14 August 2021

Philippine Dealing and Exchange Corporation
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City

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

Dear Madam,

We hereby furnish you a copy of Ayala Land's Final Sponsor Progress Report on Disbursement of Proceeds from the Initial Public Offering ("IPO") of AREIT, Inc. pursuant to the Sponsor Reinvestment Plan of Ayala Land, Inc.

Thank you.

MICHAEL ANTHONY L. GARCIA
Head, Investor Communications and Compliance

August 12, 2021

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
6th Floor, PSE Tower
Bonifacio Global City, Taguig

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject: Final Report on the Disbursement of Proceeds from the Initial Public Offering ("IPO") of AREIT, Inc. ("AREIT")

Dear Ms. Encarnacion,

We are pleased to submit our Final Report on the Application of Proceeds from the IPO of AREIT, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

On August 13, 2020, Ayala Land, Inc. ("ALI") received net proceeds from IPO of AREIT amounting to Eleven Billion Three Hundred Fifty Million Four Hundred Seventy Thousand Five Hundred Pesos (Php11,350,470,500.00).

As of August 12, 2021, ALI already disbursed the total net proceeds amounting to Eleven Billion Three Hundred Fifty Million Four Hundred Seventy Thousand Five Hundred Pesos (Php11,350,470,500.00), in accordance with its Reinvestment plan.

The details of the disbursement are as follows:

IPO Proceeds, Aug 13, 2020	Php12,277,107,900
Less: Purchase of AREIT shares during stabilization period	926,637,400
Net Proceeds	11,350,470,500
Less: Disbursements from Aug 13 to Dec 31, 2020	1,752,000,000
Disbursements from Jan 1 to Aug 12, 2021	9,598,470,500
Balance of IPO Proceeds as of August 12, 2021	0

Thank you.

Very truly yours,

Augusto D. Bengzon
Ayala Land, Inc.
Treasurer and Chief Finance Officer

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

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

Name	**Competent Evidence of Identity**	**Date and Place Issued**
AYALA LAND, INC. *Represented by:* Augusto D. Bengzon	TIN: 000-153-790-000 Passport No. P4323352B	 08 Jan 2020/ DFA NCR East
AREIT, Inc. *Represented by:* Ma. Teresa R. Famy	TIN: 006-346-689-000 Driver's License No. D06-97-186463	 Expiration Date 05 Dec 2023

SGV
Building a better working world

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1226 Makati City
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REPORT OF FACTUAL FINDINGS

AYALA LAND, INC.
31st Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: **Mr. Augusto D. Bengzon**
Chief Finance Officer

Dear Mr. Bengzon:

We have performed the procedures agreed with you and enumerated below with respect to the attached Final Report as at **August 12, 2021** on the use of the proceeds from the secondary offer received by **Ayala Land, Inc.** (the "Company") from the Initial Public Offering (IPO) of **AREIT, Inc.** ("AREIT") on **August 13, 2020**. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange, Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the use of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. These agreed-upon procedures and results thereof are summarized as follows:

1. Obtain the Final Report on Use of Proceeds from Initial Public Offering (IPO) (the "Schedule") and perform the following:

    - Check the mathematical accuracy of the Schedule;

    - Check whether there are additions and disbursements in the schedule and compare with the schedule of application of proceeds;

    - On a sample basis, trace additions and disbursements to the supporting documents such as progress billings, bank statements, invoices, and official receipts, and agree the amount to the accounting records.

    - On a sample basis, inquire into and identify the nature of the additions and disbursements. Check if the disbursements were classified consistently according to its nature based on the schedule of planned use of IPO proceeds.

We report our findings below:

1. We checked the mathematical accuracy of the Schedule, no exceptions noted.

2. We checked whether there are additions and disbursements in the schedule and compared with the schedule of application of proceeds.

3. We traced the receipt of the net proceeds to the Bank Statements, Letter of Instruction issued by ALI to BPI Securities Corporation, Buy Confirmation Advice 0206859 issued by BPI Securities Corporation and Sell Confirmation Advice 0126995 issued by BPI Securities Corporation, and noted the following:
   - The Company received ₱4.131 billion in five tranches amounting to ₱826.2 million pesos each on August 13, 2020 from UBS AG Singapore Branch
   - The Company received ₱6.913 billion on August 13, 2020 from BPI Capital
   - The remaining ₱1.234 billion of the proceeds is retained by BPI Capital for the overallotment of shares. Of this amount, ₱926.64 million was used to buy back the shares for the stabilization activity.

   We have noted that the Company issued intercompany loans to the companies specified in the Amended Reinvestment Plan to be used in the projects also specified in the plan. We have traced these amounts to the promissory notes and the bank statements and agreed the amounts to the accounting records.

   We also traced the amounts of actual disbursements by the Company to the progress billings, invoices and bank statements and agreed the amount to the accounting records. No exceptions noted.

4. We inquired into and identified the nature of the additions and disbursements. We have noted that the Amended Reinvestment Plan dated June 25, 2021 included the proceeds from the sale of Teleperformance Cebu. We also checked if the disbursements were classified consistently according to its nature based on the schedule of planned use of IPO proceeds as documented in the Amended Reinvestment Plan. We have noted that the abovementioned entities and the related projects were included in the Amended Reinvestment Plan, and the amounts disbursed to these companies have not exceeded the planned use. No exceptions noted.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you.

Our report is intended solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of proceeds from the offering and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado
Partner
CPA Certificate No. 89336
SEC Accreditation No. 0664-AR-4 (Group A),
November 11, 2019, valid until November 10, 2022
Tax Identification No. 160-302-865
BIR Accreditation No. 08-001998-073-2020,
December 3, 2020, valid until December 2, 2023
PTR No. 8534357, January 4, 2021, Makati City