

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. March 13, 2026
Date of Report (Date of earliest event reported)
2. SEC Identification Number A2000-00652 3. BIR Tax Identification No. 204-863-416
4. FILINVEST REIT CORP.
Exact name of issuer as specified in its charter
5. Philippines Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. 5th-7th Floors, Vector One Building, Northgate Cyberzone, Filinvest City, Alabang, Muntinlupa City 1781
Address of principal office Postal Code
8. (632) 7918-8188
Issuer's telephone number, including area code
9. Not applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of
Stock Outstanding

Common

6,518,781,310

11. Indicate the item numbers reported herein: Item 9

Please see attached Audited Financial Statements as of and for the year ended December 31, 2025.

SIGNATURES

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

FILINVEST REIT CORP.

Issuer

Date: March 13, 2026

Ko Clemente
KATRINA O. CLEMENTE-LUA
Corporate Secretary and
Corporate Information Officer

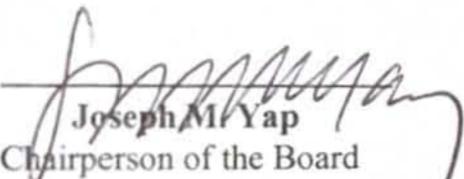
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR PARENT FINANCIAL STATEMENTS**

The management of **Filinvest REIT Corp.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the year ended December 31, 2025, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and making accounting estimates that are reasonable in the circumstances.

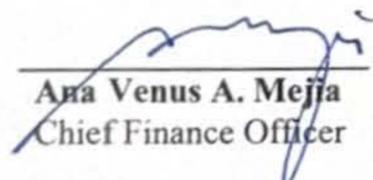
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but do so.

The Board of Director is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders or members before such statements are issued to the regulators, creditors and other users. Sycip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of FAC in accordance with the Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit in its report to the stockholders or members.


Joseph M. Yap
Chairperson of the Board


Maricel Brion Lirio
President/CEO
SSS-0407020162

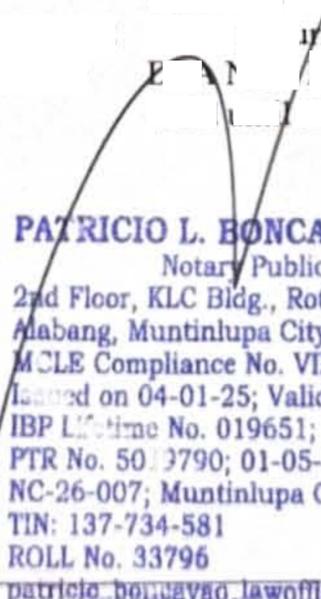

Ana Venus A. Mejia
Chief Finance Officer

13 MAR 2026

SUBSCRIBED AND SWORN to before me this ___ day of _____ affiants exhibited to me their SSS ID and Passport below as follows:

<u>Names</u>	<u>Competent Evidence of Identity</u>	<u>Place of Issue/ Date Issued/Date of Expiry</u>
Joseph M. Yap		
Maricel Brion Lirio		
Ana Venus A. Mejia		

Doc. No. 43
Page No. 10
Book No. 878
Series of 2026


PATRICIO L. BONCAYAO, JR.
Notary Public
2nd Floor, KLC Bldg., Rotonda,
Alabang, Muntinlupa City
MCLE Compliance No. VIII-0025908
Issued on 04-01-25; Valid until 4-14-2028
IBP Lifetime No. 019651; 11-06-15; Pasay City
PTR No. 50 3790; 01-05-26; Muntinlupa City
NC-26-007; Muntinlupa City until 12-31-27
TIN: 137-734-581
ROLL No. 33796
patricio_boncayao_lawoffice@yahoo.com.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Filinvest REIT Corp.
5th-7th Floors, Vector One Building
Northgate Cyberzone, Filinvest City
Alabang, Muntinlupa City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Filinvest REIT Corp. (the Company) which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Fair value of investment properties and intangible assets

The Company accounts for its investment properties and intangible assets using fair value model. Investment properties consist of 16 mixed-use office buildings and 1 mall building located in Muntinlupa City and 3 parcels of land located in Boracay Island while intangible assets consist of a right to operate one mixed-use office building located in Cebu. As of December 31, 2025, investment properties and intangible assets represents 92.8% and 5.0% of total assets, respectively. The determination of the fair values of these properties involves significant management judgment and estimations. The valuation also requires the assistance of external appraisers whose calculations also depend on certain assumptions, such as discount rates and growth rates. Thus, we considered the valuation of investment properties and intangible assets as a key audit matter.

The disclosures on the fair value of intangible assets and investment properties are included in Notes 6 and 7 to the financial statements, respectively.

Audit Response

We evaluated the competence, capabilities and qualifications of the external appraiser by considering their qualifications, experience and reporting responsibilities. We involved our internal specialist in the evaluation of the methodology and assumptions used in the valuation of the investment properties and intangible assets. In addition, we assessed whether the discount rates used are within the acceptable range and performed sensitivity analysis. We also assessed the sufficiency of the disclosures in the financial statements.

Other Information

Management is responsible for Other Information. Other Information comprises the information included in SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 but does not include the financial statements and our auditor's report thereon. SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of the Filinvest REIT Corp. in a separate schedule. Revenue Regulations 15-2010 requires the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by Revised Securities Regulation Code Rule 68. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

The engagement partner on the audit resulting in this independent auditor's report is Wanessa G. Salvador.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 118546-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements,
with extension up to audit of 2025 financial statements

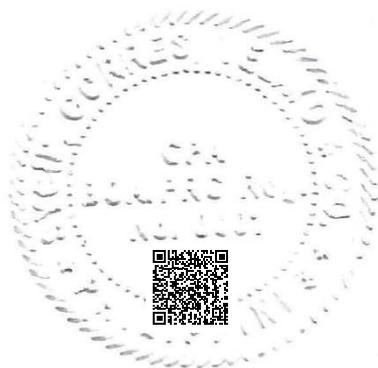
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-137-2026, January 23, 2026, valid until January 22, 2029

PTR No. 10765124, January 2, 2026, Makati City

February 9, 2026



FILINVEST REIT CORP.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 16)	₱466,293,367	₱687,308,530
Receivables (Note 5)	93,234,573	77,591,862
Other current assets (Note 8)	326,901,635	319,989,867
Total Current Assets	886,429,575	1,084,890,259
Noncurrent Assets		
Investment properties (Note 7)	51,921,979,000	45,617,481,000
Intangible assets (Notes 6 and 15)	2,797,397,000	2,798,729,000
Other noncurrent assets (Note 8)	332,567,114	337,911,457
Total Noncurrent Assets	55,051,943,114	48,754,121,457
Total Assets	₱55,938,372,689	₱49,839,011,716
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 9)	₱876,873,844	₱866,890,967
Advances from tenants (Note 15)	373,364,002	471,717,048
Current portion of:		
Security and other deposits (Note 11)	131,784,150	228,171,249
Lease liabilities (Note 15)	2,302,518	2,192,874
Total Current Liabilities	1,384,324,514	1,568,972,138
Noncurrent Liabilities		
Loans payable (Note 10)	5,963,041,363	5,955,145,021
Security and other deposits - net of current portion (Note 11)	758,312,588	532,590,507
Lease liabilities - net of current portion (Note 15)	27,092,951	26,919,193
Total Noncurrent Liabilities	6,748,446,902	6,514,654,721
Total Liabilities	8,132,771,416	8,083,626,859
Equity (Note 12)		
Capital stock	3,259,390,655	2,446,388,997
Additional paid-in capital	7,954,113,966	2,518,356,922
Retained earnings	36,592,096,652	36,790,638,938
Total Equity	47,805,601,273	41,755,384,857
Total Liabilities and Equity	₱55,938,372,689	₱49,839,011,716

See accompanying Notes to Financial Statements.



FILINVEST REIT CORP.**STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2025	2024	2023
REVENUES AND INCOME			
Rental revenue (Notes 6, 7, 13 and 15)	₱2,931,701,583	₱2,191,373,718	₱2,311,083,017
Others (Note 16)	651,262,562	652,253,424	678,577,975
	3,582,964,145	2,843,627,142	2,989,660,992
NET FAIR VALUE CHANGE IN INVESTMENT PROPERTIES AND INTANGIBLE ASSETS (Notes 6 and 7)			
Increase (decrease) in fair value	(169,863,420)	413,745,524	390,393,044
Straight-line adjustments	(397,942,118)	5,548,402	75,910,884
Lease commission	(94,530,296)	(57,117,563)	(47,171,813)
	(662,335,834)	362,176,363	419,132,115
COSTS AND EXPENSES			
Utilities (Note 8)	287,634,887	254,698,669	267,535,648
Rental expense (Notes 13 and 15)	250,434,174	226,962,986	235,583,003
Repairs and maintenance	145,011,585	197,620,876	167,640,981
Service and management fees (Note 13)	188,167,704	181,617,286	181,183,979
Taxes and licenses	173,314,612	158,688,856	161,094,307
Manpower and service cost	181,997,992	147,842,302	169,623,437
Insurance	21,350,244	15,705,735	16,407,520
Others (Notes 5 and 8)	11,431,083	3,557,346	86,097,686
	1,259,342,281	1,186,694,056	1,285,166,561
OTHER INCOME (CHARGES)			
Interest and other financing charges (Notes 10 and 15)	(397,746,101)	(430,180,641)	(422,017,876)
Interest income (Notes 4, 5, 16 and 17)	21,195,974	45,860,897	43,473,559
Other income (charges) - net	(26,536)	(51,319)	(234,492)
	(376,576,663)	(384,371,063)	(378,778,809)
NET INCOME / TOTAL COMPREHENSIVE INCOME			
	₱1,284,709,367	₱1,634,738,386	₱1,744,847,737
Basic/Diluted Earnings Per Share			
(Note 18)	₱0.22	₱0.33	₱0.36

See accompanying Notes to Financial Statements.



FILINVEST REIT CORP.
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 12)	Additional Paid-in Capital (Note 12)	Unappropriated Retained Earnings (Note 12)	Total
For the Year Ended December 31, 2025				
Balance at January 1, 2025	₱2,446,388,997	₱2,518,356,922	₱36,790,638,938	₱41,755,384,857
Total comprehensive income	–	–	1,284,709,367	1,284,709,367
Issuance of new shares (Note 8)	813,001,658	5,447,111,109	–	6,260,112,767
Stock issuance cost	–	(11,354,065)	–	(11,354,065)
Cash dividends declared (Note 12)	–	–	(1,483,251,653)	(1,483,251,653)
Balances at December 31, 2025	₱3,259,390,655	₱7,954,113,966	₱36,592,096,652	₱47,805,601,273
For the Year Ended December 31, 2024				
Balance at January 1, 2024	₱2,446,388,997	₱2,518,356,922	₱36,393,773,385	₱41,358,519,304
Total comprehensive income	–	–	1,634,738,386	1,634,738,386
Cash dividends declared (Note 12)	–	–	(1,237,872,833)	(1,237,872,833)
Balances at December 31, 2024	₱2,446,388,997	₱2,518,356,922	₱36,790,638,938	₱41,755,384,857
For the Year Ended December 31, 2023				
Balances at January 1, 2023	₱2,446,388,997	₱2,518,356,922	₱36,038,474,598	₱41,003,220,517
Total comprehensive income	–	–	1,744,847,737	1,744,847,737
Cash dividends declared (Note 12)	–	–	(1,389,548,950)	(1,389,548,950)
Balances at December 31, 2023	₱2,446,388,997	₱2,518,356,922	₱36,393,773,385	₱41,358,519,304

See accompanying Notes to Financial Statements



FILINVEST REIT CORP.
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,284,709,367	₱1,634,738,386	₱1,744,847,738
Adjustments for:			
Fair value change in investment properties and intangible assets, and straight-line adjustments (Notes 6 and 7)	567,805,538	(419,293,926)	(466,303,928)
Interest expense and other financing changes (Notes 10 and 13)	397,746,101	430,180,641	422,017,876
Interest income (Notes 4, 5, 13 and 16)	(21,195,974)	(45,860,897)	(43,473,559)
Amortization of prepaid district cooling system connection charges (Note 8)	12,576,448	12,576,448	12,576,448
Operating income before changes in operating assets and liabilities	2,241,641,480	1,612,340,652	1,669,664,575
Changes in operating assets and liabilities			
Decrease (increase) in:			
Receivables	(413,584,829)	74,497,667	93,850,160
Other current assets, including creditable withholding taxes	(33,678,980)	(52,700,705)	(12,521,611)
Increase (decrease) in:			
Accounts payable and accrued expenses	9,982,877	(64,177,593)	84,114,187
Advances from tenants	(98,353,046)	44,193,466	(78,675,062)
Security and other deposits	129,334,982	2,001,408	(1,903,890)
Net cash generated from operations	1,835,342,484	1,616,154,895	1,754,528,359
Interest received	21,195,974	45,860,897	43,473,559
Net cash provided by operating activities	1,856,538,458	1,662,015,792	1,798,001,918
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties (Notes 7 and 22)	(195,170,339)	(480,143,433)	(443,215,956)
Intangible assets (Note 6)	(17,746,314)	(5,069,643)	–
Decrease in other noncurrent assets (Note 8)	19,535,107	(2,833,199)	(40,088,851)
Net cash used in investing activities	(193,381,546)	(488,046,275)	(483,304,807)
CASH FLOW FROM FINANCING ACTIVITIES			
(Note 22)			
Proceeds from availments of loans payable, net of transaction cost (Note 10)	–	5,955,000,000	5,955,000,000
Payments of:			
Cash dividends (Note 12)	(1,483,251,653)	(1,237,872,833)	(1,389,548,950)
Principal portion of lease liability (Note 15)	(2,192,873)	(2,088,451)	(1,989,001)
Stock issuance cost (Note 12)	(11,354,065)	–	–
Interest (Note 10)	(387,373,484)	(502,718,644)	(279,075,418)
Loans payable (Note 10)	–	(6,000,000,000)	–
Bonds payable (Note 10)	–	–	(6,000,000,000)
Net cash used in financing activities	(1,884,172,075)	(1,787,679,928)	(1,715,613,369)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(221,015,163)	(613,710,411)	(400,916,258)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	687,308,530	1,301,018,941	1,701,935,199
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱466,293,367	₱687,308,530	₱1,301,018,941

See accompanying Notes to Financial Statements.



FILINVEST REIT CORP.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Filinvest REIT Corp. (the “Company” or “FILRT”) was registered with the Philippine Securities and Exchange Commission (SEC) on January 14, 2000.

On December 4, 2020, the Board of Directors (BOD) approved the amendments of the Company’s articles of incorporation to change the Company’s primary purpose to engage into real estate investment trust, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including the Revised Implementing Rules and Regulations of Republic Act (RA) No. 9856 (the “REIT Act”), and other applicable laws, which business includes the following: (1) to own, invest in, purchase, acquire, hold, possess, lease, construct, develop, alter, improve, operate, manage, administer, sell, assign, convey, encumber, in whole or in part, or otherwise deal in and dispose of, income-generating real estate, within or outside the Philippines, in accordance with applicable laws and regulations; (2) to invest in, purchase, acquire own, hold, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of (a) real estate and other related assets; and (b) managed funds; (3) to receive, collect, and dispose of the rent, interest, and such other income rising from its property and investments; (4) to guaranty the obligations, debt, or loans of its subsidiaries or affiliates or any entity in which the corporation has lawful interest; and (5) to exercise, carry on or undertake such other powers, acts, activities and transactions as may be deemed necessary, convenient, or incidental to or implied from the purposes herein mentioned.

The registered office address of the Company is at 5th - 7th Floors, Vector One Building, Northgate Cyberzone, Filinvest City, Alabang, Muntinlupa City.

The Company’s parent company is Filinvest Land, Inc. (FLI), a subsidiary of Filinvest Development Corporation (FDC). Both FLI and FDC are publicly listed entities. A.L. Gotianun Inc. (ALG) is the Company’s ultimate parent company. FLI, FDC and ALG were all incorporated in the Philippines.

On August 12, 2021, the Company was listed in The Philippine Stock Exchange as a Real Estate Investment Trust (REIT) entity.

Approval of the Financial Statements

The financial statements were approved and authorized for issue by the BOD on February 9, 2026.

2. Material Accounting Policy Information

Basis of Preparation

The financial statements of the Company have been prepared using the historical cost basis, except for investment properties and intangible assets which are measured using fair value. The financial statements are presented in Philippine Peso (₱), which is the functional and presentation currency of the Company, and all amounts are rounded off to the nearest Philippine Peso unless otherwise indicated.

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.



New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The adoption of these new standards did not have an impact on the financial statements of the Company.

Amendments to PAS 21, Lack of exchangeability

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Standards, Amendments and Interpretations Issues But Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

The amendments are not expected to have a material impact on the Company's accounting of financial instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
 - Amendments to PFRS 7, *Gain or Loss on Derecognition*
 - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*



Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

The Company is currently assessing the impact of adopting PFRS 18 in its financial reporting, including its data collection process.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

- Amendments to PFRS 10 and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Material Accounting Policies

Fair Value Measurement

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy as explained above.

Financial Instruments

Financial assets and liabilities are recognized in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery or assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Recognition and Measurement of Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), or at fair value through profit or loss (FVTPL).

The Company's financial assets comprise of financial assets at amortized cost.

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- The asset is held within the Company's business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as interest income in the statement of comprehensive income.

The Company classified cash and cash equivalents, receivables and deposits (included under other noncurrent assets) as financial assets at amortized cost (see Notes 4, 5 and 8).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



Loans and borrowings consist primarily of accounts payable and accrued expenses, loans payable, security and other deposits, and lease liabilities (see Notes 9, 10, 11, and 15).

Subsequent measurement

Loans and borrowings (financial liabilities at amortized cost) is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest. The effective interest amortization is included as finance costs in the statement of comprehensive income.

Impairment of Financial Assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the lessee's deposit held or other credit enhancements that are integral to the contractual terms.

The Company applies a simplified approach in calculating ECLs for financial assets at amortized costs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each financial reporting date. The Company has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers receivables in default when contractual payments are sixty (60) days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from reputable rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or



- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability expires, is discharged or cancelled. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. The initial cost of investment properties consists of any directly attributable costs of bringing the investment properties to their intended location and working condition, including borrowing costs. Investment properties include land and buildings that are held to earn rentals and are not occupied by the Company.

Investment properties are subsequently measured at fair value, which reflects market conditions at the reporting date. The fair value of investment properties is determined by management and external valuer based on the "income approach". Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise. The fair value reported in the financial statements is reduced by the application of the straight-line method of recognizing rental income and lease commissions.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of comprehensive income the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and do not change the cost of that property for measurement or disclosure purposes.

Intangible Assets

Intangible assets pertain to build, transfer and operate (BTO) rights and ROU assets. BTO rights are measured on initial recognition based on cost of construction of the office building constructed at a land owned by Cebu Province in accordance with the BTO agreement. For the right-of-use asset related to the BTO rights, these are also classified under intangible assets.



Intangible assets are subsequently measured at fair value. The fair value of investment properties is determined by management and external valuer based on the “income approach”. Gains or losses arising from changes in the fair values of intangible assets are included in the profit or loss in the period in which they arise. The fair value reported in the financial statements is reduced by the application of the straight-line method of recognizing rental income and lease commissions.

Gains or losses arising from derecognition of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

Other Assets

Other current and noncurrent assets are recognized in the statement of financial position when it is probable that the future economic benefits will flow to the Company and the assets have cost or value that can be measured reliably. These assets are regularly evaluated for any impairment in value.

Prepaid District Cooling System (DCS) connection charges

Prepaid DCS connection charges pertain to payments related to the Build Operate Transfer (BOT) Agreement with Philippine DCS Development Corporation (PDDC), a subsidiary of FLI, related to the construction and operation by PDDC of the DCS facilities for 20 years. The BOT Agreement is not accounted for as lease since while the fulfillment of the terms and conditions of the agreement is dependent on the use of an asset (i.e., DCS facilities), the right to control the operations of such asset is not conveyed to the Company considering that: (a) the Company has no ability to operate the asset nor the right to direct PDDC to operate the asset in a manner it determines; and (b) the supply of chilled water will not be exclusive to the properties of the Company during the term of the BOT agreement. Thus, prepaid DCS connection charges are treated as prepayments and are initially recognized at cost and are subsequently amortized over the term of the supply period (i.e., 20 years) commencing on the date when the related building is connected to the DCS facility. Portion related to the connection of succeeding buildings are amortized over the remaining years of the supply period.

Advances to Suppliers

Advances to suppliers pertain to down-payments made by the Company which are applied against future billings for development and construction contracts. Advances to be applied as property and equipment or investment properties are presented as noncurrent assets.

Impairment of Nonfinancial Assets

The Company assesses at each financial reporting date whether there is an indication that its nonfinancial asset (e.g., advances to suppliers and other assets) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statement of comprehensive income.



A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to current operations.

Equity

Capital stock and additional paid-in capital

The Company records capital stock at par value and additional paid-in capital for the amount in excess of the total contributions received over the aggregate par value of the equity shares. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Retained earnings

Retained earnings represent accumulated earnings of the Company, less dividends declared and any adjustment arising from application of new accounting standards or changes in accounting policies applied retroactively. Retained earnings are restricted for any appropriation as approved by the Company's BOD.

Dividends are deducted from unappropriated retained earnings when declared and approved by the Company's BOD. Dividends payable are recorded as liability until paid or upon distribution of related property held for distribution. Dividends for the year that are declared and approved after financial reporting date, if any, are dealt with as an event after reporting date and disclosed accordingly.

Earnings per Share (EPS)

Basic EPS is computed by dividing net income applicable to common stock by the weighted average number of common shares outstanding, after considering the retroactive effect for any stock dividends, stock splits or reverse stock splits during the period.

Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding during the period, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the period, and adjusted for the effect of dilutive options.

Where the effect of the assumed conversion of the preferred shares and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Revenue Recognition

The Company is in the business of leasing its investment property portfolio. The Company's non-lease performance obligations include common area management and administration of utility services.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangement against specific criteria in order to determine if it is acting as a principal or an agent.

Rental Revenue

Rental revenue is recognized in the statement of comprehensive income either on a straight-line basis over the lease term or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Leases under contingent rents are recognized as income in the period in which they are earned.



Common usage service area charges

Common usage service area charges are recognized when the related services are rendered. The Company has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, and electricity in its office leasing activities, wherein it is acting as agent.

Income from common area and air conditioning dues is computed based on a fixed rate per square meter of the leasable area occupied by the tenant and are presented gross of related cost and expenses.

Interest income

Interest is recognized as it accrues taking into account the effective yield on the underlying asset.

Other income

Other income is recognized when the related services have been rendered and the right to receive payment is established.

Costs and Expense Recognition

These include the Company's costs incurred in leasing properties and expenses related to administering its business. These are generally recognized as incurred and measured at the amount paid or payable.

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the report date.

Deferred tax

Deferred tax is provided on all temporary differences at the report date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluation. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be used.

Incentive Under REIT Law

Upon listing as a REIT entity, the Company is granted an incentive under the REIT Law provided that it meets certain conditions (e.g., distribution of minimum required earning equivalent to at least 90% of distributable income). Under the tax incentive scheme, the Company can choose to operate within one or two tax regimes (a "full tax" regime or a "no tax" regime) depending on whether profits are retained or distributed.

The Company availed of the tax-free incentive and no deferred taxes have been recognized on temporary differences.

Leases

Company as lessor

Leases where the Company does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income on operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.



Company as lessee

Except for short-term leases and lease of low-value assets, the Company applies a single recognition and measurement approach for all leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use-assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

The Company classifies its right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned. Right-of-use assets are subsequently measured at fair value consistent with the accounting policy for intangible assets and this is integrated into the fair value of the intangible asset.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Segment Reporting

The Company's operating businesses are organized and managed according to the nature of the products and services provided. The Company has determined that it is operating as one operating segment as of December 31, 2025 and 2024 (see Note 19).

Events After the Financial Reporting Date

Post year-end events up to the date of the auditor's report that provide additional information about the Company's position at the financial reporting date (adjusting events) are reflected in the financial statements. Any year-end events that are not adjusting event is disclosed in the notes to the financial statements when material.

3. Significant Accounting Judgments, Estimates, and Assumptions

The preparation of the financial statements in compliance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the financial statements as they become reasonably determinable.



Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Adoption of a 'no tax' regime for the Company

As a REIT entity, the Company can choose to operate within one of two tax regimes (i.e., a 'full tax' regime or a 'no tax' regime). The REIT entity can effectively operate under a 'no tax' regime if it meets certain conditions (e.g., listing status, minimum required dividend payments). A REIT entity is required to distribute at least 90% of its annual income as dividends to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an income tax-free entity.

As of December 31, 2025 and 2024, the Company met the provisions of the REIT law and complies with the 90% dividend distribution requirement. The Company has determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it can effectively operate on a "no-tax" regime. Accordingly, the Company has not recognized deferred taxes as of December 31, 2025 and 2024 (see Note 14).

Operating lease commitments - Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on the evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the investment property, that it retains all the significant risks and rewards of ownership of these properties and accounts for these contracts as operating lease (see Note 15).

Build Transfer Operate (BTO) Agreement with Cebu Province - Company as operator

Based on the BTO agreement with The Province of Cebu (Cebu Province) to develop, construct, and operate the Business Process Outsourcing (BPO) Complex at the land properties owned by Cebu Province (see Note 6), the Company has assessed that the Cebu Province (Grantor) cannot control or regulate the services that the operator must provide using the infrastructure, to whom it must provide them and at what price. Due to this, the BTO agreement is assessed to be outside the scope of IFRIC 12, *Service Concession Arrangements*.

The Company, on the other hand, has the right to operate and earn rentals from the project but does not have ownership over the properties. Accordingly, the related development cost and lease payments were recorded under "BTO rights" presented under intangible assets in the statement of financial position (see Note 6).

Determining the lease term – Company as lessee

The Company has lease contract for the land where the investment properties and BTO rights are situated that includes an extension and a termination option. The Company applies judgment in evaluating whether or not it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is significant event or change in circumstances within its control and affects its ability to exercise the option to renew or terminate the lease contract.



Use of Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the report date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company is calibrating the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., GDP, inflation) are expected to deteriorate over the next year which can lead to an increase in the rental rates, the historical default rates are adjusted. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Company also considers the security deposit and advance rentals in the determination of the expected credit loss.

The Company recognized provision for (reversal of) expected credit loss amounting to ₱5.7 million, (₱5.8 million) and ₱6.5 million in 2025, 2024 and 2023, respectively. As of December 31, 2025 and 2024, the Company's allowance for ECL on trade receivables amounted to ₱12.8 million and ₱7.2 million, respectively (see Note 5).

Determining fair values of investment properties and intangible assets

The Company reviews the fair value of its investment properties and intangible assets with reference to external independent property valuations and market conditions existing at reporting date, using income approach which is based on the assets' discounted cash flows. The assumptions underlying estimated fair values are those relating to growth rate and discount rates that reflect current market conditions. The property valuations have been prepared based on the information that is currently available.

The fair value of investment properties and intangible assets amounted to ₱51,922.0 million and ₱2,797.4 million as of December 31, 2025, respectively, and ₱45,617.5 million and ₱2,798.7 million as of December 31, 2024, respectively (see Notes 6 and 7). The net fair value changes recognized in profit or loss amounted to decrease of ₱662.3 million, increase of ₱362.2 million and increase of ₱419.1 million in 2025, 2024 and 2023, respectively.

Impairment assessment of nonfinancial assets carried at cost

The Company assesses at each financial reporting date whether there is any indication that the nonfinancial assets carried at cost may be impaired. The Company considers indications of impairment such as significant changes in asset usage, significant decline in market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. If such indication exists, the Company estimates the recoverable amount of the asset, which is the higher of the asset's fair value less cost to sell and value in use.

In 2023, the Company recognized provision for probable losses on other current and noncurrent assets amounting to ₱11.1 million and ₱61.7 million, respectively (nil in 2025 and 2024; see Note 8).



4. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	₱313,651,531	₱462,638,247
Cash equivalents	152,641,836	224,670,283
	₱466,293,367	₱687,308,530

Cash in banks earn interest at their respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three (3) months or less from dates of placement and are subject to an insignificant risk and change in value and earned interest at prevailing short-term investment ranging from 3.00% to 6.00%, 4.00% to 6.40% and 2.50% to 5.50% in 2025, 2024 and 2023, respectively.

Interest earned from cash and cash equivalents amounted to ₱14.3 million, ₱40.5 million, ₱35.7 million in 2025, 2024 and 2023, respectively (see Note 17).

There is no restriction on the Company's cash and cash equivalents as of December 31, 2025 and 2024.

5. Receivables

This account consists of:

	2025	2024
Trade receivables (Note 13)	₱106,062,415	₱84,744,294
Less: Allowance for ECL	12,827,842	7,152,432
	₱93,234,573	₱77,591,862

Movements in the Company's allowance for ECL on trade receivables follow:

	2025	2024
Balance at beginning of year	₱7,152,432	₱14,217,760
Provision (reversal)	5,675,410	(5,837,001)
Write off	-	(1,228,327)
Balance at end of year	₱12,827,842	₱7,152,432

Trade receivables represent charges to tenants for rentals and utilities which are normally collectible within 20 days from billing date. Lease contracts provide that all overdue and unpaid rent, dues and charges are subject to interest of 18% per annum and penalty at range of 18%-24% per annum. Interest and penalties from late payments amounted to ₱6.9 million, ₱5.4 million and ₱7.7 million in 2025, 2024 and 2023, respectively (see Note 17).



6. Intangible Assets

The rollforward analysis of intangible assets follows:

	2025	2024
Balance at beginning of year	₱2,798,729,000	₱2,789,180,000
Additions	17,746,314	5,069,643
Reclassification (Note 7)	-	3,487,100
Increase (decrease) in fair value	(19,078,314)	992,257
Balance at end of year	₱2,797,397,000	₱2,798,729,000

“Intangible assets” relate to the fair value of the BTO rights and right-of-use assets related to Cyberzone Cebu Tower 1 constructed at the land properties owned by The Province of Cebu (Cebu Province) (see Note 20).

The BTO rights relate to the BTO agreement entered into by FLI with Cebu Province in March 2012 and was subsequently assigned to the Company in August 2012. The BTO project relates to the development, construction, and operation of BPO Complex by the Company at the land properties owned by Cebu Province located at Salinas, Lahug Cebu City. Under the BTO agreement, the Company shall have a period of 25 years from the start of operation to operate and manage the BPO complex, renewable for another 25 years upon the parties’ mutual agreement. On April 22, 2015, FLI and Cebu Province agreed to extend the initial term of twenty-five (25) year for an additional period of five (5) years.

Rental income recognized arising from the BTO rights amounted to ₱166.0 million, ₱170.2 million, and ₱170.0 million in 2025, 2024 and 2023, respectively. The net fair value changes recognized in the statements of comprehensive income includes straight-line adjustment on rental income amounting to (₱6.9 million), ₱4.7 million, and (₱1.5 million) in 2025, 2024 and 2023, respectively.

Tenant dues from BTO rights amounted to ₱61.9 million, ₱68.2 million, and ₱67.3 million in 2025, 2024 and 2023, respectively (see Note 16). Cost directly related to tenant dues amounted to ₱63.9 million, ₱63.8 million and ₱60.1 million in 2025, 2024 and 2023, respectively.

Cost and expenses, including cost directly related to tenant dues, incurred for maintaining and operating these assets amounted to ₱77.4 million, ₱82.3 million, and ₱86.8 million in 2025, 2024 and 2023, respectively.

7. Investment Properties

The rollforward analyses of this account follow:

	2025	2024
Balance at beginning of year	₱45,617,481,000	₱45,094,555,000
Increase (decrease) in fair value	(150,785,106)	412,753,267
Additions (Note 12)	6,455,283,106	113,659,833
Reclassification (Note 6)	-	(3,487,100)
Balance at end of year	₱51,921,979,000	₱45,617,481,000



The investment properties consist of 16 mixed-use office building located in Filinvest Cyberzone Alabang, Muntinlupa and three (3) parcels of land located in Boracay Island. These investment properties are currently leased to third parties and are carried at fair value (see Note 20).

In May 2025, upon securing relevant regulatory approvals, the Company recognized the acquisition of the Festival Mall-Main Building from FLI on a property-for-share swap arrangement amounting to ₱6,260.1 million (see Note 12). Additions to investment properties includes charges directly attributable to acquisition of the Festival Mall-Main Building amounting to ₱62.6 million.

Rental income from investment properties amounted to ₱2,765.7 million, ₱2,021.2 million, and ₱2,141.1 million in 2025, 2024 and 2023, respectively. Tenant dues from investment properties amounted to ₱589.4 million, ₱584.1 million, and ₱611.3 million in 2025, 2024 and 2023 respectively (see Note 16). The net fair value changes recognized in the statements of comprehensive income includes straight-line adjustment on rental income amounting to ₱404.8 million, ₱0.8 million, and ₱77.4 million in 2025, 2024 and 2023, respectively.

Cost and expenses incurred for maintaining and operating these investment properties amounted to ₱1,213.1 million, ₱1,104.4 million, and ₱1,198.4 million in 2025, 2024 and 2023, respectively.

The Company has no contractual obligations to acquire investment properties as of December 31, 2025 and 2024. As of December 31, 2025, investment properties are not used as collateral and are not subject to any existing liens and encumbrances.

8. Other Assets

Other current assets consist of:

	2025	2024
Input VAT - net	₱292,924,984	₱285,109,694
Prepayments	1,753,695	98,391
Others	32,222,956	45,831,571
	326,901,635	331,039,656
Less: Allowance for probable losses	-	11,049,789
	₱326,901,635	₱319,989,867

Input Value Added Tax (VAT) represents the taxes imposed to the Company by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulation. This will be used against future output VAT liabilities or will be claimed as tax credits. Management has estimated that all input VAT are recoverable at its full amount.

Prepayments consist of prepaid expenses for financial charges, taxes and licenses, insurance and association dues.

Others include office and maintenance supplies. In 2023, the Company recognized provision for probable losses on other current assets amounting to ₱11.0 million and presented as part of "Others" in the cost and expense section in the statement of comprehensive income (nil in 2025 and 2024). In 2025, the allowance for probable losses was written off.



Other noncurrent assets consist of:

	2025	2024
Creditable withholding taxes	₱148,878,963	₱122,111,751
Prepaid DCS connection charges (Note 13)	146,725,227	159,301,675
Deposits	53,806,246	53,806,246
Advances to suppliers	44,862,216	64,397,323
	394,272,652	399,616,995
Less: Allowance for probable losses	61,705,538	61,705,538
	₱332,567,114	₱337,911,457

Creditable withholding taxes are attributable to taxes withheld by third parties arising from income. In 2023, the Company recognized provision for probable losses on creditable withholding taxes amounting to ₱61.7 million and presented as part of “Others” in the cost and expense section in the statement of comprehensive income (nil in 2025 and 2024).

Prepaid DCS connection charge is amortized using straight line method based on the contract period of connection. Amortization of connection fee amounting to ₱12.6 million in 2025, 2024 and 2023 is presented as “Utilities” in the statement of comprehensive income.

The rollforward analysis of Prepaid DCS connection charges follows:

	2025	2024
Cost		
Balance at beginning and end of year	₱247,677,426	₱247,677,426
Accumulated Amortization		
Balance at beginning of year	88,375,751	75,799,303
Amortization	12,576,448	12,576,448
Balance at end of year	100,952,199	88,375,751
Net Book Value	₱146,725,227	₱159,301,675

Deposits pertain to electric meter deposits and security deposits.

Advances to suppliers represent advances for capital expenditure of the projects. The advances shall be settled through recoupment against billings.

9. Accounts Payable and Accrued Expenses

This account consists of:

	2025	2024
Accrued expenses (Note 13)	₱629,881,150	₱562,464,351
Payable to contractors	108,121,446	159,192,430
Due to related parties (Note 13)	105,027,953	93,353,823
Withholding taxes payable	12,304,419	14,997,956
Payable to suppliers	13,400,109	21,911,489
Retention payable	8,138,767	14,970,918
	₱876,873,844	₱866,890,967



Accrued expenses account consists of:

	2025	2024
Taxes	₱201,713,817	₱186,566,716
Interest (Note 10)	34,753,310	35,119,710
Utilities	45,616,091	42,036,679
Manpower	49,676,299	31,995,921
Management fee	25,415,343	7,316,750
Insurance	8,468,242	2,947,520
Repairs and maintenance	5,044,888	31,995,123
Others	259,193,160	224,485,932
	₱629,881,150	₱562,464,351

Accrued expenses include accruals for interest on loans payable, utilities, repairs and maintenance, service and energy charges, outside services, building improvements and other expenses. These are normally settled within the year.

Payable to contractors arises from progress billings received from contractors for the building improvements incurred by the Company.

Withholding taxes payable pertains to expanded withholding taxes. These are normally settled within one (1) month.

Payable to suppliers arise from various acquisitions of materials and supplies used for building operations, repairs and maintenance and are normally payable within up to one year.

Retention payable account pertains to the amounts withheld by the Company from contractors' progress billings which are returned upon completion of their services or expiry of the contractors' warranty period.

10. Bonds Payable and Loans Payable

Bonds Payable

On July 7, 2017, the Company issued fixed rate bonds with aggregate principal amount of ₱6,000.0 million and term of five and a half (5.5) years from the issue date. The fixed rate is 5.05% per annum, payable quarterly in arrears starting October 7, 2017. The Company completed the payment on January 9, 2023 in the aggregate amount of ₱6,000.0 million.

No outstanding balance on bonds payable as of December 31, 2025 and 2024.

Loans Payable

On January 5, 2023, the Company obtained bilateral loans amounting to ₱6.0 billion to refinance the bond maturity due on January 9, 2023. These were comprised of a 2-year, ₱3.0 billion fixed rate loan, and a 2-year, ₱3.0 billion floater rate loan repriced semi-annually using the 6-month BVAL or reverse purchase rate (RRP) plus spread, whichever is higher. On December 27, 2024, these loans were pre-terminated and were paid in full.



Subsequently, on the same date, the Company obtained bilateral loans amounting to ₱6.0 billion. These were comprised of a 5-year, ₱3.0 billion fixed rate loan, payable in lumpsum with maturity date on December 27, 2029 and a 7-year, ₱3.0 billion fixed rate loan, payable in quarterly installments starting March 27, 2027 up to December 27, 2028, and remaining amount by maturity date on December 27, 2031.

As of December 31, 2025 and 2024, the Company's outstanding loans payable amounted to ₱5,963.0 million and ₱5,955.1 million, respectively.

Total interest expense charged to the statements of comprehensive income amounted to ₱387.0 million, ₱413.0 million and ₱389.2 million in 2025, 2024 and 2023, respectively.

Amortization of debt issuance and transaction costs included under "Interest and other financing charges" in the statements of comprehensive income amounted to ₱7.9 million, ₱14.7 million and ₱30.4 million in 2025, 2024 and 2023, respectively.

The rollforward analysis of unamortized transaction costs of loans payable are as follows:

	2025	2024
Balance at beginning of the year	₱44,854,979	₱14,584,164
Additions	-	45,000,000
Amortization of transaction costs	(7,896,342)	(14,729,185)
Balance at end of the year	₱36,958,637	₱44,854,979

The Company's loans payable is unsecured, and no assets are held as collateral for these debts. The agreements covering the above-mentioned loans require maintaining certain financial ratios including a maximum debt-to-equity ratio of 3.0x and a maximum leverage ratio of either 35% of deposited properties or 70% of deposited properties if the Borrower has a publicly disclosed investment grade credit rating by a SEC-accredited or internationally recognized rating agency.

11. Security and Other Deposits

Security and other deposits are applied to any outstanding obligations of the tenants at the end of the lease term or upon pre-termination. The current and noncurrent portion of security and other deposits follows:

	2025	2024
Current portion	₱131,784,150	₱228,171,249
Noncurrent portion	758,312,588	532,590,507
	₱890,096,738	₱760,761,756



12. Equity

Paid-up Capital

Details of the Company's capital stock as of December 31, 2025 and 2024 follow:

	2025		2024	
	Shares	Amount	Shares	Amount
Authorized number of shares	14,263,698,000	₱7,131,849,000	14,263,698,000	₱7,131,849,000
Issued and outstanding	6,518,781,310	3,259,390,655	4,892,777,994	2,446,388,997

On January 24, 2025, the Company's Related-Party Transaction Committee and BOD unanimously approved the issuance of an aggregate of 1,626,003,316 primary common shares to FLI at an issue price of ₱3.85 per share in exchange for 'Festival Mall-Main Mall', located at Filinvest City, Alabang, Muntinlupa City (the "Property") under a tax-free property-for-share swap transaction (the "Transaction"). The shares will be issued at a total value of ₱6,260.11 million.

The Transaction was then subsequently approved by the Company's stockholders on a special meeting held on March 4, 2025. On March 5, 2025, the Company and FLI executed the Memorandum of Agreement and the Deed of Exchange. On March 6, 2025, the Company submitted to the SEC its request for confirmation of valuation of the Property and confirmation of exemption from registration. On May 27, 2025, the SEC issued the Certificate of Approval of Valuation for the Transaction. The Company issued the related shares on May 29, 2025.

Below is the summary of the outstanding number of common shares and holders of security:

Year	Number of Shares Registered	Number of Holders of Securities
January 1, 2024	₱4,892,777,994	16,319
Add/(deduct) movement	–	4,362
December 31, 2024	4,892,777,994	20,681
Add/(deduct) movement	1,626,003,316	3941
December 31, 2025	₱6,518,781,310	24,622

The Company's Net Asset Value (NAV) amounted to ₱47,805.6 million, ₱41,755.4 million and ₱41,358.5 million as of December 31, 2025, 2024 and 2023, respectively. The NAV per share amounted to ₱7.3, ₱8.5 and ₱8.5 as of December 31, 2025, 2024 and 2023, respectively.

Retained Earnings

Declaration of Cash Dividends

The following table shows the cash dividends declared by the Company's BOD on the outstanding capital stock:

Dividend Declaration	Record Date	Dividend per Common Share	Total Dividends Declared	Payment Date
February 14, 2023	March 03, 2023	0.071	347,387,237	March 24, 2023
May 31, 2023	June 15, 2023	0.071	347,387,237	June 30, 2023
August 10, 2023	August 31, 2023	0.071	347,387,238	September 20, 2023
November 29, 2023	November 30, 2023	0.071	347,387,238	December 15, 2023
February 26, 2024	March 11, 2024	0.067	327,816,125	March 26, 2024
May 10, 2024	May 24, 2024	0.062	303,352,236	June 7, 2024
August 8, 2024	August 27, 2024	0.062	303,352,236	September 6, 2024
November 6, 2024	November 20, 2024	0.062	303,352,236	December 6, 2024



Dividend Declaration	Record Date	Dividend per Common Share	Total Dividends Declared	Payment Date
February 25, 2025	March 12, 2025	0.062	303,352,236	March 25, 2025
June 3, 2025	June 20, 2025	0.062	404,164,441	June 27, 2025
August 6, 2025	August 20, 2025	0.062	404,164,441	September 6, 2025
November 5, 2025	November 20, 2025	0.057	371,570,535	December 5, 2025

The Company's retained earnings available for dividend declaration as of December 31, 2025, 2024 and 2023 amounted to ₱2,634.4 million, and ₱2,663.1 million, and ₱2,680.0 million, respectively.

The dividend per share was computed as:

	2025	2024	2023
a. Dividends	₱1,483,251,653	₱1,237,872,832	₱1,389,548,950
b. Weighted average number of outstanding common shares	5,859,470,376	4,892,777,994	4,892,777,994
Dividend per share (a/b)	₱0.25	₱0.25	₱0.28

Distributable Income under the IRR of REIT Act of 2009

Under the Revised Implementing Rules and Regulations of REIT Act of 2009, section 4c, the Company shall present a computation of its distributable dividend taking into consideration requirements under the Act and the Rules. Distributable income is not a measure of performance under the PFRS Accounting Standards.

The computation of distributable income as presented by the Management of the Company as at December 31, 2025, 2024 and 2023 is shown below:

	2025	2024	2023
Net income	₱1,284,709,367	₱1,634,738,386	₱1,744,847,737
Unrealized losses (gains) on fair value change in investment properties and intangible assets	169,863,420	(413,745,524)	(390,393,044)
Distributable income	₱1,454,572,787	₱1,220,992,862	₱1,354,454,693

Capital Management

The Company's primary objective is to maintain its current sound financial condition and strong debt service capabilities, as well as to continuously implement a prudent financial management program. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. It closely monitors its capital and cash positions and carefully manages its capital expenditures. The Company may seek other sources of funding, such debt or equity issues, depending on its financing needs and market conditions. The Company monitors capital using a debt-to-equity ratio, which is total long-term debt divided by total stockholders' equity. Debt, includes interest-bearing loans and external borrowings whether in the form of long-term notes, bonds, and lease liabilities.



The following table shows how the Company computes for its debt-to-equity ratio:

	2025	2024	2023
Loans payable (Note 10)	₱5,963,041,363	5,955,145,021	5,985,415,836
Lease liabilities (Note 15)	29,395,469	29,112,067	28,745,304
	5,992,436,832	5,984,257,088	6,014,161,140
Equity	47,805,601,273	41,755,384,857	41,358,519,304
Debt-to-equity ratio	0.13:1	0.14:1	0.15:1

As a REIT entity, the Company is subject to externally imposed capital requirements from its debt covenants and based on the requirements of the Aggregate Leverage Limit under the REIT Implementing Rules and Regulations. Section 8 of the REIT Implementing Rules and Regulations provides that, the total borrowings and deferred payments of a REIT should not exceed thirty-five percent (35%) of its Deposited Property; provided, however, that the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed thirty-five percent (35%) but not more than seventy percent (70%) of its Deposited Property. Provided, further, that in no case shall a Fund Manager, borrow for the REIT from any of the funds under its management.

As of December 31, 2025, 2024 and 2023, the fair value of the deposited properties amounted to ₱55,938.4 million, ₱49,839.0 million and ₱49,946.2 million resulting to a debt ratio of 14.5%, 16.2%, and 17.2%, respectively. The Company is compliant with this Aggregate Leverage Limit.

13. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred herein as affiliates). Related parties may be individuals or corporate entities.

All material Related Party Transactions (“RPT”) with a transaction value that reaches ten percent (10%) of the Company’s total assets shall be subject to the review by the RPT Committee.

Transactions that were entered into with an unrelated party that subsequently becomes a related party shall be excluded from the limits and approval of the Policy on Related Party Transactions (“Policy”). However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after a non-related party becomes a related party, shall subject it to the provisions of the Policy. In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the Policy.

Outstanding balances as at December 31, 2025 and 2024 are unsecured, interest free and require settlement in cash, unless otherwise stated. As of December 31, 2025 and 2024, the Company has not made any provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.



A summary of the Company's related party transactions are shown in the table below:

2025					
	Amount/ Volume	Outstanding balance	Terms	Conditions	Note
Bank under common control					
Cash and cash equivalents	(P166,994,334)	P233,732,881	0.25% to 5.50%	No impairment	13 (a)
Interest income	932,690	-			
		P233,732,881			
Trade receivables (Note 5)					
<i>Parent Company</i>					
Rental revenue	P381,848,274	P-	Noninterest-bearing; due and demandable	Unsecured	13 (b)
<i>Affiliate</i>					
Rental revenue	237,458,712	9,335,187	Noninterest-bearing; collectible every 20 th day of the month	Unsecured	13 (b)
		P9,335,187			
Other noncurrent asset (Note 8)					
<i>Affiliate</i>					
DCS connection charge	P-	P247,677,426		No impairment	13 (c)
Amortization	(12,576,448)	(100,952,199)			
		P146,725,227			
Accounts payable and accrued expenses (Note 9)					
<i>Parent Company</i>					
Rental expense	(P217,603,274)	(P1,061,360)	Noninterest-bearing; payable on demand	Unsecured	13 (c)
<i>Affiliate</i>					
Rental expense	(31,330,890)	-	Noninterest-bearing	Unsecured	13 (d)
Asset acquisition	(62,601,410)	-	Noninterest-bearing	Unsecured	13 (f)
Service and energy fees	(360,029,516)	(32,808,527)	Noninterest-bearing	Unsecured	13 (d)
Service fee	(19,102,274)	-	Noninterest-bearing; payable on demand	Unsecured	13 (d)
Management fee and manpower cost	(168,205,534)	(24,267,611)	Noninterest-bearing; payable on demand	Unsecured	13 (d)
Commission	(67,187,508)	-			
		(P58,137,498)			
Other noncurrent liabilities					
<i>Parent Company</i>					
Security deposit	(P133,864,160)	(P143,547,183)	Noninterest-bearing; refundable at the end of lease term	Unsecured	13 (b, c)
<i>Affiliate</i>					
Security deposit	(19,048,665)	(67,954,077)	Noninterest-bearing; refundable at the end of lease term	Unsecured	13 (b)
2024					
	Amount/ Volume	Outstanding balance	Terms	Conditions	Note
Bank under common control					
Cash and cash equivalents	(P174,979,483)	P350,727,216	0.25% to 5.50%	No impairment	13 (a)
Interest income	5,412,987	-			
		P350,727,216			
Trade receivables (Note 5)					
<i>Parent Company</i>					
Rental revenue	P45,045,847	P152,184	Noninterest-bearing; due and demandable	Unsecured	13 (b)
<i>Affiliate</i>					
Rental revenue	240,832,740	9,258,972	Noninterest-bearing; collectible every 20 th day of the month	Unsecured	13 (b)
		P9,411,156			
Other noncurrent asset (Note 8)					
<i>Affiliate</i>					
DCS connection charge	P-	P247,677,426		No impairment	13 (c)
Amortization	(12,576,448)	(88,375,751)			
		P159,301,675			



	2024				
	Amount/ Volume	Outstanding balance	Terms	Conditions	Note
<u>Accounts payable and accrued expenses (Note 9)</u>					
<i>Parent Company</i>					
Rental expense	(P222,076,088)	(P440,522)	Noninterest-bearing; payable on demand	Unsecured	13 (c)
Asset acquisition (Note 7)	(352,389,360)	–	Noninterest-bearing; payable quarterly up December 2024	Unsecured	13 (f)
<i>Affiliate</i>					
Service and energy fees	(307,798,766)	(4,920,170)	Noninterest-bearing	Unsecured	13 (d)
Service fee	(17,751,296)	–	Noninterest-bearing; payable on demand	Unsecured	13 (d)
Management fee and manpower cost	(162,187,811)	(29,914,536)	Noninterest-bearing; payable on demand	Unsecured	13 (d)
Commission	(27,196,825)	–			
		(P35,275,228)			
<u>Other noncurrent liabilities</u>					
<i>Parent Company</i>					
Security deposit	(P1,453,153)	(P10,207,472)	Noninterest-bearing; refundable at the end of lease term	Unsecured	13 (b)
<i>Affiliate</i>					
Security deposit	(14,692,832)	(43,804,941)	Noninterest-bearing; refundable at the end of lease term	Unsecured	13 (b)

Significant related party transactions are as follows.

- a) The Company maintains savings accounts and short-term deposits with East West Banking Corporation (EW), an affiliated bank. Cash and cash equivalents earn interest at the prevailing short-term investment rates.
- b) *Lease agreements with related parties - Company as lessor*

The Company, as a lessor, has office and retail space rental agreements with the following related parties:

Related Party	Lease period
Parent Company (FLI)	December 6, 2021 to December 5, 2031 May 29, 2025 to September 30, 2056
Entities under common control	
Filinvest Alabang Inc. (FAI)	September 2, 2024 to September 1, 2029 April 1, 2021 to March 31, 2031
Chroma Hospitality Inc.	May 2, 2017 to June 1, 2027
Hospitality Enterprise Resources	May 2, 2017 to June 1, 2027
Sharepro Inc.	July 1, 2022 to March 31, 2031
Filinvest Cyberparks Inc. (FCI)	August 1, 2022 to January 31, 2033 July 1, 2021 to June 30, 2026
ProOffice Works Services Inc.	October 15, 2022 to January 14, 2028
Filinvest Hospitality Corp.	May 2, 2017 to June 1, 2027
Filinvest Development Corp.	April 1, 2024, to April 30, 2027
Freit Fund Managers Inc.	March 1, 2024 to April 28, 2033
Filinvest Business Services Corporation	December 1, 2024 to February 29, 2028 November 15, 2023 to November 14, 2028

(Forward)



Related Party	Lease period
OurSpace Solutions, Inc (OSSI)	June 15, 2022 to September 14, 2032 August 1, 2023 to September 14, 2032
Boracay Seascapes Inc.	January 1, 2023 to December 31, 2062
Philippine DCS Development Corp.	April 1, 2025 to May 31, 2030

c) *Lease agreements with related parties - Company as lessee*

The Company, as a lessee, entered into a land lease agreement with FLI on the location of the buildings currently leased to third parties and on those still under construction. Rental expense is based on certain percentages of the Company's gross rental income.

The terms of the Company's lease agreement, as amended in 2021, follows (see Note 15):

- rental rates shall be solely variable (10% or 15% based on Gross Lease Income); and,
- in case of redevelopment, FLI and the Company shall mutually agree on the minimum monthly rent during construction period.
- lease period shall be in full force and effect for a period of 50 years which shall commence on February 11, 2021 and shall expire on February 10, 2071.

The Company, FLI and FAI entered into a Deed of Partial Assignment of Contract of Lease whereby FLI assigned, transferred and conveyed its rights and interest under its original contract of lease with FAI to the Company, in so far as it relates to the Festival Mall-Main Building. Rental rates shall be 10% of gross lease income derived from the lease of the Main Building effective May 29, 2025 and shall expire on September 30, 2056, renewable for another 25 years.

d) *Service agreements with related parties*

- The Company entered into a service agreement with FAI whereby the Company shall pay service fees for certain services rendered by the latter for the operations of the Company. FAI is also the provider of water services within the Filinvest City where majority of the buildings of the Company are located
- The Company entered into a service agreement with FCI, whereby the Company shall lease out a portion of its office space and perform accounting and administrative services to the latter for a fee.
- The Company entered into a service agreement with FDC Retail Electricity Sales, Corporation (FDC RES), an entity under common control, whereby the Company shall engage and pay the services rendered by the latter to provide the electricity requirements of its facilities.
- The Company entered into a service agreement with ProOffice, whereby the Company shall engage and pay the services rendered by the latter to operate maintain, manage, and market each Property, subject to the overall management and directions of the Fund Manager.
- The Company entered into a service agreement with FREIT Fund Manager, Inc. (FFMI), an affiliate, whereby the Company shall engage and pay the services rendered by the latter to execute and implement the investment strategies for the Company.
- The Company entered into a facilities management agreement with Professional Operations and Maintenance Experts Incorporated (PROMEI), an affiliate, whereby the Company shall engage and pay the services rendered by the latter to operate and maintain its equipment and premise.



- The Company entered into a service agreement with Filinvest Business Services Corporation (FBSC), formerly Corporate Technology, Inc (CTI), whereby the Company shall engage and pay for varied information and technology services. Services shall include application development, apps support and system maintenance, system application, software licensing and administration, internet bandwidth allocation, network, database and server management plus desktop and telecom support.
- e) *BOT Agreement*
On September 16, 2015, the Company entered into a BOT agreement with PDDC. The BOT agreement relates to the construction and operation by PDDC of the DCS facilities for 20 years, during which PDDC will supply chilled water for the provision of cooling energy to the properties of the Company within Northgate Cyberzone, Muntinlupa City.
- In accordance with the terms of the BOT agreement between the Company and PDDC, the Company prepaid DCS connection charges to PDDC to be consumed by existing and future buildings within Northgate Cyberzone in Muntinlupa City over the service period of 20 years.
- f) *Asset Acquisition*
On December 12, 2022, the Company purchased 3 parcels of land located in Barangay Yapak, Boracay with an aggregate area of 29,086 sqm from FDC. The parties agreed to a total purchase price of ₱1,047.1 million, ₱314.1 million, representing 30% of purchase price, payable upon signing of the agreement and the remaining 70% amounting to ₱732.9 million payable in equal quarterly installment up to December 2024. The land and related liability were carried at present value of future cash flow amounting to ₱1,021.8 million and ₱683.3 million, respectively.
- g) *Property-for-share-swap*
In May 2025, the Company issued 1,626,003,316 shares to FLI in relation to the property-for-share swap arrangement for the acquisition of the Festival Mall-Main Building amounting to ₱6,260.1 million (see Notes 7 and 12). Acquisition fee related to this transaction paid to FFMI, capitalized as part of investment properties, amounted to ₱62.6 million.

Key Management Personnel

The key management functions of the Company are handled by FCI. The compensation of said employees is paid by FLI and FCI and as such, the necessary disclosure required under PAS 23, *Related Party Disclosures*, are included in the FLI and FCI's financial statements.

14. Income Tax

Effective August 12, 2021, as a REIT entity, the Company is entitled to the following: (a) not subject to 2% minimum corporate income tax (MCIT), (b) exemption from value-added tax (VAT) and documentary stamp tax (DST) on the transfer of property in exchange of its shares, (c) deductibility of dividend distribution from its taxable income, and (d) fifty percent (50%) of the standard DST rate of the transfer of real property into the Company, including the sale or transfer of any and all security interest there to, provided they have complied with the requirements under RA No. 9856 and Implementing Rules and Regulations (IRR) of RA No. 9856.



In 2025, 2024 and 2023, the Company has not recognized deferred tax assets from NOLCO amounting to ₱630.5 million (tax effect of ₱157.6 million), ₱368.8 million (tax effect of ₱92.2 million) and ₱347.9 million (tax effect of ₱87.0 million), respectively, as management believes that it is not probable that sufficient taxable profit will be available to allow the benefit of the deferred tax assets to be utilized in the future.

The reconciliation of provision for income tax at the statutory tax rate to provision for income tax shown in the statements of comprehensive income follows:

	2025	2024	2023
Tax at statutory rate	₱321,177,343	₱408,684,597	₱436,211,934
Adjustments for:			
Additional deductible expense from dividends	(392,756,574)	(309,468,208)	(347,387,238)
Movements in unrecognized deferred taxes	75,143,364	(89,097,120)	(79,895,896)
Interest income subjected to final tax	(3,564,133)	(10,119,269)	(8,928,800)
	₱-	₱-	₱-

On June 6, 2000, the Company was registered with the Philippine Economic Zone Authority (PEZA) pursuant to the provisions of Republic Act 7916 as an Economic Zone (ECOZONE) Facilities Enterprise. As a registered enterprise, the Company is entitled to certain tax benefits and non-tax incentives such as exemption from payment of national and local taxes and in lieu thereof a special tax rate of five percent (5%) of gross income. The Company is also entitled to zero percent (0%) value added tax for sales made to ECOZONE enterprises.

15. Leases

Company as lessee

The Company has lease contracts for land as of January 1, 2019. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company has entered into land lease arrangements with lease terms of between 25 and 40 years. There are several leases that include extension option to lease the assets for additional 25 years based on mutual agreement of the parties. The remaining lease term of the ROU assets is 18 years.

As of December 31, 2025 and 2024, the right-of-use is recognized as part of intangible assets.

The following are the amounts recognized in the statement of comprehensive income:

	2025	2024	2023
Interest expense on lease liabilities (included in interest and other finance charges)	₱2,476,275	₱2,455,214	₱2,414,540
Rental expense (variable land lease payments)	250,434,174	226,962,986	235,583,003
	₱252,910,449	₱229,418,200	₱237,997,543



The rollforward analysis of lease liabilities follows:

	2025	2024
At January 1	₱29,112,067	₱28,745,304
Interest expense	2,476,275	2,455,214
Payments	(2,192,873)	(2,088,451)
As at December 31	29,395,469	29,112,067
Less current portion	2,302,518	2,192,874
Lease liabilities - net of current portion	₱27,092,951	₱26,919,193

Shown below is the maturity analysis of the undiscounted lease payments:

Maturity	2025	2024
1 year	₱2,302,518	₱2,192,874
more than 1 years to 2 years	2,417,643	2,302,518
more than 2 years to 3 years	2,538,526	2,417,643
more than 3 years to 4 years	2,665,452	2,538,526
more than 4 years to 5 years	2,798,724	2,665,452
more than 5 years	50,475,658	53,274,382

Company as lessor

As lessor, future minimum rental receivables under renewable operating leases follows:

	2025	2024
Within one year	₱2,537,724,305	₱1,924,337,895
After one year but not more than five years	7,181,180,635	5,258,163,536
After five years	41,084,530,648	1,369,405,943
	₱50,803,435,588	₱8,551,907,374

The Company entered into lease agreements with third parties covering real estate properties. These leases generally provide for either (a) fixed monthly rent; or (b) minimum rent or a certain percentage of gross revenue, whichever is higher. Most lease terms on commercial malls are renewable within one year, except for anchor tenants with lease ranging from 5 to 31 years.

As of December 31, 2025 and 2024, advances from tenants amounted to ₱373.4 million and ₱471.8 million, respectively. These are advance payments received for rentals, utilities and other fees. These are applied against rental obligations of the tenants when they become due. The December 31, 2024 advances from tenants, previously presented as part of accounts and other payable, was presented separately in the statement of financial position for consistency with the 2025 presentation.

Rental income recognized based on a percentage of the gross revenue of retail spaces included in "Rental revenue" account in the statement of comprehensive income amounted to ₱16.4 million, ₱16.5 million, and ₱15.4 million in 2025, 2024 and 2023 respectively.



16. Other Income

This account consists of:

	2025	2024	2023
Tenant dues (Notes 6 and 7)	₱647,542,060	₱649,301,071	₱670,233,304
Miscellaneous	3,720,502	2,952,353	8,344,671
	₱651,262,562	₱652,253,424	₱678,577,975

Miscellaneous income pertains to penalties and other charges from tenants.

17. Interest Income

This account consists of:

	2025	2024	2023
Interest income on:			
Cash and cash equivalents (Notes 4 and 13)	₱14,256,532	₱40,477,075	₱35,715,200
Others (Note 5)	6,939,442	5,383,822	7,758,359
	₱21,195,974	₱45,860,897	₱43,473,559

Others consist mainly of interest and penalties on late rental payment of tenants.

18. Earnings Per Share

	2025	2024	2023
a. Net income	₱1,284,709,367	₱1,634,738,386	₱1,744,847,737
b. Number of outstanding common shares	5,859,470,376	4,892,777,994	4,892,777,994
Basic/Diluted EPS (a/b)	₱0.22	₱0.33	₱0.36

The Company assessed that there were no potential dilutive common shares in 2025, 2024 and 2023.

19. Segment Reporting

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

The Company's leasing operations is the only income generating activity and such is the measure used by the chief operating decision maker (CODM) in allocating resources. The Company does not report its results based on geographical segments. Total revenue generated by the Company on its lease agreements with FLI represented 15%, 2% and 2% of total revenue and income in 2025, 2024 and 2023, respectively.



20. Fair Value Measurement

The following table sets forth the fair value hierarchy of the Company's assets and liabilities measured at fair value and those for which fair values are required to be disclosed:

	2025		2024	
	Carrying value	Fair Value Significant unobservable inputs (Level 3)	Carrying value	Fair Value Significant unobservable inputs (Level 3)
Nonfinancial assets carried at fair values				
Investment properties	₱51,921,979,000	₱51,921,979,000	₱45,617,481,000	₱45,617,481,000
Intangible assets	2,797,397,000	2,797,397,000	2,798,729,000	2,798,729,000
	₱54,719,376,000	₱54,719,376,000	₱48,416,210,000	₱48,416,210,000
Financial liabilities for which fair values are disclosed				
Financial liabilities at amortized cost				
Loans payable	₱5,963,041,363	₱4,795,896,647	₱5,955,145,021	₱5,608,664,183
Security and other deposits	890,096,738	666,912,906	760,761,756	716,499,295
Lease liabilities	29,395,469	35,850,619	29,112,067	27,440,062
	₱6,882,533,570	₱5,498,660,172	₱6,745,018,844	₱6,352,603,540

As of December 31, 2025 and 2024, the Company has no financial instrument measured at fair value. In 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

The methods and assumptions used by the Company in estimating the fair value of the financial and nonfinancial instruments are:

- *Investment properties and intangible assets.* The fair value of investment properties and intangible assets is based on a valuation performed in 2025 and 2024 by an accredited third-party appraiser. The fair value of the investment properties is computed based on the income approach using discounted cash flow method. Under the Income Approach, all expected cash flows from the use of the assets were projected and discounted using the appropriate discount rate reflective of the market expectations. The valuation of investment property is categorized as Level 3 in the fair value hierarchy since valuation is based on unobservable inputs. The significant unobservable inputs used in the valuation pertain to lease income growth rate of 4.50% and 4.00% and discount rate of 9.41% and 9.40% in 2025 and 2024, respectively. Significant increases (decreases) in discount rate would result in a significantly lower (higher) fair value measurement while a change in the assumption used for the lease income growth rate is accompanied by a directionally similar change in the fair value of the Company's investment properties.
- *Security and other deposits.* The discount rates used ranges 5.22% to 7.50% and 1.84% to 9.30% as of December 31, 2025 and 2024. Fair value is computed based on the expected future cash outflows. Significant increases (decreases) in discount rate would result in a significantly lower (higher) fair value measurement.
- *Loans payable and lease liabilities.* Liabilities with fixed interest and not subjected to quarterly repricing is based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date. The discount rates used range from 5.21% to 6.29% and 6.14% to 6.18% as of December 31, 2025 and 2024, respectively. Significant increases (decreases) in discount rate would result in a significantly lower (higher) fair value measurement.



Due to the short-term nature of the transactions, the carrying values of cash and cash equivalents, receivables and accounts payable and accrued expenses approximate their fair market values.

The fair value of noncurrent deposits is estimated using the discounted cash flow methodology based on the discounted value of future cash flows using the applicable risk-free rates for similar types of asset. As of December 31, 2025 and 2024, the difference between the fair value and carrying value of deposits is not significant.

21. Financial Risk Management Objectives and Policies

The Company's financial instruments comprise of cash and cash equivalents, receivables, bonds and loans payable, accounts payable and accrued expenses, lease liabilities and security and other deposits. The main purpose of the long-term debt is to finance the Company's operations while all other financial instruments resulted from the conduct of business.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Company's risk management policies are summarized below:

There is no impact on the Company's equity other than those already affecting the statements of comprehensive income.

a. *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for its trade receivables, and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security deposits and advance rentals which helps reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past-due for groupings of various customers with similar loss patterns (i.e., by market segment and collateral type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company considers security deposits and advance rent in the calculation of impairment for trade receivables.



The analysis of the Company's credit risk exposure on its trade receivables using provision matrix follows:

	December 31, 2025						Total
	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	
ECL rate		1.2%	1.5%	3.2%	13.1%	29.1%	
Gross carrying amount at default	₱33,826,439	₱21,391,121	₱4,680,190	₱2,859,075	₱1,119,101	₱42,186,489	₱106,062,415
ECL	-	265,122	69,935	91,015	146,086	12,255,684	12,827,842

	December 31, 2024						Total
	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	
ECL rate		0.4%	2.6%	10.0%	17.8%	21.6%	
Gross carrying amount at default	₱26,548,257	₱10,702,684	₱11,652,491	₱5,027,164	₱9,069,731	₱21,743,967	₱84,744,294
ECL	-	42,811	299,195	503,854	1,612,999	4,693,573	7,152,432

With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

b. *Liquidity risk*

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with the financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Company's practice is that float will be kept at a minimum.

The tables below summarize the maturity profile of the Company's financial assets held to manage liquidity:

	2025					Total
	On demand	Within 1 year	> 1 – 3 years	> 3 – 5 Years	Over 5 years	
Cash and cash equivalents	₱313,651,531	₱152,641,836	₱-	₱-	₱-	₱466,293,367
Receivables	106,062,415	-	-	-	-	106,062,415
Deposits	-	-	-	-	53,806,246	53,806,246
	₱419,713,946	₱152,641,836	₱-	₱-	₱53,806,246	₱626,162,028

	2024					Total
	On demand	Within 1 year	> 1 – 3 years	> 3 – 5 Years	Over 5 years	
Cash and cash equivalents	₱462,638,247	₱224,670,283	₱-	₱-	₱-	₱687,308,530
Receivables	84,744,294	-	-	-	-	84,744,294
Deposits	-	-	-	-	53,806,246	53,806,246
	₱547,382,541	₱224,670,283	₱-	₱-	₱53,806,246	₱825,859,070

Maturity profile of the Company's financial liabilities is shown below (in thousands):

	2025					Total
	On demand	Up to a year total	> 1 – 3 years	> 3 – 5 Years	Over 5 years	
Loans payable	₱-	₱-	₱-	₱3,000,000	₱3,000,000	₱6,000,000
Lease liabilities	-	2,303	4,956	5,464	50,476	63,199
Accounts payable and accrued expenses	876,874	-	-	-	-	876,874
Security and other deposits	84,253	47,531	263,632	251,679	243,002	890,097
	₱961,127	₱49,834	₱268,588	₱3,257,143	₱3,293,478	₱7,830,170



	2024					Total
	On demand	Up to a year total	> 1 – 3 years	> 3 – 5 Years	Over 5 years	
Loans payable	₱–	₱–	₱–	₱3,000,000	₱3,000,000	₱6,000,000
Lease liabilities	–	2,193	4,720	5,204	53,274	65,391
Accounts payable and accrued expenses	866,891	–	–	–	–	866,891
Security and other deposits	179,115	49,056	255,715	182,631	94,245	760,762
	₱1,046,006	₱51,249	₱260,435	₱3,187,835	₱3,147,519	₱7,693,044

22. Notes to Statements of Cash Flows

Investing Activities

The Company's noncash investing activities are as follows:

- Outstanding liabilities pertaining to investment properties purchased on account are recorded in the statements of financial position under "Accounts payable and accrued expenses" account, amounting to ₱366.5 million as of December 31, 2023 (see Note 9).
- Additions to investment properties include property-for-share swap amounting to ₱6,260.1 million in 2025 (nil in 2024 and 2023, see Notes 7 and 12).

Financing Activities

Changes in liabilities arising from financing activities for the year ended December 31, 2025, 2024 and 2023 follows (amounts in thousands):

	January 1, 2025	Availment/ Addition	Payments	Noncash Movement	December 31, 2025
Loans payable	₱5,955,145	₱–	₱–	₱7,896	₱5,963,041
Lease liabilities	29,112	–	(2,193)	2,476	29,395
Accrued interest	35,120	–	(387,373)	387,006	34,753
Dividends payable	–	–	(1,483,252)	1,483,252	–
	₱6,019,377	₱–	(₱1,872,818)	₱1,880,630	₱6,027,189

	January 1, 2024	Availment/ Addition	Payments	Noncash Movement	December 31, 2024
Loans payable	₱5,985,416	₱5,955,000	(₱6,000,000)	₱14,729	₱5,955,145
Lease liabilities	28,745	–	(2,088)	2,455	29,112
Accrued interest	135,102	–	(502,719)	402,737	35,120
Dividends payable	–	–	(1,237,873)	1,237,873	–
	₱6,149,263	₱5,955,000	(₱7,742,680)	₱1,657,794	₱6,019,377

	January 1, 2023	Availment/ Addition	Payments	Noncash Movement	December 31, 2023
Loans payable	₱–	₱5,955,000	₱–	₱30,416	₱5,985,416
Bonds payable	6,000,000	–	(6,000,000)	–	–
Lease liabilities	28,320	–	(1,989)	2,414	28,745
Accrued interest	106,429	–	(279,075)	307,748	135,102
Dividends payable	–	–	(1,389,549)	1,389,549	–
	₱6,134,749	₱5,955,000	(₱7,670,613)	₱1,730,127	₱6,149,263

Noncash movement includes amortization of debt issuance costs and interest expense for loans payable, bonds payable, and lease liabilities, reclassifications of accrued interest to accounts payable and declaration of cash dividends.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Filinvest REIT Corp.
5th-7th Floors, Vector One Building
Northgate Cyberzone, Filinvest City
Alabang, Muntinlupa City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Filinvest REIT Corp. (the Company) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 9, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 118546-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements,
with extension up to audit of 2025 financial statements

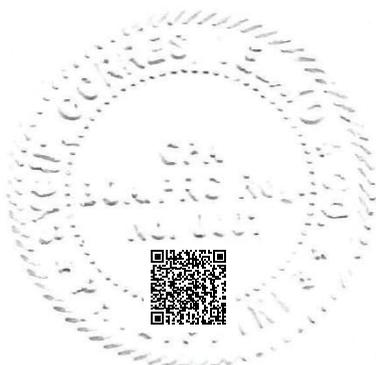
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-137-2026, January 23, 2026, valid until January 22, 2029

PTR No. 10765124, January 2, 2026, Makati City

February 9, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Filinvest REIT Corp.
5th-7th Floors, Vector One Building
Northgate Cyberzone, Filinvest City
Alabang, Muntinlupa City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Filinvest REIT Corp. (the Company) as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 9, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 118546-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements,
with extension up to audit of 2025 financial statements

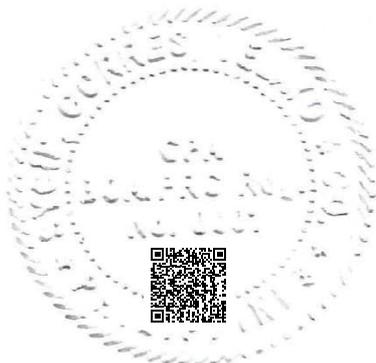
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-137-2026, January 23, 2026, valid until January 22, 2029

PTR No. 10765124, January 2, 2026, Makati City

February 9, 2026



FILINVEST REIT CORP.

INDEX TO THE SUPPLEMENTARY SCHEDULES

- Annex I: Reconciliation of Retained Earnings Available for Dividend Declaration
- Annex II: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
- Annex III: Supplementary Schedules Required by Annex 68-J
- Schedule A. Financial Assets
 - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
 - Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
 - Schedule D. Long-term Debt
 - Schedule E. Indebtedness to Related Parties
 - Schedule F. Guarantees of Securities of Other Issuers
 - Schedule G. Capital Stock

FILINVEST REIT CORP.**UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DISTRIBUTION
DECEMBER 31, 2025**

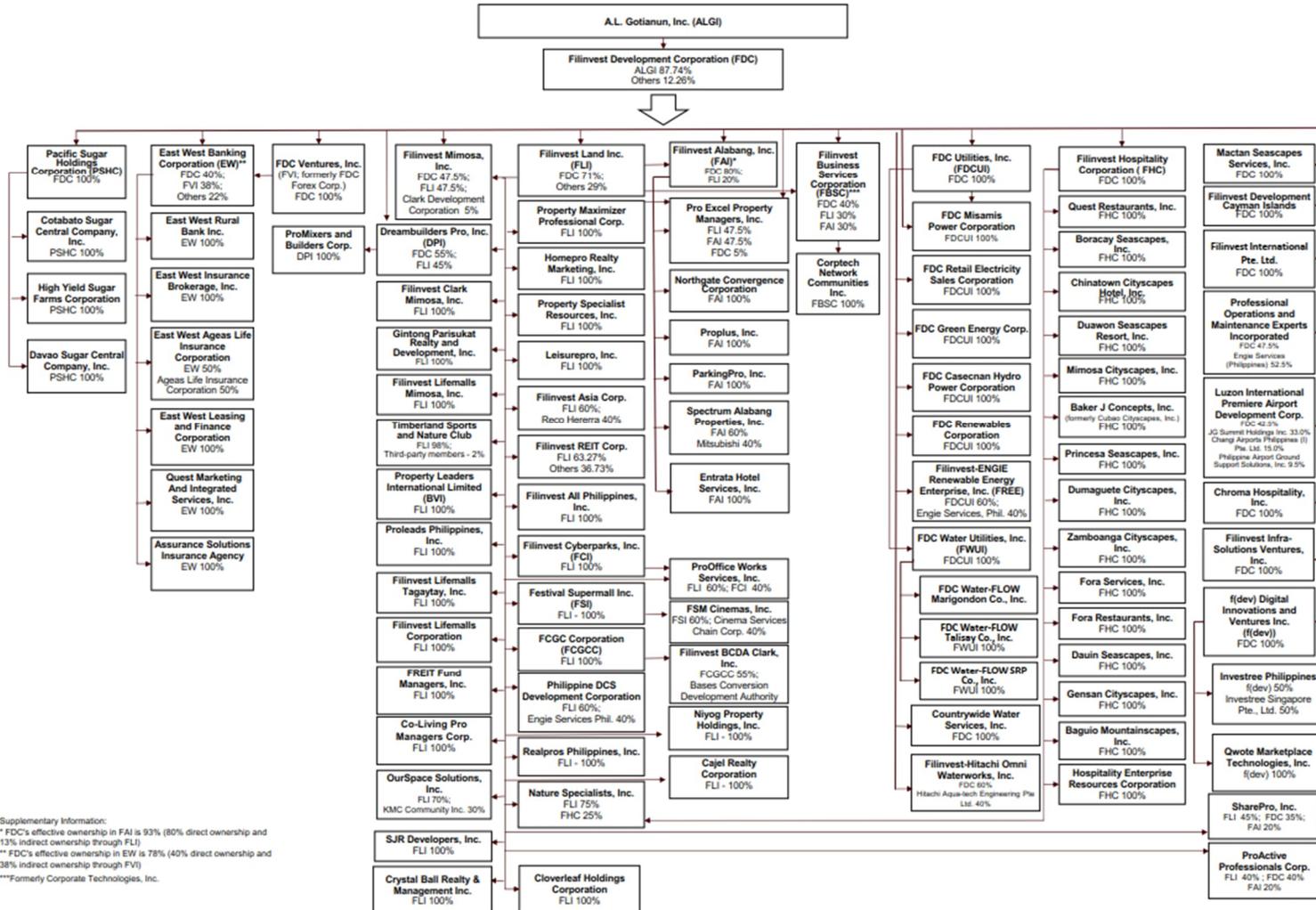
Unappropriated Retained Earnings, beginning of reporting period		₱2,663,110,848
Add: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of retained earnings appropriation	—	
Effect of restatements	—	
Others	—	
Less: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	1,483,251,653	
Retained earnings appropriated during the reporting period	—	
Effect of restatements	—	
Others (<i>effect of fair value change in investment properties and intangible assets in prior years</i>)	—	1,483,251,653
Unappropriated Retained Earnings, as adjusted		<u>1,179,859,195</u>
Add/Less: Net income (loss) for the current year		1,284,709,367
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and equivalents	—	
Unrealized fair value adjustment (marked-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of investment property and intangible assets	(169,863,420)	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS Accounting Standards	—	
Sub-total		(169,863,420)
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	—	
Sub-total		—

(Forward)

Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	P-	
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards, previously recorded	-	
Sub-total		-
Adjusted Net Income/Loss		1,454,572,787
Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
Add/Less: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS Accounting Standards/GAAP - gain (loss)	-	
Others	-	
Sub-total		-
Total Retained Earnings, end of reporting period available for dividend		₱2,634,431,982

Group Structure

A.L. GOTIANUN, INC.
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES
 (As of December 31, 2025)



Supplementary Information:
 * FDC's effective ownership in FAI is 93% (80% direct ownership and 13% indirect ownership through FLI)
 ** FDC's effective ownership in EW is 78% (40% direct ownership and 38% indirect ownership through FVI)
 ***Formerly Corporata Technologies, Inc.

FILINVEST REIT CORP.

**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED BY
REQUIRED ON REVISED SRC RULE 68 AND 68.1
DECEMBER 31, 2025**

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribes the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to Filinvest REIT Corp. and its subsidiary (collectively, “the Company”). This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets

The entity’s Financial Assets comprises of cash and cash equivalents, receivables and deposit. As stated in the regulation, before mentioned amount should be provided if the aggregate cost or the market value of FVTPL as of the end of the reporting period is 5% or more of the total current asset. As of December 31, 2025, the entity recorded the financial assets as financial assets at amortized cost, therefore it is deemed assumed that this schedule is not applicable to the Company.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)

This schedule is not applicable to the Company as of December 31, 2025.

Schedule C. Amounts Receivable from Related Parties, which are eliminated during the consolidation of financial statements

This schedule is not applicable to the entity as of December 31, 2025.

Schedule D. Long term debt

Below is the schedule of long-term debt of the Company (amounts in thousands). Each loan balance is presented net of unamortized deferred costs.

(i) Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii)	Amount shown under caption "Long-Term Debt" in related balance sheet (iii)
Loans Loans with fixed interest rate from 2 banks with principal amount of ₱3.00 billion each to mature on December 27, 2029 and December 27, 2031, respectively.	₱5,963,041	₱-	₱5,963,041

The Company's loans payable is unsecured, and no assets are held as collateral for these debts. The agreements covering the above-mentioned loans require maintaining certain financial ratios including a maximum debt-to-equity ratio of 3.0x and a minimum interest coverage ratio of 1.5x.

Schedule E. Indebtedness to Related Parties

Name of Related Party	Balance at beginning of the year	Movement	Balance at end of the year
N/A	₱-	₱-	₱-

Schedule F. Guarantees of Securities of Other Issuers

This is not applicable to the Company since it does not have a guarantee of securities of other issuers as of December 31, 2025.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	14,263,698,000	6,518,781,310	-	3,095,498,342	13	None

FILINVEST REIT CORP.**SUPPLEMENTARY SCHEDULE ON FINANCIAL SOUNDNESS INDICATORS**

Below are the financial ratios that are relevant to the Company:

Financial Ratios		2025	2024
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.64	0.69
Acid test ratio	$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}}$	0.40	0.49
Solvency ratio	$\frac{\text{Net income} + \text{Depreciation}}{\text{Total liabilities}}$	0.24*	0.16*
Debt to equity ratio	$\frac{\text{Loans payable} + \text{Bonds payable} + \text{Lease liabilities}}{\text{Total Equity}}$	0.13	0.14
Asset to equity ratio	$\frac{\text{Total asset}}{\text{Total Equity}}$	1.17	1.19
Interest coverage ratio	$\frac{\text{Income before income tax (IBIT)} + \text{interest and other financing charges}}{\text{Interest and other financing charges}}$	5.90*	3.96*
Return on equity	$\frac{\text{Net income}}{\text{Total Equity}}$	0.04*	0.03*
Return on assets	$\frac{\text{Net income}}{\text{Total assets}}$	0.03*	0.03*
Net profit margin	$\frac{\text{Net income}}{\text{Revenues and income}}$	0.54*	0.45*
Debt ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$	0.15	0.16
Income before income tax, interest and other financing charges, depreciation and amortization (IBITDA) to total interest paid	$\frac{\text{IBITDA}}{\text{Total interest paid}}$	6.05*	3.39*

*Net income, IBIT, and IBITDA excludes net fair value change in investment properties and intangible assets.

FILINVEST REIT CORP.**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2025**

	2025	2024
Total Audit Fees	¥822,250	¥715,000
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Non-audit Fees	—	—
Total Audit and Non-audit Fees	¥822,250	¥715,000