



29 November 2023

Philippine Stock Exchange, Inc.

6F PSE Tower, 28th Street corner 5th Avenue, BGC, Taguig City

To **Alexandra D. Tom Wong** | Officer-in-Charge, Disclosure Department

Philippine Dealing and Exchange Corporation

29F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City

To **Atty. Marie Rose M. Magallen-Lirio** | Head, Issuer Compliance and Disclosures Department

Securities and Exchange Commission

17F SEC Headquarters, 7907 Makati Avenue, Bel-Air, Makati City

To **Hon. Vicente Graciano P. Felizmenio, Jr.** | Director, Market Regulation Department

Dear Mesdames and Gentlemen,

Please be informed that the Board of Directors of AREIT, Inc. (AREIT), at its meeting today, approved a property-for-share swap transaction with Ayala Land, Inc. (ALI), and its subsidiaries, Greenhaven Property Ventures, Inc. and Cebu Insular Hotel Co., Inc. ("Subsidiaries"), involving the subscription of ALI and the Subsidiaries, to 642,149,974 AREIT primary common shares, in exchange for the following flagship assets: (1) Ayala Triangle Tower Two Office Building, (2) Greenbelt Mall 3 and 5, (3) Holiday Inn and Suites Makati, and (4) SEDA Ayala Center Cebu, with a transaction value of Php21,833,099,116.00, as validated by a third-party fairness opinion.

In addition, the Board approved the cash purchase of SEDA Lio in El Nido, Palawan, from ALI subsidiary Econorth Resort Ventures, Inc. for Php1,192,000,000.00.

These assets will be combined with AREIT's acquisition of the 276-ha. industrial land located in Zambales owned by Buendia Christiana Holdings Corporation (BCHC), a wholly-owned subsidiary of ACEN Corporation ("ACEN") with a transaction value of Php 6,769,720,892.00 in exchange for BCHC's subscription to 199,109,438 AREIT primary common shares, as validated by a third-party fairness opinion and approved by AREIT and ACEN's Board of Directors on November 16, 2023. Upon issuance of the AREIT shares in exchange for the BCHC land, Giga Ace 8, Inc., a wholly-owned subsidiary of ACEN engaged in the business of developing and operating a solar plant, will lease the land from AREIT for 25 years at a guaranteed fixed rent escalating every year, and with the option to renew for another 25 years.

The assets will be consolidated into a single transaction for approval of AREIT shareholders at their special meeting on February 12, 2024, and pertinent regulatory bodies.

AREIT shall submit the required Comprehensive Corporate Disclosure on the transaction within the period set under the PSE Listing Rules and in its Definitive Information Statement for its Special Stockholders Meeting, which will be available to its shareholders in due course.

With P29,794,820,008.00 in total value, this constitutes AREIT's largest property infusion to date, accelerating its expansion and increasing shareholder dividends.

Attached is the press release for reference. Thank you.

MA. FLORENCE THERESE DG. MARTIREZ-CRUZ
Chief Compliance Officer



Press Release

ALI to infuse P23B of flagship Makati assets and prime hotels into AREIT; AUM to reach P117B in value

29 November 2023 – AREIT, Inc. (AREIT) will embark on its largest acquisition next year with P23 billion worth of prime commercial properties from its sponsor Ayala Land, Inc. (ALI) alongside the purchase of the P6.77 billion industrial land from Buendia Christiana Holdings Corporation (BCHC), a wholly-owned subsidiary of ACEN Corporation (ACEN).

During its regular meeting today, ALI's Board of Directors approved its planned 2024 asset infusions into AREIT comprising Makati flagship assets, Ayala Triangle Gardens Tower 2 – ALI's most premium office tower located at the corner of Paseo de Roxas and Makati Avenue, luxury mall Greenbelt 3 and 5 and Holiday Inn and Suites Makati at Ayala Center, as well as Seda Ayala Center Cebu.

ALI and its subsidiaries Greenhaven Property Ventures, Inc. and Cebu Insular Hotel Co., Inc. will subscribe to 642,149,974 AREIT primary common shares in exchange for the Makati and Cebu properties valued at P21.8 billion at an exchange price of P34.00 per share, as validated by a third-party fairness opinion. The transaction will be subject to the approval of AREIT shareholders in their Special Stockholders Meeting in February 2024 and pertinent regulatory bodies thereafter.

In addition to the asset-share swap, AREIT will acquire Seda Lio in El Nido, Palawan, from ALI subsidiary Econorth Resort Ventures, Inc. for P1.19 billion. The acquisition is expected to immediately contribute to AREIT's income within the first quarter of 2024.

The ALI properties will be acquired with BCHC's 276-hectare industrial land in Zambales, which will be leased by ACEN's wholly-owned subsidiary, Giga Ace 8, Inc., for its solar plant operations. It will provide AREIT guaranteed rental income with annual escalations over the next twenty-five years.

AREIT is the first and currently the largest, most diversified Real Estate Investment Trust in the Philippines. The planned infusions by ALI and BCHC will bring AREIT's Assets under Management (AUM) to P117 billion, its gross leasable building area to more than one million square meters, and its leased industrial land area to 286 hectares by 2024.

The acquisition of prime commercial properties along with industrial land is aligned with AREIT's objectives to significantly expand and diversify its portfolio to capitalize on various growth opportunities across real estate sectors. Furthermore, the land acquisition will provide AREIT shareholders with the potential for long-term capital appreciation while earning guaranteed lease income on the property.

"We believe in the synergistic goals between ALI as Sponsor and AREIT. ALI has infused a total of P59 billion in assets into AREIT since its IPO in 2020. The inclusion of Ayala Tower Two and Greenbelt 3 and 5 – some of ALI's prime assets in Makati, is a testament to our continued commitment to AREIT's long-term growth," said ALI President and CEO and AREIT Chairman Ms. Anna Ma. Margarita B. Dy.

Ms. Carol T. Mills, AREIT President and CEO, said, "We are laying the groundwork to accelerate AREIT's expansion. With Ayala Land's deep pipeline of commercial assets as well as other strategic properties in the Ayala Group, AREIT can have the capacity to grow immensely and attain a market presence at par with some of the REIT players in the region." Furthermore, she said, "We deliberately planned the acquisitions to have a healthy mix of malls, offices, hotels, and industrial properties, which broadens our portfolio and mitigates concentration risk to a particular sector."



AREIT will execute the Deed of Exchange with ALI, its subsidiaries, and BCHC and apply for its approval with the SEC by March 2024. The new shares will be issued, and the income from the assets shall accrue to AREIT upon approval. As in previous asset infusions, AREIT will remain compliant with the minimum public float requirement as the sponsor will effect a block placement of its shares on or before the expected SEC approval within the second quarter of next year.

In the first nine months of 2023, AREIT already posted total revenues of P5.00 billion and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of P3.56 billion, 41% and 39% higher year-on-year, respectively, on account of stable operations and the contribution of the new assets acquired this year and 4Q 2022 through its property-for-share transactions with ALI. Net income registered at P3.43 billion, 42% higher year-on-year, excluding the net fair value change in investment properties. AREIT's properties recorded a 97% occupancy during the period.

Last November 16, 2023, AREIT's Board of Directors declared cash dividends of P0.55 per outstanding common share for the third quarter of 2023, to be distributed on December 15, 2023, to stockholders on record as of December 1, 2023. AREIT's dividend per share has grown by 96% since listing in 2020, driven by stable leasing operations and the accretive property infusions executed annually.

Reference: Photo of the properties



ATG Tower 2
63.2k sqm



Greenbelt 3 and 5
93.7k sqm



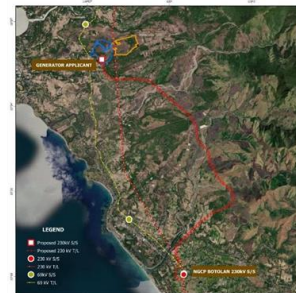
Holiday Inn
26.2k sqm



Seda Lio
17.7k sqm



Seda Ayala Center Cebu
13.8k sqm



Zambales Lot
276 hectares



NOTE: This document contains forward-looking statements and financial information subject to significant risks and uncertainties. Such forward-looking statements and financial information are based on numerous assumptions regarding present and future business strategies. Important factors can cause some or all assumptions not to occur or cause actual results, performance, or achievements to differ materially from those in the forward-looking statements. The Company gives no assurance that such opinions or beliefs will prove correct or that such intentions will not change.