.2 The projected average room rate was furnished to us by the CLIENT as follows;
- 8.2.3 The COMPANY's cash inflows consist of daily rental income from its guests, exclusive of value added tax (VAT), provided by the CLIENT;
- 8.2.4 For the operating expenses, we have used the data provided by the CLIENT;
- 8.2.5 The provision for business tax was assumed at two percent (2%) of gross revenue throughout the projection period.
- 8.2.6 To determine the terminal value/reversion value, we have used the Gordon growth model. We calculated the capitalization rate using the discount rate and the 3% growth rate based on market and AACI estimates. Net Cash Flow at the end of the projections over the capitalization rate is the Terminal/Reversion Value.

8.3 Discount Rate

In accordance with the International Valuation Standards (IVS) 2025, valuers may apply any reasonable methodology for deriving a discount rate, provided the process reinforces the core principles of reasonableness, supportability, and transparency in income-based valuations. While numerous approaches exist for developing or verifying the appropriateness of a rate, common methods include the Capital Asset Pricing Model (CAPM), Weighted Average Cost of Capital (WACC), Observed or Inferred Rates/Yields, and the Build-Up Method.

In our valuation, the discount rate was set using the Weighted Average Cost of Capital as of the valuation date, as follows:

Cost of Equity		Delevered	Relevered
Risk free rate (10Y)	6.9310%		
Market rate of return	13.6260%		
Phil RE sector beta	1.0700	0.5243	0.7490
Cost of equity	14.0946%	10.44%	11.95%

Computation of Weighted Average Cost of Capital

	Cost	%	Weight
Debt	8.42%	30.00%	2.53%
Equity	11.95%	70.00%	8.36%
Weighted average cost of capital			10.89%

- It is a common market practice to use a 10-year or 20-year government bond yield on the discount rate when valuing an asset. For this valuation, we used the 10-year risk-free rate based on BVAL as of the valuation date.
- Market rate of return was based on the risk-free rate used as of the valuation date and the 6.69% equity risk premium for the Philippines published by Prof. Aswath Damodaran of the Stern School of Business at New York University.
- We used the 1.07 Industry Beta as of the valuation date.
- Client's preferred debt-to-equity ratio is at 30/70.

9 **Valuation Conclusion**

Based on the given assumptions used, and the Discounted Cash Flow analysis made, it is our opinion that the market value of *THE PROPERTY* as of 31 March 2026 is as follows:

**PESOS:
ONE BILLION
SEVEN HUNDRED FIVE MILLION
FOUR HUNDRED FORTY THOUSAND ONLY
(In Words)**

**PHP1,705,440,000.00
(In Figures)**

10 **Valuation Date**

This valuation is as of 31 March 2026.

ANNEX A

AREIT FUND MANAGERS, INC.
SEDA VERTIS NORTH
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2027	2028	2029	2030
FREE CASH FLOWS					
Revenues:					
Base Rent	PHP	127,722,384	131,554,056	135,500,677	139,565,698
Variable Rent	PHP	19,181,822	19,785,629	20,354,692	20,967,787
GROSS REVENUES	PHP	146,904,206	151,339,685	155,855,369	160,533,484
Operating Expenses					
Unutilized CWT	PHP	(146,904)	(151,340)	(155,855)	(160,533)
Real Property Tax	PHP	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Business Tax	PHP	(2,938,084)	(3,026,794)	(3,117,107)	(3,210,670)
Fund Managers Fees	PHP	(1,628,149)	(1,628,149)	(1,628,149)	(1,628,149)
Property Management Fees	PHP	(4,407,126)	(4,540,191)	(4,675,661)	(4,816,005)
NET OPERATING INCOME	PHP	135,783,943	139,993,212	144,278,596	148,718,127
TERMINAL VALUE	PHP				
NET PRESENT VALUE					
Period lapsed	years	1.0000	2.0000	3.0000	4.0000
Discount rate	%	10.89%	10.89%	10.89%	10.89%
Present value factor	%	0.9018	0.8132	0.7334	0.6614
Present value	PHP	122,450,002	113,848,612	105,811,544	98,357,036
Net present value (NPV)	PHP	1,705,442,796			
Rounded to:	PHP	1,705,440,000			

ANNEX A

AREIT FUND MANAGERS, INC.
SEDA VERTIS NORTH
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2031	2032	2033	2034
FREE CASH FLOWS					
Revenues:					
Base Rent	PHP	143,752,668	148,065,248	152,507,206	157,082,422
Variable Rent	PHP	13,667,423	14,170,619	14,657,239	21,892,057
GROSS REVENUES	PHP	157,420,091	162,235,868	167,164,445	178,974,479
Operating Expenses					
Unutilized CWT	PHP	(157,420)	(162,236)	(167,164)	(178,974)
Real Property Tax	PHP	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Business Tax	PHP	(3,148,402)	(3,244,717)	(3,343,289)	(3,579,490)
Fund Managers Fees	PHP	(1,628,149)	(1,628,149)	(1,628,149)	(1,628,149)
Property Management Fees	PHP	(4,722,603)	(4,867,076)	(5,014,933)	(5,369,234)
NET OPERATING INCOME	PHP	145,763,517	150,333,689	155,010,909	166,218,631
TERMINAL VALUE	PHP				
NET PRESENT VALUE					
Period lapsed	years	5.0000	6.0000	7.0000	8.0000
Discount rate	%	10.89%	10.89%	10.89%	10.89%
Present value factor	%	0.5964	0.5379	0.4850	0.4374
Present value	PHP	86,936,218	80,857,182	75,185,645	72,704,744
Net present value (NPV)	PHP				
Rounded to:	PHP				

ANNEX A

AREIT FUND MANAGERS, INC.
SEDA VERTIS NORTH
DISCOUNTED CASH FLOW
as of the date indicated
ASSUMPTIONS TO PROJECTIONS

	Remarks	2035	2036	TERMINAL VALUE
FREE CASH FLOWS				
Revenues:				
Base Rent	PHP	161,794,895	166,648,742	
Variable Rent	PHP	22,426,742	23,010,501	
GROSS REVENUES	PHP	184,221,637	189,659,243	
Operating Expenses				
Unutilized CWT	PHP	(184,222)	(189,659)	
Real Property Tax	PHP	(2,000,000)	(2,000,000)	
Business Tax	PHP	(3,684,433)	(3,793,185)	
Fund Managers Fees	PHP	(1,628,149)	(1,628,149)	
Property Management Fees	PHP	(5,526,649)	(5,689,777)	
NET OPERATING INCOME	PHP	171,198,184	176,358,472	
TERMINAL VALUE	PHP			2,302,477,543
NET PRESENT VALUE				
Period lapsed	years	9.0000	10.0000	10.0000
Discount rate	%	10.89%	10.89%	10.89%
Present value factor	%	0.3945	0.3557	0.3557
Present value	PHP	67,529,352	62,733,589	819,028,872
Net present value (NPV)	PHP			
Rounded to:	PHP			