Exhibit C



Valuation Report

Share-for-Share Swap between Filinvest Land, Inc. and Filinvest REIT Corp.

FTI CONSULTING™

24 September 2024

Table of Contents

Executive Summary	3
Market Overview	10
Valuation Approach	14
Valuation Analysis – FLI	19
Valuation Analysis – FILRT	29
Valuation Conclusion	36
Appendices	38
About FTI Consulting Philippines, Inc.	46
Our Team	50
Certificate of Reliance	54
Mandate Letter	57
Scope of Work	68
FTI Consulting Philippines, Inc. Accreditations	71
References	73



Executive Summary

FTI CONSULTING™

Executive Summary

- Filinvest Land, Inc. (“FLI" or the "Client") and Filinvest REIT Corp. ("FILRT,“ collectively, the “Parties”) are evaluating options available to them to increase the public float of FILRT. The Parties are looking into the possibility of a share-for-share swap, wherein FLI will offer to exchange its shares in FILRT with FLI shares held by FLI shareholders (the "Transaction").
- FLI is a subsidiary of the listed company, Filinvest Development Corporation, and is engaged in the development and sale of real estate properties. FILRT is a real estate investment trust backed by FLI. The Parties are both listed on the Philippine Stock Exchange ("PSE").
- FTI Consulting Philippines, Inc. (“FTI Consulting”) conducted a valuation study of both FLI and FILRT in accordance with the International Valuation Standards (“IVS”) to determine the fairness of the consideration to be transferred and consideration to be received by FLI. We considered different methodologies under the Income Approach and Market Approach to value FLI and FILRT. Detailed discussion of the different valuation methodologies considered in this valuation exercise is presented in *Valuation Approach* section of this report.
- The Valuation Date is 30 June 2024, with the Philippine Peso (“PHP”) as the Valuation Currency. Market Value (also referred to as “Fair Value”) is the basis of value used in this engagement. Market Value is defined in the IVS as the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

Executive Summary

Summary of Findings – FLI

We estimated the market valuation range of FLI using the Sum-of-the-Parts ("SOTP") methodology. Under this method, FLI was valued by analyzing separately its key assets and liabilities to arrive at its net asset value ("NAV").

Based on our valuation analysis, the market value of FLI was estimated within the range of PHP20,650.98 million and PHP33,088.31 million, or PHP0.85 and PHP1.36 on a per share basis as of the Valuation Date.

Valuation Summary – FLI

Amounts in PHP millions except per share basis	Market Values	
Business Segment	**Low Estimate**	**High Estimate**
Residential	65,001.57	76,685.90
REIT Offices*	9,638.09	14,015.37
Non-REIT Offices	14,537.17	22,692.88
Retail Leasing	14,160.87	26,641.94
Industrial	2,781.71	5,832.09
Co-Living	(7,504.76)	(3,226.60)
Gross Asset Value	**98,614.65**	**142,641.58**
Add: Cash	5,834.43	5,834.43
Less: Debt	(83,909.61)	(83,909.61)
Add: Non-operating assets and liabilities, including landbank	52,560.36	52,560.36
Net Asset Valuation ("NAV")	**73,099.83**	**117,126.76**
Less: Discount to NAV (71.75%)	(52,449.13)	(84,038.45)
Estimated Market Value of Equity	**20,650.70**	**33,088.31**
Number of shares outstanding (millions)	24,249.76	24,249.76
Estimated Market Value of Equity per share	**0.85**	**1.36**

Note: (*) Enterprise value of REIT Offices is based on FLI ownership of 63.27%.
Source: FTI Consulting Analysis

Executive Summary

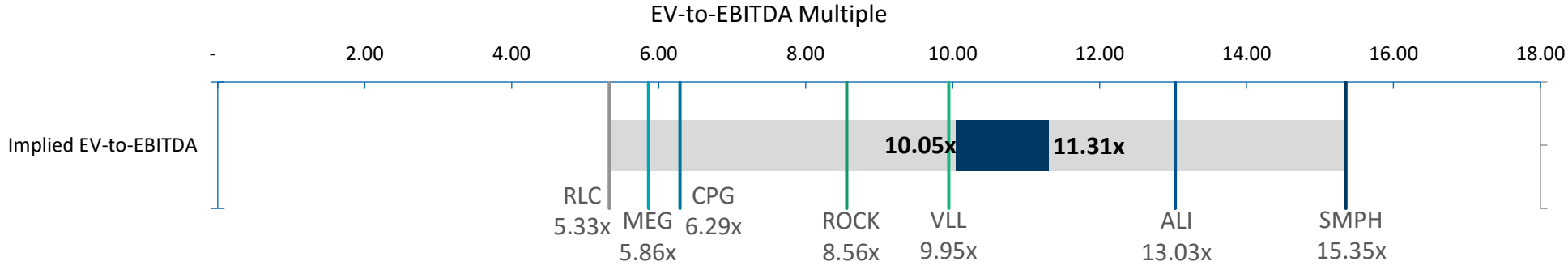
Valuation Cross-check – FLI

We likewise performed a cross-check of our SOTP-based valuation of FLI using the Market Approach by comparing the implied EV-to-EBITDA multiple to comparable companies. The following table shows the implied EV-to-EBITDA multiple of our valuation.

Amounts in PHP Millions, except multiples	SOTP-based Valuation	
	Low Estimate	High Estimate
Estimated Market Value of Equity	**20,650.70**	**33,088.31**
[+] Net Debt	78,075.18	78,075.18
Enterprise Value	**98,725.88**	**111,163.49**
[÷] LTM EBITDA as of June 2024	9,826.01	9,826.01
Implied EV-to-EBITDA	**10.05**	**11.31**

** Source: FLI 2023 December AFS and 2024 June FS*

Based on our analysis, the implied EV-to-EBITDA multiples of our valuation range derived using the SOTP method fall within the range of the multiples of FLI's comparable companies.



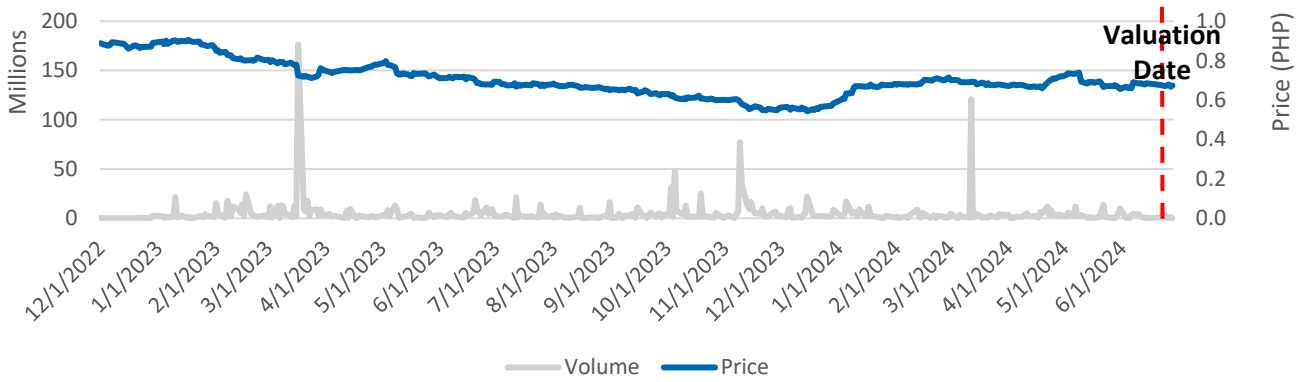
Source: Bloomberg, FTI Consulting Analysis

Executive Summary

Volume Weighted Average Prices ("VWAPs") – FLI

VWAPs	Price (PHP)
Period	
365-day	0.69
180-day	0.63
60-day	0.69
30-day	0.67
VWAP as of 28 June 2024	0.67
Closing Price as of 28 June 2024	0.68
52-Week High	0.74
52-Week Low	0.54

Source: Bloomberg, FTI Consulting Analysis



Our primary valuation using the SOTP Method resulted in a range from **PHP0.85** to **PHP1.36** per share. We note that this estimated market value is higher as compared to FLI's VWAPs and closing price as of the Valuation Date. Based on our analysis, this may be attributable to the following factors:

- Lower trading volumes negatively impacting the stock price;
- Better understanding of FLI's business model, projections, and outlook based on discussions with and representations of management; and
- Access to detailed information (schedules, documents, analyses) on FLI's segments and projects, including those that are not publicly available, as provided by management.

Executive Summary

Summary of Findings – FILRT

FILRT was valued using the DCF Method as the primary method. Based upon discussions with and representations of FILRT's management, research conducted, and the valuation analyses performed and described herein, the range of market values of FILRT is estimated within **PHP12,454.68 million to PHP19,373.08 million** or **PHP2.55 to PHP3.96** on a per share basis as of the Valuation Date.

Amounts in PHP millions except per share basis	Low Estimate	High Estimate
Estimated Value of Operating Assets	15,233.28	22,151.68
[+] Cash	905.72	905.72
[-] Debt	(6,024.04)	(6,024.04)
[+] Non-operating assets and liabilities	2,339.72	2,339.72
Estimated Market Value of Equity	**12,454.68**	**19,373.08**
Outstanding Shares (in millions)	4,892.78	4,892.78
Estimated Market Value of Equity per Share	**2.55**	**3.96**

Source: FTI Consulting Analysis

Valuation Cross-check – FILRT

We likewise performed a cross-check of our SOTP-based valuation of FILRT using the Dividend Discount Model ("DDM"), in which future dividends are discounted based on the cost of equity.

Based on our analysis, the implied equity value of our valuation range derived using the SOTP method are in line with the equity value derived from discounting future dividends of FILRT.

Amounts in PHP millions except per share basis	Low Estimate	High Estimate
Estimated Equity Value	**13,679.87**	**18,221.94**
Outstanding Shares (in millions)	4,892.78	4,892.78
Estimated Market Value of Equity per Share	**2.80**	**3.72**

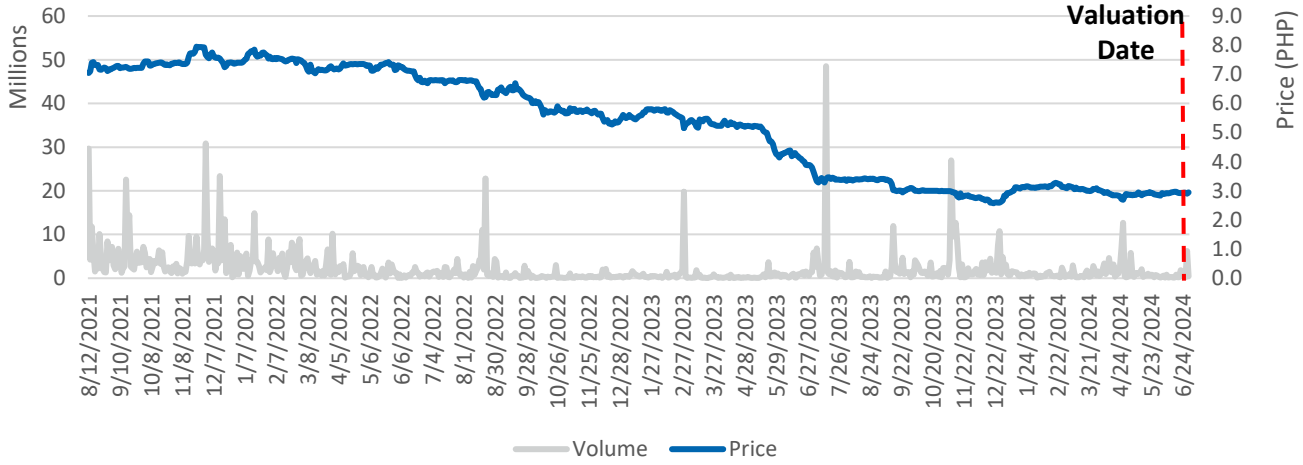
Source: FTI Consulting Analysis

Executive Summary

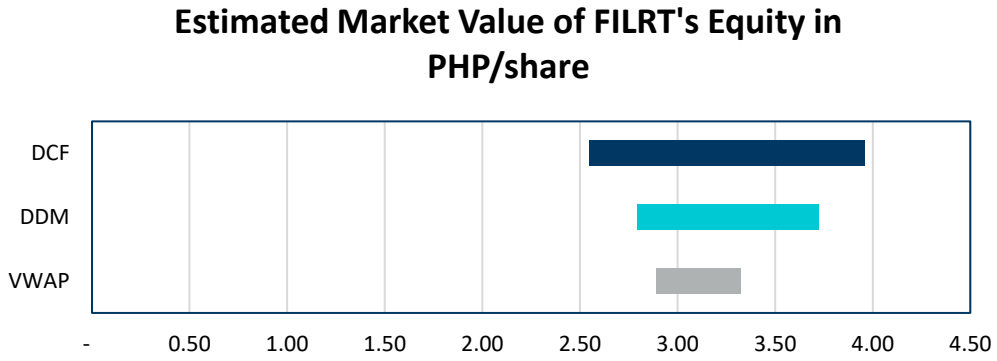
Volume Weighted Average Prices ("VWAPs") – FILRT

VWAPs	Price (PHP)
Period	
365-day	3.33
180-day	2.89
60-day	2.91
30-day	2.91
VWAP as of 28 June 2024	2.94
Closing Price as of 28 June 2024	2.97
52-Week High	3.50
52-Week Low	2.55

Source: Bloomberg, FTI Consulting Analysis



Our primary valuation using the SOTP Method resulted in a range from **PHP2.55** to **PHP3.96** per share. We note that this estimated market value falls within a similar range to FILRT's VWAPs and closing price as of the Valuation Date.



Source: FTI Consulting Analysis



Market Overview

FTI CONSULTING™

Market Overview
The Philippine Property Sector

- In the first quarter of 2024, the Philippines' Gross Domestic Product ("GDP") experienced a year-on-year increase of 5.7 percent.
- The Philippine government has set a target to allocate approximately 5.0 to 6.0 percent of GDP annually for infrastructure development from 2023 to 2028. The objective of the plan is to boost the country's production and social sectors by expanding and improving its infrastructure.
- The major sectors of the Philippine property sector are the following: office, residential, retail, hospitality, and industrial.
- The current supply and projected future developments in the real estate market of Metro Manila are as follows:

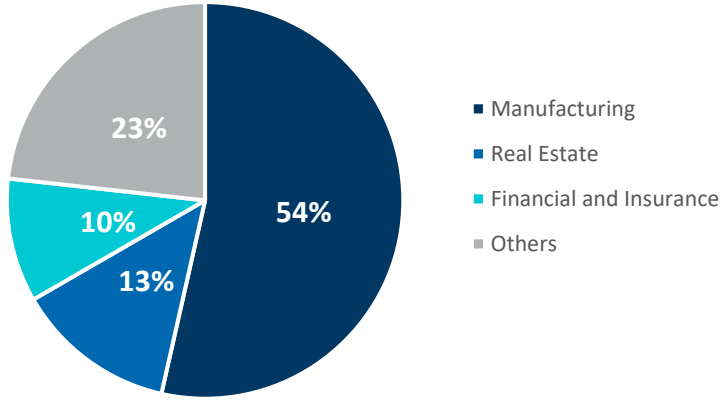
Property Market	Existing (as of 1Q24)	Future (2024E-2026E)
Office	10.97 million sq m	1.3 million sq m
Residential	487,411 units	92,720 units
Retail	7.0 million sq m	301,000 sq m
Hospitality	43,581 rooms	4,396 rooms

Source: Jones Lang Lasalle's 1Q24 Property Market Dynamics

- In May 2024, the annual rate of the Construction Materials Retail Price Index ("CMRPI") in the National Capital Region ("NCR") grew to 1.0 percent. This growth is attributed to building inflationary pressure in the construction sector. NCR's average CMRPI for the first four months of 2024 was 1.1 percent, significantly lower than the 4.4 percent average in the previous year.

- The Philippines attracted US$8.9 billion in Foreign Direct Investments ("FDIs") during the year 2023, 13.0 percent of which was related to real estate developments.

FDI Share in the Philippines



Source: Bangko Sentral ng Pilipinas

- Millennials are driving demand for affordable and lower-mid-income property units. These individuals are drawn by rising purchasing power and the income potential from rentals. Many seek properties with live-work-play-shop features and convenient access to public infrastructure.

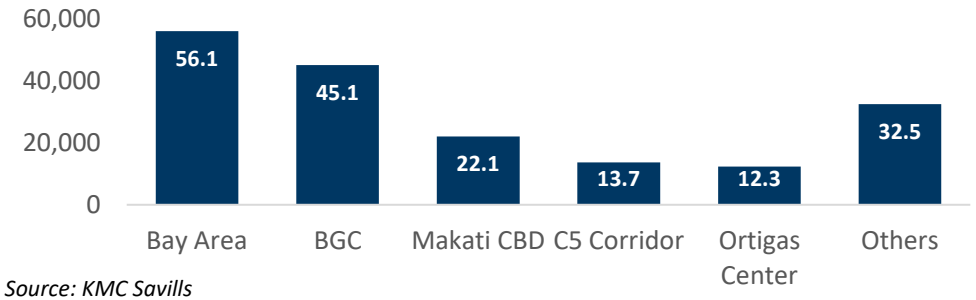
Sources: Philippine Statistics Authority, Jones Lang Lasalle, NEDA, Business World, Asia Property Awards, Philippine News Agency, Real Estate News

Market Overview
The Office Leasing Sector

Office Leasing in Metro Manila

- Metro Manila office transactions reached 240,100 square meters ("sq m") in 1Q24. Bay Area, BGC, and Makati CBD recorded the highest number of transactions:

Office Space Deals in the Metro Manila for 1Q24
Gross Leasable Area (in thousands sq m)



Source: KMC Savills

- Information Technology Business Process Outsourcing ("IT-BPOs") dominated the transaction volume at 53.0 percent followed by Philippine Offshore Gaming Operators ("POGO") transactions at 32.0 percent and corporate occupiers at 15.0 percent.
- The average Vacancy rate in Metro Manila fell to 19.6 percent in 1Q24 from 20.2 percent in 4Q23 due to higher lease volumes and strong take-up of new supply. CBDs continued to record lower than average vacancy rates, with Ortigas CBD recording 17.9 percent, Makati CBD with 15.4 percent, and BGC with 9.1 percent.

Sources: Jones Lang Lasalle, Colliers, KMC Savills, Santos Knight Frank, GMA Integrated News

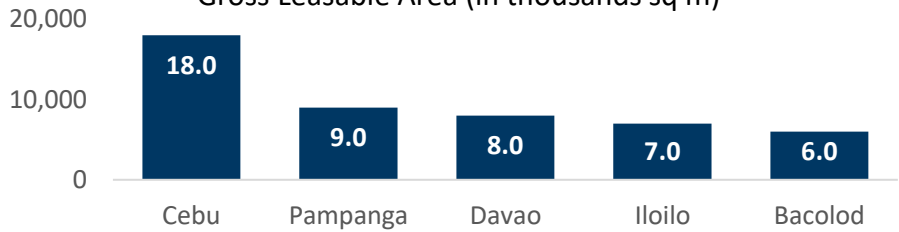
Office Leasing in Metro Manila (cont'd)

- The vacancy levels are projected to reach 22.0 percent, attributed to the anticipated supply pressure in the market. However, demand from the IT-BPM industry is likely to counterbalance this rise in the medium-term.

Provincial Office Leasing

- Provincial transactions surged by 81.0 percent, reaching 51,700 sq m, up from 28,500 sq m in 1Q23.
- The province of Cebu accounted for 35.0 percent of the total provincial transactions, while Pampanga followed closely behind at 17.0 percent and Davao at 15.0 percent.

Office Space Deals in the Province for 1Q24
Gross Leasable Area (in thousands sq m)



Source: Colliers

Market Overview
Philippine REITs

- As of 1Q24, there are eight Real Estate Investment Trusts ("REITs") listed in the PSE, namely: AREIT, Inc. ("AREIT"), DDMP REIT, Inc. ("DDMPR"), Filinvest REIT Corp. ("FILRT"), Filinvest REIT Corp. ("FILRT"), MREIT, Inc. ("MREIT"), Citicore Energy REIT, Corp. ("CREIT"), VistaREIT, Inc. ("VREIT"), and Premier Island Power REIT Corporation ("PREIT").

- In 2023, Philippine REIT portfolios grew to 2.4 million sq m of gross leasable area ("GLA"), with a total market capitalization of PHP207 billion.
- Metro Manila accounts for 70.1 percent, or 1.7 million sq m of all REIT assets. The majority of the portfolios include properties in Quezon City.
- The remaining 29.9 percent of the REIT portfolio are outside Metro Manila with a total gross leasable area of 706,505 sqm with Cebu having the largest share.

Sources: Leechiu Property Consultants, TradingView

Top Locations of REIT Portfolios within Metro Manila

District	Gross Leasable Area (in sqm)
Quezon City	363,721
Makati	332, 430
Taguig	228, 082
Pasig	226, 013
Mandaluyong	88, 286
Others	461,468

Top Locations of REIT Portfolios outside Metro Manila

District	Gross Leasable Area (in sqm)
Cebu	197,436
Davao	11,910
Antipolo	16,083
Camarines Sur	6,070
Tarlac	5,786
Other	489,220

Source: Leechiu Property Consultants

- In 2023, the REIT sector faced challenges due to high interest rates and decreasing occupancy rates. As a result, many REITs traded below their initial public offering ("IPO") prices.
- Despite a challenging 2023 performance, the outlook for REITs in 2024 appears more positive. Analysts expect REITs to perform better as a more favorable interest rate environment and a buoyant stock market could lead to more REIT IPOs. However, challenges remain, including potential inflation spikes and increasing vacancy rates in the office sector.



Valuation Approach

FTI CONSULTING™

Valuation Approach

To arrive at our estimates of value, we have considered different methodologies under the Income Approach and Market Approach. The succeeding sections discuss the theoretical basis of both approaches as well as the specific methodologies relevant to the analyses performed.

Income Approach

The Income Approach is based on the premise that the value of an asset is the present value of the future earning capacity that is available for distribution to investors in the asset.

The Income Approach should be used as primary basis of valuation under the following circumstances:

- The income-producing ability of the asset is the critical element affecting value from a participant perspective; and/or
- Reasonable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, comparable assets in the market.

Under the Income Approach, the Discounted Cash Flows Method was considered in the valuation analysis.

Discounted Cash Flows Method

This method involves forecasting the asset's appropriate cash flow stream over an appropriate period and discounting the forecasted cash flows back to present value using an appropriate discount rate. This discount rate should consider the time value of money, inflation, and the risk inherent in the ownership of the asset being valued.

Free Cash Flows to the Firm

Free Cash Flows to the Firm ("FCFF") represents the cash flows available for distribution to the capital holders of the asset after all operating expenses have been paid and all necessary investments in working capital and fixed assets have been made, as shown below:

$$FCFF = EBIT \times (1 - Tax\ rate) + Noncash\ Charges - FCInv - WCInv$$

where:
- *EBIT* = Earnings before interest and taxes
- *Noncash Charges* = Depreciation and amortization
- *FCInv* = Fixed capital investments
- *WCInv* = Working capital investments

FCFF are discounted using the weighted average cost of capital ("WACC"). WACC is computed by multiplying the weights of debt and equity in the company's financing by the after-tax costs of debt and equity, respectively. The formula for the calculation of WACC is presented below:

$$WACC = W_d K_d (1 - Tax\ Rate) + W_e K_e$$

where:
- W_d = Weight of debt
- W_e = Weight of equity
- K_d = Pre-tax cost of debt
- K_e = Cost of equity

Valuation Approach

The pre-tax cost of debt is computed using the build-up approach by adding the risk-free rate and an assumed margin.

The cost of equity, on the other hand, is computed using the Capital Asset Pricing Model ("CAPM"). CAPM is calculated as follows:

$K_e = R_f + \beta_L \times MRP + \alpha$

where:
R_f = Risk-free rate
β_L = Levered beta
MRP = Market risk premium
α = Alpha risk premium

Risk-free rate represents the return that would be earned from an investment in risk-free assets such as government bonds, while market risk premium refers to the difference between the expected market return and the risk-free rate.

Beta measures the sensitivity of a stock's returns to changes in the market and is a measure of systematic risk. Levered beta is the beta of a firm inclusive of the effects of capital structure and is calculated using the Hamada equation, as follows:

$\beta_L = \beta_U \times [1 + (1 - T)\ (D/E)]$

where:
β_L = Levered beta of the subject asset
β_U = Unlevered beta
T = Effective tax rate of the subject asset
D/E = Debt-to-equity ratio

The levered beta for FLI was derived from the 5-year adjusted Beta of FLI sourced from Bloomberg. The debt-to-equity ratio was derived from the target debt-to-equity ratio of FLI. The levered beta for FILRT was derived from the average unlevered beta of comparable companies and then re-levered based on the target capital structure weights. The debt-to-equity ratio was the average of comparable companies.

Comparable companies were selected based on their business operations and risks. The process of filtering out the comparable companies considered in our valuation analysis and their corresponding business descriptions are presented in Appendices B and C.

To determine the unlevered betas of comparable companies, the following formula is used:

$\beta_U = \beta \div [1 + (1 - T)\ (D/E)]$

where:
β_U = Unlevered beta of comparable company
β = Raw beta of comparable company
T = Effective tax rate of comparable company
D/E = Debt-to-equity ratio of comparable company

Please refer to Appendix D for the details of the unlevered beta computation.

Lastly, an alpha risk premium is added to the cost of equity to account for risks specific to the company.

Valuation Approach

Dividend Discount Model ("DDM")

This method involves forecasting the subject company's future dividends over an appropriate period and discounting all the future dividends back to present value using the cost of equity.

This method is particularly appropriate when: 1) the company has a history of dividend payments, 2) the dividend policy is clear and related to the earnings of the firm, or 3) the ownership perspective is that of a minority shareholder.

Market Approach

The Market Approach references actual transactions in the equity of the company being valued or transactions in similar companies that are traded in the public markets. Third-party transactions in the equity of a company generally represent the best estimate of fair market value if they are done at arm's length.

This approach should be used as the primary basis for valuation under the following circumstances:

- The subject company has recently been sold in a transaction appropriate for consideration under the basis of value;
- The subject company or substantially similar companies are actively publicly traded; and/or
- There are frequent and/or recent observable transactions in substantially similar companies.

Under the Market Approach, the Comparable Public Companies Method and Volume Weighted Average Price Method were considered in the valuation analysis.

Comparable Public Companies Method

This method involves identifying and selecting publicly-traded companies with financial and operating characteristics similar to the subject company being valued.

Once comparable companies are identified, valuation multiples can be derived, adjusted for comparability, and then applied to the subject company's corresponding fundamental data to estimate the value of its equity.

Per IVS, this method should be used only when the subject company is sufficiently similar to the publicly traded comparable companies to allow for meaningful comparison.

We used Bloomberg and S&P Capital IQ in extracting comparable companies and their corresponding multiples.

Valuation Approach

Volume Weighted Average Price ("VWAP") Method

This method involves analysis of the value of the company's shares based on its historical trading volume and price. VWAP is commonly used for subject companies that are actively traded. Given that prices may already reflect past and forward-looking available information of the subject company, this method may provide reliable basis of market value.

Cost Approach

The Cost Approach is based on the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction.

The cost approach is most commonly applied to investment or holding companies where the underlying assets and liabilities can be valued using different valuation methodologies such as the market or income approaches. This approach is generally not used for operating companies where value is mostly based on the ability of the company to generate earnings and cash flows.

The method considered under Cost Approach is the Sum-of-the-Parts Method.

Sum-of-the-Parts Method (SOTP)

A valuation method that provides an indication of the value of an entire asset or enterprise by the addition of the separate values of its component parts. Values of the component parts are estimated using different valuation methodologies as deemed appropriate.



Valuation Analysis – FLI

FTI CONSULTING™

Valuation Analysis | FLI
Company Overview

- Filinvest Land Inc. ("FLI") is one of the largest real estate developers in the Philippines, with over 50 years of experience, having provided homes or homesites for over 200,000 families. Incorporated in 1989 and publicly listed on the Philippine Stock Exchange since 1993, FLI is a subsidiary of Filinvest Development Corporation ("FDC"), which owns a majority stake. It operates in 55 cities and towns across 22 provinces, focusing on residential and commercial real estate development.
- FLI has the following business segments:
  - **Residential:** FLI offers a wide range of real estate products, including affordable to high-end housing, subdivision lots, mid-rise residential buildings, farm estates, industrial parks, resorts, and condominiums.
  - **REIT Offices:** FLI's REIT arm, which is engaged in owning, acquiring, and leasing income-generating real estate, within or outside the Philippines, in accordance with applicable laws and regulations.
  - **Non-REIT Offices:** Non-REIT offices are primarily located in business parks or mixed-use complexes that are easily accessible by public transport. These include Bay City and Gil Puyat office properties and PBCOM Tower; FLI owns 60.0% of the PBCOM Tower through Filinvest Asia Corporation ("FAC").
  - **Retail Leasing:** This includes FLI's leasing portfolio focused on retail spaces, which includes the Festival Supermall in Filinvest City, and three other community malls.
  - **Co-living:** This segment includes various projects that provide temporary housing for employees working within the Clark Economic Zone, such as the Crib Clark, located in the Clark Mimosa Leisure estate, with all four completed buildings fully leased out.
  - **Industrial:** These include Filinvest Innovation Parks, located in Filinvest New Clark City and Ciudad de Calamba, which cater to industrial locators by offering land and pre-built factory buildings for lease.

Valuation Analysis | FLI
Company Overview

- The company owns a land bank of 1,699 hectares, with joint ventures covering an additional 197 hectares, totaling 1,866 hectares. FLI operates 34 office buildings, providing a significant gross leasable area in its retail portfolio, and is committed to sustainable development and management practices.
- As of 31 December 2023, FLI reported total assets of PHP204,476.08 million, total liabilities of PHP110,204.21 million, and total shareholders' equity of PHP94,271.87 million.
- Last twelve months revenues for the period ended 31 December 2023, was at PHP21,687.46 million, while net income was at PHP4,296.04 million, posting a 19.81 percent net margin.

FLI's Key Financials as of 31 December 2023

Financial Item	Amounts in PHP millions
Total Assets	204,476.08
Total Liabilities	110,204.21
Total Shareholders' Equity	94,271.87
Gross Revenues	21,687.46
Net Income	4,296.04
Net Margin (%)	19.81%

Sources: FLI Financial Statements

- Subsequent slides will discuss the key valuation inputs and analysis of each segment, with the exception of the REIT Offices segment, which will be discussed in the subsequent section of the report as part of the valuation analysis of FILRT.

Valuation Analysis | FLI
Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the **Discounted Cash Flows Method** of FLI, excluding the REIT Offices segment[1]:

Discount Rate Estimation

Inputs to the determination of the WACC used to value FLI, excluding the REIT Offices segment, as of the Valuation Date were based on the following parameters:

- Cost of equity was computed using the Capital Asset Pricing Model ("CAPM").
  - Risk-free rate of 6.65 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
  - Market risk premium of 4.99 percent was obtained by deducting the Philippine market rate of return sourced from Bloomberg from the risk-free rate.
  - Beta is based on FLI's adjusted beta as of 30 June 2024 as sourced from Bloomberg.
  - Alpha risk premium of 1.99 percent was referenced from CRSP Deciles Size Premia Study by Kroll, based on FLI's market capitalization as of the Valuation Date.
- Pre-tax cost of debt of 8.86 percent was based on risk-free rate added with a synthetic spread of 2.21 percent based on Damodaran's Default Spread table as of January 2024.

Discount Rate for Properties As of 30 June 2024	Value
Risk-free Rate (RFR)	6.65%
Market Risk Premium (MRP)	4.99%
Levered Beta (β_L)	0.81
Alpha Risk Premium (α)	1.99%
Cost of Equity (Ke)	**12.70%**
Cost of Debt, post-tax	**6.65%**
Weight of Equity (We)	74.63%
Weight of Debt (Wd)	25.37%
WACC, rounded	**11.10%**

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

Sources: [1]The REIT offices segment is excluded due to different underlying assumptions as used in the valuation of FILRT.

Valuation Analysis | FLI
Discounted Cash Flows Method | Residential

The following are the **Key Valuation Inputs and Assumptions** used in the **Discounted Cash Flows Method** of the residential segment under FLI:

Revenues

- Revenues were forecasted based on the sale of inventory units and average selling price per year.
- Receipts were computed based on the typical financing terms offered (e.g., cash discount offered for cash sales, downpayment terms offered for bank financing sales, etc.) and collections of the remaining balance in receivables.
- To determine the low and high revenue case, various assumptions were sensitized, such as the escalation of average selling price and percentage of cash sales.

Cost of Goods Sold

- The residential project costs, raw land acquisition, and other CAPEX/PPE line items from the provided 5-year forecast were utilized as the forecasted COGS figure.

Other Income and Expenses

- Figures are sourced from the 5-year forecast and are adjusted for inflation using Bloomberg data for periods beyond the explicit management forecast.

DCF Summary

- Using the DCF method, the enterprise value of the Residential Segment as of the Valuation Date was estimated within the range of **PHP65,001.57 million to PHP76,685.90 million**.

Valuation Analysis | FLI
Discounted Cash Flows Method | Non-REIT Offices

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method of the non-REIT offices segment under FLI:

Revenues

- Non- REIT Offices revenues consist of rental income and other income.
  - Majority of the rental income is derived from office leases. Other sources of rental income are leases from retail, parking, lot rental and telecommunications.
  - Other income primarily pertains to association dues charged to tenants, consisting of Common Area Maintenance Charges ("CAMC") and air-conditioning services, net of direct costs.
- To arrive at the low and high estimates of values, various operating statistics were sensitized, including occupancy rates and lease escalation rates. Sensitivities applied were based on a combination of management assumptions and historical rates.
- Other income was escalated based on management escalation rates.

Costs and Expenses

- Costs and Expenses include utilities, rental expense, manpower and service cost, repairs and maintenance, taxes and licenses, insurance, service and management fees, and other miscellaneous fees.
- These costs were escalated based on either management escalation rates or forecasted inflation rates from Bloomberg, except for the following:
  - Management fees include PM fees. These were calculated based on EBITDA, CAMC and Aircon Charges, following management assumptions.

Depreciation Expense

- Depreciation expense follows management depreciation figures.

Capital Expenditures

- Annual recurring maintenance capital expenditures were based on the capital expenditure requirements of the various non-REIT office properties, as provided by management.

Terminal Value

- The terminal value was determined using the Perpetuity Model given the long-term nature of the properties being managed.
- This was derived by dividing the terminal cash flow by the difference between WACC and the terminal growth rate. The terminal cash flow was computed based on last year's explicit forecast period cash flow. The terminal growth rate used was 3.3 percent, based on the long-term Philippine GDP growth rate forecasted by The Economist Intelligence Unit.

DCF Summary

- Using the DCF method, the equity value of Non-REIT Office segment as of the Valuation Date was estimated within the range of **PHP14,537.17 million** to **PHP22,692.88 million.**

Valuation Analysis | FLI
Discounted Cash Flows Method | Retail Leasing

The following are the **Key Valuation Inputs and Assumptions** used in the **Discounted Cash Flows Method** of the retail leasing segment under FLI:

Revenues

- Rental income is determined based on the operating statistics provided by management. This is derived from the average rental rate, occupancy rate, and gross leasable area (GLA) as provided by management.
- To arrive with the low and high cases of rental income, both the occupancy rate and escalation rate are sensitized based on management assumptions.

Expenses and Other Income

- These include miscellaneous income, selling expenses, and general and marketing expenses. These are derived from the 5-year forecasts provided by management.

Depreciation Expense

- Depreciation expense follows management depreciation figures.

Capital Expenditures

- Annual recurring maintenance capital expenditures were based on the capital expenditure requirements as provided by management.

Terminal Value

- The terminal value was determined using the Perpetuity Model given the long-term nature of the properties being managed.
- This was derived by dividing the terminal cash flow by the difference between WACC and the terminal growth rate. The terminal cash flow was computed based on last year's explicit forecast period cash flow. The terminal growth rate used was 3.3 percent, based on the long-term Philippine GDP growth rate forecasted by The Economist Intelligence Unit.

DCF Summary

- Using the DCF method, the enterprise value of the Retail Leasing segment as of the Valuation Date was estimated within the range of **PHP14,160.87 million to PHP26,641.94 million**.

Valuation Analysis | FLI
Discounted Cash Flows Method | Industrial and Co-Living

The following are the **Key Valuation Inputs and Assumptions** used in the **Discounted Cash Flows Method** of the industrial and co-living segments under FLI:

Revenue

- Management provided a 5-year forecast, primarily used to value the industrial and co-living segments. Revenues were sensitized based on growth rates assumed by management.

Costs and Expenses

- These are based on the 5-year average percentage of revenue, as provided by management.

Capital Expenditures

- Annual recurring maintenance capital expenditures were based on the capital expenditure requirements of the various Industrial and Co-Living properties, as provided by management.

Working Capital Requirements

- Working capital requirements were calculated based on forecasted working capital figures, as provided by management.

Terminal Value

- The terminal value was determined using the Perpetuity Model given the long-term nature of the properties being managed.
- This was derived by dividing the terminal cash flow by the difference between WACC and the terminal growth rate. The terminal cash flow was computed based on last year's explicit forecast period cash flow. The terminal growth rate used was 3.3 percent, based on the long-term Philippine GDP growth rate forecasted by The Economist Intelligence Unit.

DCF Summary

- Using the DCF method, the equity value of the Industrial segment as of the Valuation Date was estimated within the range of **PHP2,781.71 to PHP5,832.09 million.**
- Using the DCF method, the equity value of the Co-Living segment as of the Valuation Date was estimated within the range of **PHP(7,504.76) to PHP(3,226.60) million;** negative values were driven by CAPEX and working capital requirements, as forecasted by management.

Valuation Analysis | FLI
Consolidated DCF

Discount to NAV

In valuing the consolidated DCF of FLI, a Discount to NAV was applied, to account for the market's sentiment towards the property sector and FLI itself. The discount applied was based on the three-year average of discounts to FLI's NAV from a sample of equity analysts covering FLI's NAV against their actual stock prices.

Summary

The range of market values of FLI is within **PHP20,650.98 million to PHP33,088.31 million.** Presented below is the consolidated DCF of FLI.

Amounts in PHP millions except per share basis	Market Values	
Business Segment	**Low Estimate**	**High Estimate**
Residential	65,001.57	76,685.90
REIT Offices*	9,638.09	14,015.37
Non-REIT Offices	14,537.17	22,692.88
Retail Leasing	14,160.87	26,641.94
Industrial	2,782.67	5,832.09
Co-Living	(7,504.76)	(3,226.60)
Gross Asset Value	**98,614.65**	**142,641.58**
Add: Cash	5,834.43	5,834.43
Less: Debt	(83,909.61)	(83,909.61)
Add: Non-operating assets and liabilities, including landbank	52,560.36	52,560.36
Net Asset Valuation ("NAV")	**73,099.83**	**117,126.76**
Less: Discount to NAV (71.75%)	(52,449.13)	(84,038.45)
Estimated Market Value of Equity	**20,650.70**	**33,088.31**
Number of shares outstanding (millions)	24,249.76	24,249.76
Estimated Market Value of Equity per share	**0.85**	**1.36**

Note: (*) Enterprise value of REIT Offices is based on FLI ownership of 63.27%.
Source: FTI Consulting Analysis

Valuation Analysis | FLI
Volume Weighted Average Price Method

- As a cross-check to our DCF valuation and given that the shares of FLI are listed on the local stock exchange, we also valued FLI using the Volume Weighted Average Price method.
- The VWAP method is computed using the following formula:

$$VWAP = \frac{\sum(Stock\ Price\ x\ Volume\ Traded)}{\sum Volume\ Traded}$$

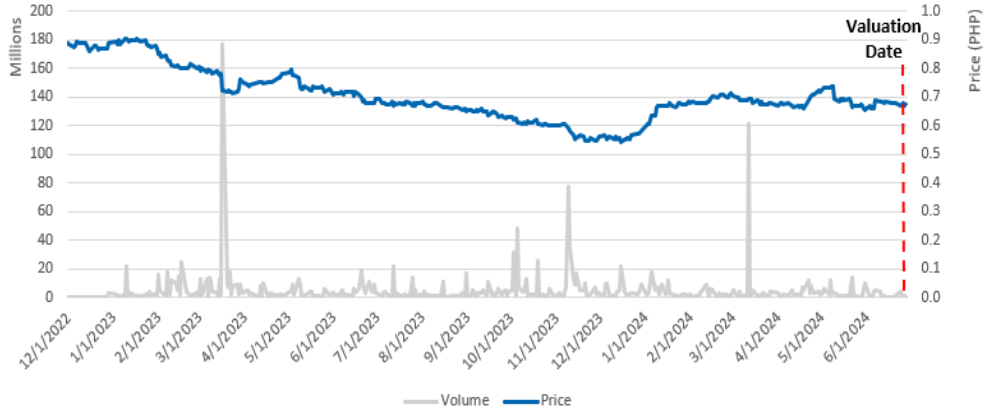
- We considered the stock prices and trading volume of FLI over a one-year period from the Valuation Date. Stock prices were extracted from Bloomberg and were weighted by their corresponding trading volume.

VWAP Computation as of 28 June 2024

Period	Price per Share (PHP per share)	Equity Value (In PHP millions)
365-day	0.69	16,680.84
180-day	0.63	15,385.33
90-day	0.69	16,764.80
30-day	0.67	16,270.54
VWAP as of 28 June 2024	0.67	16,351.61

Sources: Bloomberg, FTI Consulting Analysis

Price and Volume Chart



Source: Bloomberg

- Using the VWAP method, the equity value of FLI as of the Valuation Date was estimated within the range of **PHP15,385.33 million** to **PHP16,764.80 million**, or **PHP0.63** to **PHP0.69** on a per share basis.

Valuation Summary	Low Estimate	High Estimate
	180-day	90-day
VWAP (in PHP per share)	0.63	0.69
Outstanding Shares (in millions)	24,249.76	24,249.76
Estimated Equity Value (in PHP millions)	**15,385.33**	**16,764.80**

Source: FTI Consulting Analysis



Valuation Analysis – FILRT

FTI CONSULTING™

Valuation Analysis | FILRT
Company Overview

- Filinvest REIT Corp. (formerly Cyberzone Properties, Inc.) ("FILRT") was registered with the Philippine Securities and Exchange Commission ("SEC") on January 14, 2000 primarily 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.
- FILRT'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.
- The real estate portfolio of FILRT consists of commercial spaces primarily leased for office purposes and are strategically located in business districts, primarily catering to the business process outsourcing ("BPO") industry.
- The real estate assets are as follows:
  - Axis Tower 1
  - Filinvest One
  - Filinvest Two
  - Filinvest Three
  - Vector One
  - Vector Two
  - Vector Three
  - Plaza A
  - Plaza B
  - Plaza C
  - Plaza D
  - Plaza E
  - iHub1
  - iHub2
  - 5132 Building
  - Capital One
  - Cebu Tower 1
  - Boracay Resort Lot
- FILRT listed its shares on the PSE on August 12, 2021. It was the third REIT listing on the PSE, raising a total of PHP 12.6 billion from its IPO.
- As of 31 December 2023, FILRT reported total assets of PHP49,946.24 million, total liabilities of PHP8,587.72 million, and total shareholders' equity of PHP41,358.52 million.
- Last twelve months revenues for the period ended 31 December 2023, including fair value adjustments, was at PHP3,408.79 million, while net income was at PHP1,744.85million, posting a 51.19 percent net margin.

FILRT's Key Financials as of 31 December 2023

Financial Item	Amounts in PHP millions
Total Assets	49,946.24
Total Liabilities	8,587.72
Total Shareholders' Equity	41,358.52
Gross Revenues	3,408.79
Net Income	1,744.85
Net Margin (%)	51.19%

Sources: FILRT Annual Financial Statement for December 31, 2023

Valuation Analysis | FILRT
Discounted Cash Flows Method

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

Discount Rate Estimation

Inputs to the determination of the WACC used to value FILRT as of the Valuation Date were based on the following parameters:

- Cost of equity was computed using the Capital Asset Pricing Model ("CAPM").
  - Risk-free rate of 6.65 percent was based on the 10-year Philippine BVAL rate as of Valuation Date sourced from Bloomberg.
  - Market risk premium of 4.99 percent was obtained by deducting the Philippine market rate of return sourced from Bloomberg from the risk-free rate.
  - Levered beta was derived from the average unlevered beta of comparable companies and then re-levered based on the target capital structure weights.
  - Alpha risk premium of 1.99 percent was referenced from the 2023 CRSP Deciles Size Premia Study by Kroll, based on FILRT's market capitalization as of Valuation Date.
- Pre-tax cost of debt of 7.24 percent was computed using the build up method by adding risk free rate and a margin of 0.59 percent based on FILRT's synthetic credit rating referenced from Aswath Damodaran.
- Under the REIT Law, a Philippine REIT is subject to regular income tax, but it can claim as a deduction from its taxable net income any dividend distributed out of its distributable income. At least 90 percent of the distributable income of FILRT is intended to be distributed as dividends. Therefore, the effective tax rate applicable for FILRT is zero percent.

Discount Rate For FILRT As of 30 June 2024	Value
Risk-free Rate (RFR)	6.65%
Market Risk Premium (MRP)	4.99%
Unlevered Beta (β_U)	0.43
Debt-to-Equity ratio (D/E)	0.22
Tax Rate (T)	-
Levered Beta (β_L)	0.52
Alpha Risk Premium (α)	1.99%
Cost of Equity (Ke)	**11.20%**
Cost of Debt, pre-tax (Kd)	7.24%
Tax Rate (T)	-
Cost of Debt, post-tax	**7.24%**
Weight of Equity (We)	82.15%
Weight of Debt (Wd)	17.85%
WACC, rounded	**10.50%**

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

Valuation Analysis | FILRT
Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method (cont'd):

Revenues

- FILRT's revenues consist of rental income and other income.
  - Majority of the rental income is derived from office leases. Other sources of rental income are leases from retail, parking, lot rental and telecommunications.
  - Other income primarily pertains to association dues charged to tenants, consisting of Common Area Maintenance Charges ("CAMC") and air-conditioning services, net of direct costs.
- To arrive at the low and high estimates of values, we sensitized the various operating statistics, including occupancy rates and lease escalation rates. Sensitivities applied were based on a combination of management assumptions and historical rates.
- Other income was escalated based on FILRT's management escalation rates.

Costs and Expenses

- Costs and Expenses include utilities, rental expense, manpower and service cost, repairs and maintenance, taxes and licenses, insurance, service and management fees, and other miscellaneous fees.
- These costs were escalated based on either FILRT's management escalation rates or forecasted inflation rates from Bloomberg, except for the following:
  - Management fees include PM fees and FM fees. These were calculated based on EBITDA, CAMC and Aircon Charges, and deposited property value, following FILRT's management assumptions.

Depreciation Expense

- FILRT uses fair value accounting and as such, no depreciation expense is recognized.

Capital Expenditures

- Annual recurring maintenance capital expenditures were based on the capital expenditure requirements of the various FILRT properties, as provided by FILRT's management.

Working Capital Requirements

- Working capital requirements were calculated based on the average collection and payment periods, as provided by FILRT's management.

Valuation Analysis | FILRT
Discounted Cash Flows Method

The following are the **Key Valuation Inputs and Assumptions** used in the Discounted Cash Flows Method (cont'd):

Terminal Value

- The terminal value was determined using the Perpetuity Model given the long-term nature of the properties being managed.
- This was derived by dividing the terminal cash flow by the difference between WACC and the terminal growth rate. The terminal cash flow was computed based on last year's explicit forecast period cash flow. The terminal growth rate used was 3.3 percent, based on the long-term Philippine GDP growth rate forecasted by The Economist Intelligence Unit.

DCF Summary

Using the DCF method, the equity value of FILRT as of the Valuation Date was estimated within the range of **PHP12,454.68 million** to **PHP19,373.08 million**, or **PHP2.55** to **PHP3.96** on a per share basis.

Valuation Summary (in PHP millions)	Low Estimate	High Estimate
Estimated Value of Operating Assets	15,233.28	22,151.68
[+] Cash	905.72	905.72
[-] Debt	(6,024.04)	(6,024.04)
[+] Non-operating assets and liabilities	2,339.72	2,339.72
Estimated Market Value of Equity	**12,454.68**	**19,373.08**
Outstanding Shares (in millions)	4,892.78	4,892.78
Estimated Market Value of Equity per Share	**2.55**	**3.96**

Source: FTI Consulting Analysis

Valuation Analysis | FILRT
Dividend Discount Model

- The Dividend Dividend Model ("DDM") was used as a cross-check to estimate the equity value of FILRT, for the purposes of ensuring consistency and validating the valuation results. DDM focuses on dividends, providing a different perspective on the company's value based on income distribution to shareholders.
- Specifically, the method involves the calculation of future dividends and discounting these back to present value using the cost of equity.
- In the low case scenario, the Dividend Payout Ratio ("DPR") from 2023, calculated as dividends paid divided by net income, was applied to the forecasted net income provided by management.
- The high case scenario is based on the explicit forecasted dividends provided by management.
- For both scenarios, the cost of equity of 11.20 percent was used as the discount rate, and the growth rate of 3.30 percent was derived from the Economist Intelligence Unit.

- Using the DDM method, the equity value of FILRT as of the Valuation Date was estimated within the range of **PHP13,679.87 million** to **PHP18,221.94 million**, or **PHP2.80** to **PHP3.72** on a per share basis.

Valuation Summary	Low Estimate	High Estimate
	Historical DPR	Management Forecasts
Estimated Equity Value (in PHP millions)	13,679.87	18,221.94
Outstanding Shares (in millions)	4,892.78	4,892.78
Estimated Equity Value (in PHP per share)	**2.80**	**3.72**

Source: FTI Consulting Analysis

Valuation Analysis | FILRT
Volume Weighted Average Price Method

- As a cross-check to our DCF valuation and given that the shares of FILRT are listed on the local stock exchange, we also valued FILRT using the Volume Weighted Average Price method.
- The VWAP method is computed using the following formula:

$$VWAP = \frac{\sum(Stock\ Price\ x\ Volume\ Traded)}{\sum Volume\ Traded}$$

- We considered the stock prices and trading volume of FILRT over a one-year period from the Valuation Date. Stock prices were extracted from Bloomberg and were weighted by their corresponding trading volume.

VWAP Computation as of 28 June 2024

Period	Price per Share (PHP per share)	Equity Value (In PHP millions)
365-day	3.33	16,270.89
180-day	2.89	14,143.01
90-day	2.91	14,259.53
30-day	2.91	14,257.64
VWAP as of 28 June 2024	2.94	14,393.09

Sources: Bloomberg, FTI Consulting Analysis

Price and Volume Chart



Source: Bloomberg

- Using the VWAP method, the equity value of FILRT as of the Valuation Date was estimated within the range of **PHP14,143.01 million** to **PHP16,270.89 million**, or **PHP2.89** to **PHP3.33** on a per share basis.

Valuation Summary	Low Estimate	High Estimate
	180-day	365-day
VWAP (in PHP per share)	2.89	3.33
Outstanding Shares (in millions)	4892.78	4892.78
Estimated Equity Value (in PHP millions)	**14,143.01**	**16,270.89**

Source: FTI Consulting Analysis



Valuation Conclusion

FTI CONSULTING™

Valuation Conclusion

Based upon discussions with and representations of FLI's and FILRT's management, research conducted, and the valuation analyses performed and described herein, the range of market values of the FLI shares and FILRT shares are estimated as follows:

	Market Values (In PHP millions)		Value per Share (PHP per share)	
	Low Estimate	High Estimate	Low Estimate	High Estimate
FLI	20,650.70	33,088.31	0.85	1.36
FILRT	12,454.68	19,373.08	2.55	3.96

Source: FTI Consulting Analysis



Appendices

FTI CONSULTING™

Appendix A
Glossary of Terms

Term	Definition
Alpha risk premium	Risk premium associated with the level of unsystematic risk or risks specific to the subject company or asset
Beta	Measures the sensitivity of a stock's returns to changes in the market and is a measure of systematic risk
Book Value	Value of an asset or liability according to its balance sheet account balance
BVAL	Bloomberg Valuation
CAMC	Common Area Maintenance Charges
Capitalization rate	Rate of return on a property based on the net operating income that the property generates
CAPM	Capital Asset Pricing Model; Estimates the expected return on an investment given its systematic risk
Comparable companies	Publicly traded companies that are of similar characteristics (such as size, business of operations, or risks) and industry to the enterprise being valued
Comparable Public Companies Method	Valuation method that involves identification of publicly listed companies that are reasonably comparable to the subject company, and analysis of the valuation indications that the multiples of comparable companies imply when applied to the subject company
Cost of debt	The effective interest rate used by a company to pay its debts
Cost of equity	The return that stockholders require for a company; also called as required rate of return on equity
DDM	Dividend Discount Model
DPR	Dividend Payout Ratio
Discount rate	A rate of return used to convert a future monetary sum or cash flow into present value
Discounted Cash Flows Analysis	Involves forecasting the appropriate cash flow stream over an appropriate period and then discounting it back to a present value at an appropriate discount rate
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
Fairness Opinion	An opinion on whether the financial terms of a proposed corporate transaction are fair to the equity holders of an entity involved
FCFF	Free Cash Flows to the Firm; Represents the cash flows available for distribution to the capital holders of the asset after all operating expenses have been paid and all necessary investments in working capital and fixed assets have been made

Appendix A
Glossary of Terms

Term	Definition
GDP	Gross Domestic Product; The total market value of the goods and services produced by a country's economy during a specified period of time
GICS	Global Industry Classification Standard
GLA	Gross Leasable Area; Amount of floor space available to be rented
IVS	International Valuation Standards
Levered beta	Beta of a firm inclusive of the effects of capital structure
Market capitalization	Measure of the value of a company's value obtained by multiplying the number of shares outstanding by the company's share price
Market risk premium	The difference between the expected return of the market and the risk-free rate of return
Market Value	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
Mn	million
NAV	Net asset value
NOI	Net operating income; The amount of income remaining after deducting vacancy and collection losses, and operating expenses from potential gross income
NOPAT	Net Operating Profit After Tax
NTM	Next Twelve Months
Occupancy rate	Ratio of rented or used space to the total amount of available space
PHP	Philippine Peso
POGO	Philippine Offshore Gaming Operator
Raw beta	Historical beta that represents the relationship of a security's return and return of an index
REIT	Real Estate Investment Trust; A company that owns, operates, or finances income-generating real estate.

Appendix A
Glossary of Terms

Term	Definition
Risk premium	Excess return above the risk-free rate of risky assets
Risk-free rate	The rate of return with zero risk; represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time
SOTP	Sum of the parts method
sqm	Square meter
Unlevered beta	Beta of a company without debt; removes the financial effect of leverage
Vacancy Rate	Ratio of vacant or unoccupied space to the total amount of available space
Valuation	The process of establishing the value of an asset or liability
Valuation approach	One of three principal ways of estimating value; each valuation approach includes different methods that may be used to apply the principles of the approach to specific asset types or situations
Valuation Date	The date on which the opinion of value applies
VWAP	Volume Weighted Average Price
VWAP Method	Valuation method that involves analysis of the value of the subject company's shares based on its historical trading volume and price
WACC	Weighted Average Cost of Capital; a calculation of a firm's cost of capital in which each source of capital is proportionately weighted

Appendix B
Selection of Comparable Companies | FLI

Using the Bloomberg Terminal, we obtained the population of public companies which are possibly comparable to FLI. We selected comparable public companies in the 'Real Estate Owners & Developers' industry which operate in the Philippines and primarily lease retail spaces. The table below presents the selection process of comparable public companies used in the analysis.

Selection Process of Comparable Companies	Number of Comparables Filtered out	Number of Comparables Remaining
(1) Geographic Location: Within the Philippines BICS Sub-Industry Classification: Real Estate Owners & Developers		47
(2) Business Description: Majority of the revenue is from real estate business	31	16
(3) Reported Revenue more than PHP 10 bn	9	7
Final Number of Comparable Companies Used		**7**

Sources: Bloomberg, FTI Consulting Analysis

Appendix B
Selection of Comparable Companies | FILRT

Using the Bloomberg Terminal, we obtained the population of public companies which are possibly comparable to FILRT. We selected comparable public companies in the 'Office REITs' and 'Diversified REITs' industries which operate in Southeast Asia and primarily lease office spaces. The table below presents the selection process of comparable public companies used in the beta calculation for the estimate of the discount rate.

Selection Process of Comparable Companies	Number of Comparables Filtered out	Number of Comparables Remaining
(1) GICS Industry Classification: Office REITs, Diversified REITs		375
(2) Geographic Location: Within Southeast Asia	341	34
(3) Business Description: Office Space Leasing (majority)	29	5
Final Number of Comparable Companies Used		**5**

Sources: Bloomberg, FTI Consulting Analysis

Appendix C
Comparable Companies | FLI

Presented below are the selected comparable companies used for the valuation of FLI.

Comparable Companies	Country	Business Description
AYALA LAND INC	Philippines	Ayala Land is the largest property developer in the Philippines with a track record in developing large-scale, integrated, mixed-use, and sustainable estates. It offers a balanced and complementary mix of residential developments, shopping centers, offices, hotels and resorts, construction, property management and strategic investments.
SM PRIME HOLDINGS INC	Philippines	SM Prime Holdings Inc., through its subsidiaries, is engaged in residential property, shopping malls, offices, hotels and convention centers development.
MEGAWORLD CORP	Philippines	Megaworld Corporation, through its subsidiaries, operates in the real estate and hotel businesses as well as provides marketing services. The Company provides a wide array of product from condominiums to subdivisions developments.
ROBINSONS LAND CO	Philippines	Robinsons Land Corporation invests in and develops real estate. The Company develops residential housing and commercial real estate and operates shopping malls and hotels.
VISTA LAND & LIFESCAPES INC	Philippines	Vista Land & Lifescapes, Inc. is an investment holding company. The Company, through its subsidiaries develops, constructs, manages, and sells residential subdivisions and housing units. Vista Land & Lifescapes serves customers in the Philippines.
ROCKWELL LAND CORP	Philippines	Rockwell Land Corporation is a real estate operating, development and management company.
CENTURY PROPERTIES GROUP INC	Philippines	Century Properties Group Inc. operates as a holding company. The Company, through its subsidiaries, engages in the development, construction, marketing, management, leasing, and sale of residential condominiums and single detached homes, as well as retail and office spaces. Century Properties Group serves customers in the Philippines.

Sources: Bloomberg

Appendix D
Unlevered Beta Computation | FILRT

The unlevered beta was derived from the average unlevered beta of comparable publicly traded companies. To determine the unlevered betas of comparable companies, the following formula is used:

$\beta_U = \beta_\alpha \div [1 + (1 - T)\ (D/E)]$

where: β_U = Unlevered beta of comparable company
β_α= Adjusted beta of comparable company
T = Effective tax rate of comparable company
D/E = Debt-to-equity ratio of comparable company

Please see table below for the computed unlevered beta for the valuation of FILRT.

Comparable Companies	Adjusted Beta [1]	Debt-to-Equity	Effective Tax Rate	Unlevered Beta
KLCCP Stapled Group	0.54	0.16	12.73%	0.47
AREIT, Inc.	0.51	0.05	0.05%	0.48
Golden Ventures Leasehold REIT	0.56	0.31	0.00%	0.43
Thailand Prime Property Freehold and Leasehold REIT	0.47	0.35	20.00%	0.37
Wha Business Complex Freehold and Leasehold REIT	0.48	0.22	0.00%	0.40
Average				**0.43**

[1] 5-year weekly beta of the comparable companies from the Valuation Date adjusted using the Blume Method

Sources: Bloomberg, FTI Consulting Analysis



About FTI Consulting Philippines, Inc.

FTI CONSULTING™

FTI Consulting Philippines at a Glance

FTI Consulting Philippines, Inc. (FTI PH) is a financial/business advisory firm assisting clients with major events that can significantly influence the reputation and valuation of their organization. We help companies **build**, **grow**, **defend**, or **repair** their businesses.

FTI PH is a 100 percent Filipino-owned company with an exclusive franchise agreement with **FTI Consulting, Inc.**, a US-based global consulting firm listed on the New York Stock Exchange (NYSE: FCN). FTI PH was incorporated in 2006.

What Makes us Unique

Definitive Expertise

FTI PH employs **highly qualified professionals** particularly, MBAs, CPAs, and CFA charterholders with extensive, practical experience in applying that expertise to generate a decisive impact.

Accredited by SEC and PSE

FTI PH is accredited by the **Securities and Exchange Commission** (SEC) for the valuation of shares of stock and intangible assets, and is also accredited by the **Philippine Stock Exchange** (PSE) to issue fairness opinions and valuation reports of listed companies of the Exchange.

A Culture that Delivers

Our culture and working style reflect a **bias for the tangible** and a **tenacity for solutions** that make a meaningful difference. Our practices, as standalone offerings and comprehensive solutions, address the many interconnected issues our clients face.

Wide Client Reach

Our clients encompass a **diverse spectrum** of global and domestic: publicly-listed companies, financial institutions, family-owned corporations, funds/investors, and government-owned and controlled corporations.

Our Services

- Lead M&A Advisory
- Infrastructure Advisory
- Corporate & Debt Restructuring
- Valuations
- Fairness Opinion
- Purchase Price Allocation
- Financial Model Preparation
- Financial Model Review
- Financial Due Diligence
- Funds Advisory
- Distressed Debt Advisory

Industry Experience



Comprehensive Services

LEAD M&A AND INFRASTRUCTURE ADVISORY

As a trusted partner to companies, boards of directors, investors, lenders, and creditors around the world, the Corporate Finance & Restructuring segment is focused on delivering **restructuring**, **business transformation**, and **transaction solutions**. Committed to our clients' success, our award-winning professionals address the full spectrum of financial, operational, and transactional risks and opportunities across diverse industries. Among our core strengths is providing expertise in guiding companies through the value-creation life cycle.

VALUATION/PURCHASE PRICE ALLOCATION

We capitalize on our technical proficiency and extensive knowledge in various industries in **valuing shares of stock** and **intangible assets**. We utilize three general approaches to valuation: income, market, and cost approaches. We also provide post-acquisition support to clients through an independent **purchase price allocation** of their acquired assets and assumed liabilities, as part of their financial reporting requirements.

FINANCIAL MODEL PREPARATION AND REVIEW

We assist clients in their financial modeling needs through either **financial model construction** or **review**. Financial model construction involves preparing a model based on the needs of the client, using the project documents and/or technical studies commissioned by a client to evaluate a project. Our expertise in building financial models allows us to conduct an effective review of the models of other parties. We provide critical feedback to clients by assessing the integrity and structure of the model, checking for calculation errors, and documenting findings for immediate and future reference.

RESTRUCTURING

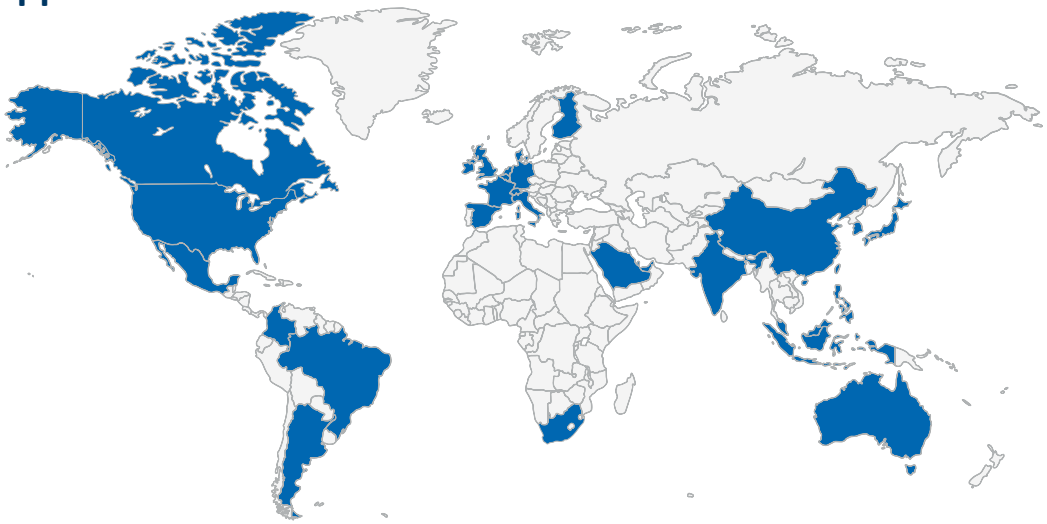
As one of the most well known names in the industry, we bring credibility and a proven track record of results to rebuild or extract value from underperforming companies. FTI PH has expertise in providing the following services: **performance improvement**, **CRO** (Chief Restructuring Officer)/**Interim Management**, **Restructuring Advisory**, and **Liquidity Management**. An objective third party specializing in rebuilding value is often the catalyst necessary to revitalize a company.

OTHER SERVICES

FTI PH's expertise extends to other services including **distressed debt advisory**, **financial due diligence**, **funds advisory**, and other transaction-related services.

Our Global Reach

With offices in every major financial center and every corner of the globe, we successfully serve our clients wherever challenges and opportunities arise.



North America

Canada
Calgary
Montreal
Toronto
Vancouver

United States
Atlanta
Bethesda
Boston
Bowie
Brentwood
Charlotte
Chicago
Columbia
Dallas
Denver
Detroit
Great Neck
Houston
Indianapolis
Irvine
Las Vegas
Los Angeles
McLean
Miami
Milwaukee
New York
Oakland
Palm Beach
Philadelphia
Pittsburgh
Portland
Redwood City
Richmond
Roseland
San Francisco
Santa Barbara
Scottsdale
Seattle
Walnut Creek
Washington, D.C.
Wayne

Latin America

Argentina
Buenos Aires

Brazil
São Paulo

Caribbean
British Virgin Islands
Cayman Islands

Colombia
Bogotá

Mexico
Mexico City

Europe, Middle East, Africa

Belgium
Brussels
Ixelles

Denmark
Copenhagen

Finland
Helsinki

France
Paris

Germany
Berlin
Düsseldorf
Frankfurt
Hamburg
Munich

Ireland
Dublin

Italy
Milan

Netherlands
Amsterdam

Qatar
Doha

Saudi Arabia
Riyadh

South Africa
Cape Town
Johannesburg
Sandton

Spain
Barcelona
Madrid

Switzerland
Zurich

United Arab Emirates
Abu Dhabi
Dubai

United Kingdom
London
Stirling

Asia

China
Beijing
Hong Kong
Shanghai
Shenzhen

India
Mumbai
New Delhi

Indonesia
Jakarta

Japan
Tokyo

Korea
Seoul

Malaysia
Kuala Lumpur

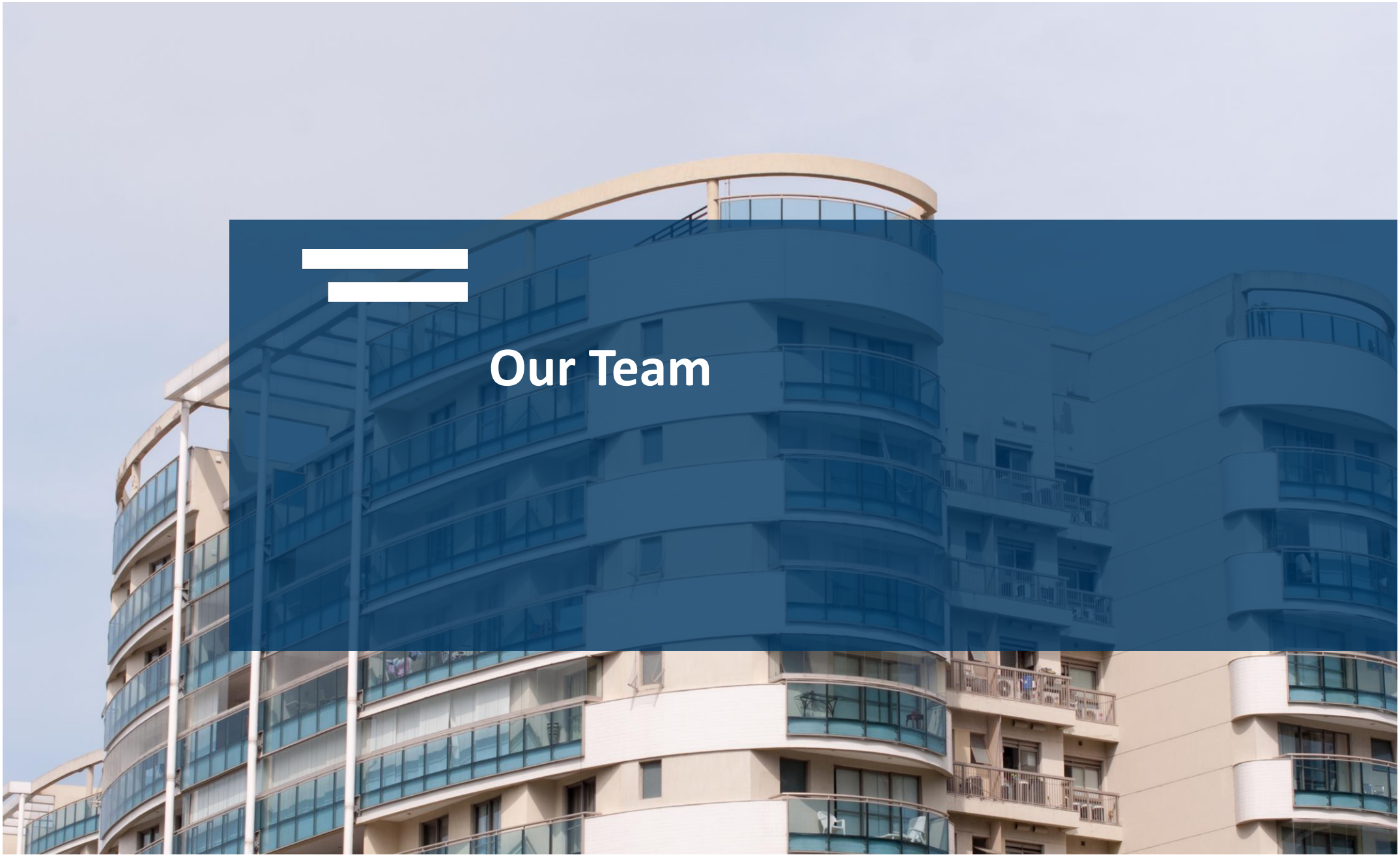
Philippines [1]
Manila

Singapore

Australia

Brisbane
Melbourne
Perth
Sydney

1. Affiliate



Our Team

FTI CONSULTING™

Dominador (“Butch”) Gregorio III

Senior Managing Director

+63 920.928.3514
butch.gregorio@fticonsulting-ph.com



Location
Manila, Philippines

Certifications
Certified Public Accountant
Licensed Real Estate Broker
Institute of Corporate Directors, Graduate Member

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

Education
MBA – Wharton Business School
MA in International Studies – Lauder Institute of Management and International Studies, University of Pennsylvania

Dominador (Butch) Gregorio III is a Senior Managing Director in FTI Consulting Philippines’ Corporate Finance practice, based in Manila, Philippines. He has more than 30 years of professional experience in restructuring, transaction support, mergers and acquisitions (“M&A”), and financial advisory.

Mr. Gregorio has advised clients in healthy and distressed situations in connection with M&A, debt restructuring, corporate reorganizations, recapitalizations, funds advisory, and strategic business issues.

Mr. Gregorio’s experience covers all aspects of financial and operating transaction support, including business enterprise valuation, identifying value drivers and risk issues critical to the investment decision, structuring considerations, due diligence of the quality of earnings, cash flows, and balance sheet, fairness opinions, project finance, supporting negotiating financing covenants, advice on sale and purchase agreements, forensic investigation, business process reviews, interim management roles, and corporate directorships. He is an independent director of Sun Life Investment Management & Trust Corporation and Home Credit Philippines.

Prior to joining, Mr. Gregorio provided similar services as a partner and head of the Financial Advisory Services group for Deloitte in Almaty, Kazakhstan. From 2003 to 2007, he was the COO and Managing Director of Ernst & Young Transaction Advisory Services, Inc. in the Philippines. He was a partner in SGV & Co. and head of the Corporate Finance Division. Mr. Gregorio spent seven years with Citicorp Real Estate, Inc. (Citibank N.A.) in New York, Minneapolis, and Dallas, U.S.A. He represented a hedge fund as a member of the board of directors of a listed real estate company, which was eventually sold.

Relevant Experience

- Buy-side M&A advisory for the purchase of Wizards Group by NTT Data which included structuring, valuation, due diligence, and negotiations until financial closing
- Sell-side advisor for the disposition of 100 percent of Country Builders Bank, a 36-branch Metro Manila-based rural bank
- Financial advisory and due diligence on the potential acquisition of Chemphil Industries
- Sell-side advisor on the sale of a high-end women’s retail garments brand to a Japanese buyer
- Financial advisor to the buyers of National Life Insurance Corporation in successful bidding through the Insurance Commission
- Fairness opinion and valuation engagement for the property-for-share swap of a listed energy company for an international renewable energy portfolio
- Preparation of financial model for use in strategic planning and capital raising by technical vocational education and training school for maritime officers and personnel
- Assessment of financial condition and recommendations for the debt restructuring of a listed agriculture company with its banks

John Balce

Senior Managing Director

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



Location
Manila, Philippines

Certifications
Certified Public Accountant
Chartered Financial Analyst

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

Education
Executive Masters in Business Administration, Asian Institute of Management

John Balce is a Senior Managing Director in FTI Consulting Philippines' Corporate Finance practice, based in Manila, Philippines. His industry expertise includes infrastructure, energy, mining, and financial institutions. He has more than 15 years of professional experience in financial modeling, valuation, deal advisory, project finance, and corporate restructuring.

Mr. Balce has been involved in several deals, including mergers & acquisitions ("M&A"), capital raising, debt refinancing, public-private partnerships, non-performing loan ("NPL") portfolio sales, and corporate rehabilitation. Mr. Balce has assisted in several cross-border engagements in the Philippines, China, Hong Kong, Indonesia, and Singapore.

Mr. Balce has extensive experience in building complex financial models for infrastructure and energy projects for evaluating financial viability for purposes of contractual negotiations, regulatory considerations and financing. He likewise has extensive experience in performing valuation of companies in various industries, whether public or private, including embedded intangible assets in M&A transactions.

Mr. Balce holds an executive master's degree in Business Administration, with honors, from the Asian Institute of Management. He graduated Magna Cum Laude from the University of the Philippines - Diliman with a bachelor's degree in Business Administration and Accountancy. He is a Certified Public Accountant and a Chartered Financial Analyst ("CFA") Charterholder. He is a member of the CFA Society Philippines, the CFA Institute, the Philippine Institute of Certified Public Accountants, and an officer of the Finance Executives Institute of the Philippines.

Relevant Experience

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

Alvin Tan

Managing Director

+63 998.844.0835
alvin.tan@fticonsulting-ph.com



Location
Manila, Philippines

Certifications
Chartered Financial Analyst
Chartered Valuer and Appraiser
Advanced Financial Modeler
Certified Financial Consultant

Professional Affiliations
CFA Institute
CFA Society Philippines
Institute of Valuers and Appraisers, Singapore
Financial Modeling Institute
Institute of Financial Consultants

Education
BS in Commerce Major in Financial Management, University of Santo Tomas – Magna Cum Laude

Alvin Tan is a Managing Director in FTI Consulting Philippines' Corporate Finance practice, based in Manila, Philippines. Mr. Tan has more than ten years of experience in financial advisory services with a strong focus on shares and intangible assets valuations, fairness opinions, and purchase price allocation exercises.

Mr. Tan has meaningful corporate advisory and transaction support experience providing strategic advice to clients across several industry sectors, including banking & other financial institutions, real estate & REITs, power & renewable energy, infrastructure, utilities, technology, consumer, retail, healthcare, and education.

Mr. Tan has significant experience in the valuation of shares and intangible assets. He has spearheaded and performed a number of complex valuation engagements, including fairness opinions and valuations of majority and minority stakes in public and private firms both locally and internationally. He has conducted intangible asset valuations and purchase price allocation exercises for mergers and acquisitions in different industry sectors. He has also assisted engagements covering financial due diligence, fraud investigation, restructuring, and sell-side M&As in the Philippines.

Mr. Tan graduated valedictorian from the University of Santo Tomas and was awarded the most outstanding graduate. He is a CFA Charterholder, a CVA Charterholder, and a Certified Advanced Financial Modeler. He serves as the current head of the CFA Society Philippines' Institute Research Challenge. He is also the current president of the Salt & Pepper Toastmasters Club.

Relevant Experience

- Managed the team performing a valuation of an investment holding company that owns a majority stake in one of the Philippines' largest publicly-listed conglomerates
- Spearheaded the fairness opinion engagement for the property-for-share swap of a publicly-listed energy company in the Philippines with an international renewable energy portfolio
- Led the fairness opinion engagement supported by a valuation exercise for a large real estate company in the Philippines regarding its property-for-share swap transaction between its parent company
- Prepared various financial models for a power generation company which were submitted to power distributors, bank lenders, and the Energy Regulatory Commission
- Managed the review of various financial models in the renewable energy space for the lenders' financing purposes
- Assisted in the successful sale of the largest rural bank in the Philippines in terms of branches in Metro Manila
- Performed financial due diligence on the potential acquisition of a publicly-listed chemicals company



Certificate of Reliance

FTI CONSULTING™

Certificate of Reliance

CERTIFICATE OF RELIANCE – Filinvest Land, Inc.

September 18, 2024

FTI Consulting Philippines Inc.
Pasig City, Philippines

Attention: John B. Balce
Senior Managing Director

Subject: Certificate of Reliance

Gentlemen:

This is to certify that to the best of my knowledge, the financial statements, forecasts and supporting schedules listed in Annex A and submitted to FTI Consulting Philippines, Inc. ("FTI Consulting"), for the purpose of valuing Filinvest Land, Inc. ("FLI") represent the best estimates to the future operating performance, financial results, and cashflows and are true and accurate, and free from material misstatements.

We have provided you with access to all information which we are aware are relevant to the engagement. We have no knowledge of any significant matter contrary to your findings.

We further certify that information we disclosed about the current operations, structure and organization, regulatory/legal disclosures, and other similar information relating to FLI are accurate to the best of our knowledge and belief at the time of the disclosure. Further, FLI shall indemnify and hold harmless FTI Consulting and its directors, officers, employees, and/or agents from any liability, loss, or damage arising out of or arising out of FTI Consulting's reliance on all information provided in performing the said valuation in accordance with clause 6 of the Terms and Conditions.

Sincerely,

[redacted]

Ana Venus A. Mejia
Chief Finance Officer
Filinvest Land, Inc.
79 EDSA, Highway Hills
Mandaluyong City, Philippines

Annex A

	File Type/Nature	File Name
1	FLI Financial Statement	FLI_17-A_Annual Report as of December 31, 2021 (FINAL).pdf
2	FLI Financial Statement	FLI_17-A_Annual Report as of December 31, 2022 (4.17.23) FINAL.pdf
3	FLI Financial Statement	FLI_17-A_Annual Report as of December 31, 2023_FINAL (4.12.24).pdf
4	FLI Financial Statement	FLI_QUARTERLY REPORT (17Q) AS OF MARCH 31, 2024.pdf
5	FLI Financial Statement	FLI 17-A Annual Report as of December 31, 2023 FINAL (4.12.24).pdf
6	FLI Financial Statement	FLI_QUARTERLY REPORT (17Q) AS OF JUNE 30, 2024.pdf
7	FLI Financial Statement	FLI_QUARTERLY REPORT (17Q) AS OF MARCH 31, 2024.pdf
8	FLI Reports	2022-2024 Offices Occupancy Report v2.xlsx
9	FLI Reports	Retail Op Stats.docx
10	Forecast/Financial Model	FLI FAI valuation for FTI COPY FLIreviewed.xlsx
11	Information Request List	20240821_PJ Privado_IRL as of 7PM.xlsb
12	Assumptions	FW [EXT] PJ Privado - Confirmation of assumptions.eml

Certificate of Reliance

CERTIFICATE OF RELIANCE – Filinvest REIT Corp.

September 18, 2024

FTI Consulting Philippines Inc.
Pasig City, Philippines

Attention: John B. Balce
Senior Managing Director

Subject: Certificate of Reliance

Gentlemen:

This is to certify that to the best of my knowledge, the financial statements, forecasts and supporting schedules listed in Annex A and submitted to FTI Consulting Philippines, Inc. ("FTI Consulting"), for the purpose of valuing Filinvest REIT Corp. ("FILRT") represent the best estimates to the future operating performance, financial results, and cashflows and are true and accurate, and free from material misstatements.

We have provided you with access to all information which we are aware are relevant to the engagement. We have no knowledge of any significant matter contrary to your findings.

We further certify that information we disclosed about the current operations, structure and organization, regulatory/legal disclosures, and other similar information relating to FLIRT are accurate to the best of our knowledge and belief at the time of the disclosure.

Sincerely,

[redacted]

Ana Venus A. Mejia
Chief Finance Officer
Filinvest REIT Corp.
23rd Floor, Filinvest Axis Tower One
Northgate Cyberzone, Filinvest City, Muntinlupa

Annex A

	File Type/Nature	File Name
1	FILRT Financial Statement	FILRT_17-A_Annual Report as of December 31, 2021 (PART 1).pdf
2	FILRT Financial Statement	FILRT_17-A_Annual Report as of December 31, 2021 (PART 2).pdf
3	FILRT Financial Statement	FILRT_17-A_Annual Report as of December 31, 2021 (PART 1).pdf
4	FILRT Financial Statement	FILRT_17-A_Annual Report as of December 31, 2022 (4.17.23).pdf
5	FILRT Financial Statement	FILRT 17-A Annual Report as of December 31, 2023_FINAL (4.15.24).pdf
6	FILRT Financial Statement	FILRT 17Q_2Q 2024.pdf
7	FILRT Financial Statement	FILRT QUARTERLY REPORT (17Q) AS OF MARCH 31, 2024.pdf
8	Analyst Report	COLLIERS Q2 2024 Property Market Briefing - All Sectors (07.31.24) (1).pdf
9	Forecast/Financial Model	FLI FAI valuation for FTI COPY FLIreviewed.xlsx
10	Information Request List	20240821_PJ Privado_IRL as of 7PM.xlsb
11	Assumptions	FW [EXT] PJ Privado - Confirmation of assumptions.eml



Mandate Letter

FTI CONSULTING™

Mandate Letter

FAIRNESS OPINION SERVICES ENGAGEMENT LETTER

STRICTLY PRIVATE & CONFIDENTIAL

June 24, 2024

Ana Venus A. Mejia
Chief Finance Officer
Filinvest Land, Inc.
79 EDSA, Highway Hills
Mandaluyong City, Philippines

Dear Ms. Mejia:

1. Introduction

Filinvest Land, Inc. ("FLI" or the "Client") is a subsidiary of the listed company, Filinvest Development Corporation, and is engaged in the development and sale of real estate properties. Filinvest REIT Corp. ("FILRT") is a real estate investment trust backed by FLI. Both FLI and FILRT (collectively, the "Parties") are also listed on the Philippine Stock Exchange ("PSE").

We understand that the Parties are evaluating options available to them to increase the public float of FILRT. The Parties are looking into the possibility of a share-for-share swap, wherein FLI will offer to exchange its shares in FILRT with FLI shares held by FLI shareholders (the "Transaction").

The PSE Memorandum on Guidelines for Fairness Opinions and Valuation Reports (No. 2011-0104) requires a fairness opinion for the share for share swap. Such fairness opinion must be supported by a valuation report. Section II No. 5 of the memorandum requires a valuation on the shares to be swapped. The Securities and Exchange Commission ("SEC") also requires a valuation report for the asset to be received by the company issuing shares under SEC Memorandum Circular No. 2, Series of 2014.

Given the requirements above, we understand that the Client is looking for an independent Valuation Specialist who will conduct a valuation study of both the FLI shares and the FILRT shares; and issue a fairness opinion on whether the Transaction is fair from a financial point of view.

FTI Consulting Philippines, Inc. ("FTI Consulting") is a corporate finance advisory firm that offers a wide array of services including valuation, transaction advisory, and mergers and

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

acquisition. We are experienced corporate finance professionals. FTI Consulting also has the requisite experience, accreditation, and skills to properly undertake this engagement.

FTI Consulting is accredited by the PSE for purposes of issuing fairness opinions and valuation reports of listed companies and prospective initial listing applicants of the Exchange in accordance with the PSE Memorandum on Guidelines for Fairness Opinions and Valuation Reports (No. 2011-0104). FTI Consulting is also accredited by the SEC as a Professional Services Organization (PSO) in accordance with SEC Memorandum Circular No. 2, Series of 2014.

This letter of engagement (the "Engagement") and the related Terms and Conditions constitute the engagement contract (the "Engagement Contract") pursuant to which our services will be provided.

2. Scope of Services and Time Frame

Fairness Opinion

- On the basis of our independent valuations of both the FLI shares and the FILRT shares, determine if the Transaction is fair from a financial point of view.

Valuation

- In support of the fairness opinion, analyze and estimate a range of market values[1] of the FLI shares and the FILRT shares as of the Valuation Date[2], with Philippine Peso ("PHP") as the valuation currency, using the generally accepted valuation methodologies, as appropriate and applicable, under the International Valuation Standards ("IVS"):
  - **Income Approach (Discounted Cash Flow Analysis):** The Discounted Cash Flow Analysis is based on the premise that the value of an asset is the present value of the future earning capacity that is available for distribution to investors in the asset. It involves forecasting a cash flow stream over a forecast period, and then discounting it back to present using an appropriate discount rate.
  - **Market Approach (Comparable Public Company Method):** The Comparable Public Company Method references publicly traded enterprises similar to the enterprise being valued.
  - **Market Approach (Volume-Weighted Average Price):** This method involves analysis of the value of the company's shares based on its historical trading volume and price. Volume-Weighted Average Price ("VWAP") is commonly used for subject companies that are actively traded. Given that prices may already reflect past and forward-looking available information of the subject company, this method may

[1] Market value, as defined by the IVS, is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
[2] Valuation Date is the date on which the estimation of value applies using information that is known or knowable as of that date. For this engagement, the Valuation Date is 31 March 2024.

Mandate Letter

provide reliable basis of market value.

The following are the activities to be performed in the valuation:

- Discuss with FLI and FILRT (collectively, the "Companies") management to understand the business, the Companies, and the dynamics of its industry;
- Review at least three-year audited financial statements and unaudited interim financial statements as of the Valuation Date of the Companies;
- Review the financial forecasts, including the underlying assumptions, of the Companies, which are understood to incorporate information known or knowable as of the Valuation Date;
- Review key contracts and agreements pertinent to the valuation such as lease contracts, loan agreements, shareholders agreements, and investment agreements, if any;
- Review recent appraisal reports on land, property and equipment;
- Conduct site visits of the Companies' properties, if appropriate;
- Review publicly available industry reports for understanding of industry dynamics;
- Conduct meetings and interviews with Companies' management, their financial advisors, and other advisors (legal, accounting, technical, etc.) and such other activities as may be necessary and desirable to arrive at the valuation.

Excluded Services

We note that our proposed scope of work does not include the appraisals of land, property, and equipment. The Client and/or the Companies shall be responsible for providing these. We are not providing financial modeling services and will not deliver financial models to the Client and/or the Companies.

Reporting

- Drafting of valuation studies and opinion on the fairness of the Transaction;
- Submission to the Client of the draft valuation and fairness opinion report for comments; and
- Finalization of valuation studies and fairness opinion report (the "Report").

Timetable

Presented below is the proposed timetable:

Phases	Responsibility	Duration (in weeks)	Timeframe (in weeks)
Provision of Information Requirements	FTI and Client	0.5	0.5
Confirmation of independence	FTI and PSE	2.0	2.5
Valuation Exercise	FTI	1.0	3.5

Submission and review of draft results and report	FTI and Client	0.5	4.0
Discussion and receipt of comments on draft report	FTI and Client	0.5	4.5
Report finalization and submission of soft copy of the Report*	FTI	0.5	5.0

**Please note that it will take 2-3 days from submission of the soft copy to deliver the hard copies of the Report.*

Please note that our timetable may be affected by the need to secure a confirmation of independence from the PSE. It is a requirement by the PSE that we are independent of the Transaction and the parties to the Transaction. We will submit our request for clearance of independence to the PSE as soon as we are engaged. We have no control over the time it will take for PSE to approve our request for clearance of independence. We are not aware of any conflicts of interest in undertaking this engagement.

The proposed schedule assumes that (1) all required information and documents will be made available, on a timely basis, and (2) there will be no unexpected delays that may occur which are beyond our control, which includes the confirmation of independence by the PSE. In any event, we shall exert our best efforts to ensure an efficient and concise process to meet your objectives.

3. Working Arrangements

Our performance of the Services is dependent upon the Client providing us with such information and assistance as we may reasonably require from time to time. To facilitate our work, it is understood that the Client will appoint a contact person who will be the primary point of contact for our information requirements and will coordinate meetings between our team and key persons such as management, technical advisors, legal advisors, accounting/tax advisors, other financial advisors.

Conference calls using the mutually preferred channel of communication shall be preferred over face-to-face meetings. We request that face-to-face meetings be limited on an as needed basis. The Client agrees that, to expedite communication, correspondence, letters, memos, information and data requirements can be transmitted via electronic mail. We will transmit the report in soft copy format. Hard copies will be provided if requested and given an appropriate lead time so that logistics can be arranged. Billings will be sent electronically via email. We request that payment of our bills be made via wire transfer to our designated bank account.

The Client shall use reasonable skill, care and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete. We will assume no responsibility and make no representations with respect to the accuracy or completeness of information provided by the Client. You shall also notify us immediately if you subsequently

Mandate Letter

learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

4. Our Responsibilities and Limitations

FTI Consulting will rely, in whole or in part, on information provided by the Client and the Companies. In the course of our Engagement, we may also rely on work done by third party service providers engaged or to be engaged by the Client. We will assume no responsibility and make no representations with respect to the accuracy or completeness of information provided by the Client, the Companies, or the third party service providers engaged by the Client.

Our work does not include the provision of technical, accounting, tax, legal, and regulatory advice and we make no representations regarding questions of technical, accounting, tax, legal, and regulatory interpretation. We will consult with the Client's technical, accounting, tax, legal advisor/s for any technical, accounting, tax, legal and regulatory assumptions needed in the valuation.

FTI Consulting shall be engaged by the Client to provide a fairness opinion supported by a valuation report. As such, the Client and the Companies are expected to already have determined the values in which they intend to execute the Transactions. FTI Consulting is being engaged to only render an opinion on whether these values are fair from a financial point of view. FTI Consulting and its individual employees will not make any management decisions for the Client.

5. Certificate of Reliance

The Scope of Services and the results will be based on information provided by the Client, the Companies, and publicly available information. Prior to issuing the final report, we will require that the Client and the Companies provide us with a Certificate of Reliance, that any projected financial forecasts and other supporting schedules provided to FTI Consulting for the purpose valuing the Companies represent to the best of their knowledge the best estimates as to the future operating performance, financial results and cash flows, and that unaudited financial statements provided are to the best of their knowledge true, accurate and free from material misstatements due to fraud or error.

Further, the Client shall indemnify and hold harmless FTI Consulting and its directors, officers, employees and/or agents from any liability, loss or damage relating to or arising out of FTI Consulting's reliance on all information provided in performing the said valuation. A draft Certificate of Reliance is set out in Exhibit III. The final fairness opinion supported by a valuation report will only be released upon issuance by the Client and the Companies of the signed Certificates of Reliance, which will be included in the final Report.

6. Professional Fees

For Services rendered in connection with this Engagement, we propose to charge a total fixed fee of [redacted] net of value added taxes ("VAT"). The fees shall be billed as follows:

- 35 percent or [redacted] net, upon signing of the Engagement Letter;
- 35 percent or [redacted] net, upon receipt of confirmation of our independence from the PSE;
- 30 percent or [redacted] net, upon release of the final Report.

Our proposed fee is based on the proposed scope of work for this Engagement. Should you wish to amend the scope or require us to perform additional tasks, the additional hours spent will be charged at our standard hourly rates discounted by 20 percent.

In case we commence work and have not gotten paid the initial payment and we have to stop work due to the non-confirmation of independence by the PSE, we shall bill you for actual time incurred at our standard hourly rates discounted by 40 percent. We shall return part of the payment if we have gotten the initial payment.

Should there be request for us to present to the SEC and PSE, or meet with them to clarify comment or questions on our reports, we will charge the time to prepare for and meet based on actual hours at standard hourly rates discounted by 20 percent. We will inform you in case we anticipate that the hours required will exceed 10 hours.

For reference, presented below are our billing rates, net of VAT:

Staff Classification	Standard Hourly Rate (PHP)	Discounted Hourly Rate (PHP)
Senior Managing Director	[redacted]	[redacted]
Managing Director		
Director		
Associate Director		
Manager		
Senior Associate II		
Senior Associate I		
Associate II		
Associate I		

Furthermore, in the event that this Engagement is discontinued as a result of your decision not to proceed with our assistance relative to this Engagement, any prior billings shall be considered as our fees for services rendered thus far.

Mandate Letter

Out-of-Pocket Expenses:

Our fees do not yet include our disbursements for applicable out-of-pocket expenses ("OPEs") including the Fee for Confirmation of Independence required by the PSE upon filing, travel, accommodations, long-distance telephone calls, courier services, facsimiles, staff per diems (including overtime per diems), and other expenses specifically related to the Engagement. We will charge an advance OPE of [redacted] (inclusive of VAT) to cover the PSE Fee for Confirmation of Independence.

Other Related Matters

Further, if FTI Consulting and/or any of its employees are required to testify or provide evidence at or in connection with any judicial or administrative proceeding relating to this Engagement, FTI Consulting will be compensated by you at its regular hourly rates and reimbursed for reasonable allocated and direct expenses (including counsel fees) with respect thereto.

Invoices for fees and expenses incurred in connection with this Engagement will be billed based on the payment milestones discussed above. If we do not receive payment of any invoice within ten (10) calendar days from receipt of the invoice, we shall be entitled, without prejudice to any other rights that we may have and to immediately suspend provision of the Services until all sums due are paid in full. We will also charge interest on unpaid fees and expenses at an annual rate of 10 percent.

If withholding taxes are required to be deducted from the amounts payable to FTI Consulting, the Client shall pay such taxes to the appropriate tax authority. The Client shall promptly submit to FTI Consulting the Certificate of Creditable Withheld at Source (BIR Form 2307) to enable FTI Consulting to claim a tax credit. If no certificate is issued, the Client shall pay the equivalent amount withheld as if no tax has been withheld.

The Client agrees to promptly notify FTI Consulting if the Client or any of their subsidiaries or affiliates extends (or solicits the possible interest in receiving) an offer of employment to a principal or employee of FTI Consulting involved in this Engagement and agrees that FTI Consulting has earned and will be entitled to a cash fee, upon hiring, [redacted] of the aggregate first year's annualized compensation, including any guaranteed or target bonus and equity award, to be paid to FTI Consulting's former principal or employee that the Client or any of their subsidiaries or affiliates hires at any time up to one year subsequent to the date of the final invoice rendered by FTI Consulting with respect to this Engagement.

7. Terms and Conditions

The attached Terms and Conditions set forth the duties of each party with respect to the Services. Further, this letter and the Terms and Conditions attached comprise the entire

Engagement Contract for the provision of the Services to the exclusion of any other express or implied terms, whether expressed orally or in writing, including any conditions, warranties and representations, and shall supersede all previous proposals, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services.

8. Relationships with Other Parties

Based on our understanding of interested parties to this Transaction (the "Potentially Interested Parties"), we have undertaken a limited review of our records to determine FTI Consulting's professional relationships with the Client. From the results of such review, we were not made aware of any conflicts of interest or additional relationships that we believe would preclude us from performing the Services. However, as you know, we are a large consulting firm with numerous offices throughout the world. We are regularly engaged by new clients, which may include one or more of the Potentially Interested Parties. We will not knowingly accept an engagement that directly conflicts with this Engagement without your prior written consent, which you agree shall not be unreasonably withheld.

9. Other Matters

Either of us may request changes to the work we will perform. Changes must be agreed upon between us and will be subject to reasonable adjustments to fees and timetables. Changes which amount to the provision of significant additional services, rather than adjustments to the services already agreed, must be agreed to in writing.

Please note that accredited PSOs of the SEC may be required to submit copies of valuation reports that they have prepared for purposes of complying with the requirements of their accreditation. As Valuation Specialists, FTI Consulting adheres to the latest version of the International Valuation Standards. FTI Consulting confirms that this valuation exercise will be undertaken in accordance with the IVS.

* * * * *

Mandate Letter

If you have any questions, please call John B. Balce, Senior Managing Director, at +63.928.503.9492. If the services outlined herein are in accordance with your requirements and if the above terms are acceptable to you, please have one copy of this letter signed in the space provided below and returned to us.

Yours sincerely,

FTI CONSULTING PHILIPPINES, INC.

By: [redacted]

John B. Balce
Senior Managing Director

Confirmation of Terms of Engagement

We agree to engage FTI Consulting Philippines, Inc. upon the terms set forth herein and in the attached Terms and Conditions.

Filinvest Land, Inc.

By: [redacted]

Ana Venus A. Mejia
Chief Finance Officer

Date: _____

Mandate Letter

EXHIBIT I - TERMS AND CONDITIONS

The following are the Terms and Conditions on which we will provide the Services to you set forth within the attached Letter of Engagement with Filinvest Land, Inc. dated June 24, 2024. The Letter of Engagement and the Exhibits (collectively, the "Engagement Contract") form the entire agreement between us relating to the Services. It replaces and supersedes any previous proposals, correspondence understandings or other communications whether written or oral. The headings and titles in the Engagement Contract are included to make it easier to read but do not form part of the Engagement Contract.

1. Reports and Advice

1.1. **Reliance on drafts** – You acknowledge that no reliance shall be placed on draft reports, conclusions or advice, whether oral or written, issued by us as the same may be subject to further work, revision and other factors which may mean that such drafts are substantially different from any final report or advice issued.

1.2. **Use and purpose of advice and reports** – Any advice given or report issued by us is provided solely for your use and benefit and only in connection with the purpose in respect of which the Services are provided. Unless required by law or regulatory agencies or any stock exchange, you shall not provide any advice given or report issued by us to any third party (other than your advisers, auditors or consultants on a need-to-know basis) or refer to us or the Services without our prior written consent or the receipt of the signed third party release letter included in Exhibit II. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.

1.3. **Scope of Analysis** – The valuation of any financial instrument or business is a matter of informed judgment. The accompanying valuation has been prepared on the basis of information and assumptions set forth in the attached report, appendices, our underlying work papers, and these limiting conditions and assumptions.

1.4. **Going Concern Assumption, No Undisclosed Contingencies** – Our analysis: (i) assumes that as of the Valuation Date the Asset will continue to operate as configured as a going concern; (ii) is based on the past and present financial condition of the Asset as of the Valuation Date; and (iii) assumes that the Asset had no undisclosed real or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business, nor had any litigation pending or threatened that would have a material effect on our analysis.

1.5. **Subsequent Events** – The terms of our engagement are such that we have no obligation to update this report or to revise the valuation because of events and transactions occurring subsequent to the Valuation Date.

2. Information and Assistance

2.1 **Provision of information and assistance** – Our performance of the Services is dependent upon you providing us with such information and assistance as we may reasonably require from time to time.

2.2 **Punctual and accurate information** – You shall use reasonable skill, care and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete. You shall also notify us if you subsequently learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

2.3 **No assurance on financial data** – While our work may include an analysis of financial accounting data, the Services will not include an audit, compilation or review of any kind of any financial statements or components thereof. Moreover, the circumstances of the Engagement may cause our advice to be limited in certain respects based upon, among other matters, the extent of sufficient and available data and the opportunity for supporting investigations in the time period. The Client will be responsible for any and all financial information they provide to us during the course of this Engagement, and we will not examine or compile any such financial information. Accordingly, as part of this Engagement, we will not express any opinion or other form of assurance on the financial statements or financial components of the Asset.

2.4 **Prospective financial information** - In the event the Services involve prospective financial information, our work will not constitute an examination, compilation or apply agreed-upon procedures in accordance with standards established by the Philippine Institute of Certified Public Accountants, and we will express no assurance of any kind on such information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We will take no responsibility for the achievability of the expected results anticipated by the management of the Client.

2.5 **Legal Matters** – We assume no responsibility for legal matters including interpretations of either the law or contracts. We have made no investigation of legal title and have assumed that owner(s) claim(s) to property are valid. We have given no consideration to liens or encumbrances except as specifically stated. We assumed that all required licenses, permits, etc. are in full force and effect. We assume no responsibility for the acceptability of the valuation approaches used in our report as legal evidence in any particular court or jurisdiction. The suitability of our report and

Mandate Letter

opinion for any legal forum is a matter for the Client and the Client's legal advisor to determine.

2.6 **Verification of Legal Description or Title** – No investigation of legal description or title to the properties will be made and we will assume that your claim to the properties are valid. No consideration will be given to liens or encumbrances which may be against the property, except as specifically stated as part of the financial statements you provide to us as part of this engagement. Full compliance with all applicable national, local government, local zoning, environmental and similar laws and regulations is assumed, unless otherwise stated and responsible ownership and competent property management are assumed.

2.7 **Verification of Hazardous Conditions** – We will not investigate the extent of any hazardous substances that may exist, as we are not qualified to test for such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation or other hazardous substances or environmental conditions may affect the value of the property, the value will be estimated predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility will be assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

2.8 **Condition of Property** – We assume no liability whatsoever with respect to the condition of the subject property or for hidden or unapparent conditions, if any, of the subject property, subsoil or structures, and further assume no liability or responsibility whatsoever with respect to the correction of any defects which may now exist or which may develop in the future. Equipment components considered, if any, were assumed to be adequate for the needs of the property's improvements, and in good working condition, unless otherwise reported.

2.9 **Zoning –** It was assumed that all public and private zoning and use restrictions and regulations had been complied with, unless non-conformity was stated, defined and considered in the report.

3. Additional Services

3.1 **Your responsibility for other parties –** You shall be solely responsible for the work and fees of any other party engaged by you to participate in the Engagement regardless of whether such party was introduced to you by us. Except as provided in the Letter of Engagement, we shall not be responsible for providing or reviewing specialist advice or services including legal, regulatory, accounting or taxation matters. Further, we acknowledge that we are not authorized to engage any third party under our Engagement Contract without your written authorization.

4. Confidentiality

4.1 **Restrictions on confidential information** – All parties agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving Services under this or any other contract between us. Except as provided below, neither party will disclose the other party's confidential information to any third party without the other party's consent. Confidential information shall not include information that:

4.1.1 is or becomes generally available to the public other than as a result of a breach of an obligation under this clause;

4.1.2 is acquired from a third party who, to our knowledge, owes no obligation of confidence in respect of the information; or

4.1.3 is or has been independently developed by the recipient.

4.2 **Disclosing confidential information** – Notwithstanding Clauses 1.2 and 4.1 above, either party will be entitled to disclose confidential information of the other to a third party to the extent that this is required by valid legal process provided that (and without breaching any legal or regulatory requirement) where reasonably practicable not less than 2 business days notice in writing is first given to the other party.

4.3 **Citation of engagement –** Without prejudice to Clause 4.1 and Clause 4.2 above, we may cite generally the performance of the Services to our clients and prospective clients as an indication of our experience, unless we both specifically agree otherwise in writing.

4.4 **Internal quality reviews** – Notwithstanding the above, we may disclose any information referred to in this Clause 4 to any other FTI entity or use it for internal quality reviews.

4.5 **Maintenance of workpapers** – Notwithstanding the above, we may keep one archival set of our working papers from the Engagement, including working papers containing or reflecting confidential information, in accordance with our professional standards and internal policies.

4.6 **Data privacy –** All parties are expected to comply strictly to the data protection requirements under applicable law and professional regulations, including but not limited to the Data Privacy Act of 2012.

Mandate Letter

EXHIBIT I - TERMS AND CONDITIONS

The following are the Terms and Conditions on which we will provide the Services to you set forth within the attached Letter of Engagement with Filinvest Land, Inc. dated June 24, 2024. The Letter of Engagement and the Exhibits (collectively, the "Engagement Contract") form the entire agreement between us relating to the Services. It replaces and supersedes any previous proposals, correspondence understandings or other communications whether written or oral. The headings and titles in the Engagement Contract are included to make it easier to read but do not form part of the Engagement Contract.

1. Reports and Advice

1.1. **Reliance on drafts** – You acknowledge that no reliance shall be placed on draft reports, conclusions or advice, whether oral or written, issued by us as the same may be subject to further work, revision and other factors which may mean that such drafts are substantially different from any final report or advice issued.

1.2. **Use and purpose of advice and reports** – Any advice given or report issued by us is provided solely for your use and benefit and only in connection with the purpose in respect of which the Services are provided. Unless required by law or regulatory agencies or any stock exchange, you shall not provide any advice given or report issued by us to any third party (other than your advisers, auditors or consultants on a need-to-know basis) or refer to us or the Services without our prior written consent or the receipt of the signed third party release letter included in Exhibit II. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.

1.3. **Scope of Analysis** – The valuation of any financial instrument or business is a matter of informed judgment. The accompanying valuation has been prepared on the basis of information and assumptions set forth in the attached report, appendices, our underlying work papers, and these limiting conditions and assumptions.

1.4. **Going Concern Assumption, No Undisclosed Contingencies** – Our analysis: (i) assumes that as of the Valuation Date the Asset will continue to operate as configured as a going concern; (ii) is based on the past and present financial condition of the Asset as of the Valuation Date; and (iii) assumes that the Asset had no undisclosed real or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business, nor had any litigation pending or threatened that would have a material effect on our analysis.

1.5. **Subsequent Events** – The terms of our engagement are such that we have no obligation to update this report or to revise the valuation because of events and transactions occurring subsequent to the Valuation Date.

2. Information and Assistance

2.1 **Provision of information and assistance** – Our performance of the Services is dependent upon you providing us with such information and assistance as we may reasonably require from time to time.

2.2 **Punctual and accurate information** – You shall use reasonable skill, care and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete. You shall also notify us if you subsequently learn that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

2.3 **No assurance on financial data** – While our work may include an analysis of financial accounting data, the Services will not include an audit, compilation or review of any kind of any financial statements or components thereof. Moreover, the circumstances of the Engagement may cause our advice to be limited in certain respects based upon, among other matters, the extent of sufficient and available data and the opportunity for supporting investigations in the time period. The Client will be responsible for any and all financial information they provide to us during the course of this Engagement, and we will not examine or compile any such financial information. Accordingly, as part of this Engagement, we will not express any opinion or other form of assurance on the financial statements or financial components of the Asset.

2.4 **Prospective financial information** - In the event the Services involve prospective financial information, our work will not constitute an examination, compilation or apply agreed-upon procedures in accordance with standards established by the Philippine Institute of Certified Public Accountants, and we will express no assurance of any kind on such information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We will take no responsibility for the achievability of the expected results anticipated by the management of the Client.

2.5 **Legal Matters** – We assume no responsibility for legal matters including interpretations of either the law or contracts. We have made no investigation of legal title and have assumed that owner(s) claim(s) to property are valid. We have given no consideration to liens or encumbrances except as specifically stated. We assumed that all required licenses, permits, etc. are in full force and effect. We assume no responsibility for the acceptability of the valuation approaches used in our report as legal evidence in any particular court or jurisdiction. The suitability of our report and

Mandate Letter

5. Termination

5.1 **Termination of Engagement with notice** – Either party may terminate the Engagement Contract for whatever reason upon written notice to the other party. Upon receipt of such notice, we will stop all work immediately. You will be responsible for all fees and expenses incurred by FTI Consulting through the date termination notice is received.

5.2 **Continuation of terms** – The terms of the Engagement Contract, including but not limited to, Clauses 4 and 6 of the Engagement Letter, and Clauses 1.2, 4, 6 and 7 of the Terms and Conditions, are intended to survive such termination or expiration and shall continue to bind all parties.

6. Indemnification and Liability Limitation

6.1 **Indemnification –** You agree to indemnify and to hold harmless FTI Consulting and any of its subsidiaries and affiliates, officers, directors, principals, shareholders, agents, independent contactors and employees (collectively "Indemnified Persons") from and against any and all claims, liabilities, damages, obligations, costs and expenses (including reasonable attorneys' fees and expenses and costs of investigation) arising out of or relating to your retention of FTI Consulting, the execution and delivery of this Engagement Contract, the provision of Services or other matters relating to or arising from this Engagement Contract, except to the extent that any such claim, liability, obligation, damage, cost or expense shall have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons.

Promptly after the commencement of any action or proceeding against FTI Consulting which could give rise to a claim for indemnification under this Agreement, FTI Consulting shall give notice to the Client if it wishes to assert a claim for indemnification under this Agreement. The Client shall then be entitled to participate in such action or proceeding and, to the extent that it shall wish, to assume the defense thereof with counsel reasonably satisfactory to FTI Consulting and, after notice from the Client to FTI Consulting of its election so to assume the defense thereof, the Client shall not be liable to FTI Consulting for any fees of other counsel or any other expenses subsequently incurred by FTI Consulting in connection with the defense thereof. If the Client assumes the defense of such an action, (a) no compromise or settlement thereof may be effected by the Client without FTI Consulting's consent (which shall not be unreasonably withheld) unless (i) there is no finding or admission of any violation of law or any violation of the rights of any person by FTI Consulting and (ii) the sole relief provided is monetary damages that are paid in full by the Client and (b) the Client shall

have no liability with respect to any compromise or settlement thereof effected by the FTI Consulting without its consent (which shall not be unreasonably withheld).

6.2 **Limitation of liability –** You agree that no Indemnified Person shall have any liability as a result of your retention of FTI Consulting, the execution and delivery of this Engagement Contract, the provision of Services or other matters relating to or arising from this Engagement Contract, other than liabilities that have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons.

You agree that our liability shall be limited to the extent of the fees actually paid to FTI Consulting. Without limiting the generality of the foregoing, in no event shall any Indemnified Person be liable for consequential, indirect or punitive damages, damages for lost profits or opportunities or other like damages or claims of any kind.

7. Governing Law and Jurisdiction

7.1 **Governing Law and Jurisdiction -** The Engagement Contract shall be governed by and interpreted in accordance with the laws of the Republic of the Philippines. The Regional Trial Court of Pasig City shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Contract and any matter arising from it. The parties irrevocably waive any right they may have to object to any action being brought in these Courts, to claim that the action has been brought to an inconvenient forum or to claim that those Courts do not have jurisdiction.

FTI CONSULTING PHILIPPINES, INC.

EXHIBIT II – STANDARD RELEASE LETTER-
Report Access Requested by CLIENT NAME for Nonclient

Mandate Letter

[Nonclient Recipient Letterhead]

[Date]

FTI Consulting Philippines Inc.

Dear FTI CONTACT:

CLIENT has informed **[name of recipient]** that FTI Consulting Philippines Inc. ("FTI CONSULTING") has performed certain pre-investment valuation to assist CLIENT in connection with the proposed transaction. We understand that the work performed by FTI CONSULTING was performed in accordance with instructions provided by CLIENT and was performed exclusively for CLIENT's sole benefit and use.

CLIENT has requested that FTI CONSULTING provide **[name of recipient]** access to the report of their valuation findings dated **[date]**. **[name of recipient]** acknowledges that this report was prepared at the direction of CLIENT and may not include all procedures deemed necessary for the purposes of **[name of recipient]** and that certain findings and information may have been communicated to CLIENT that are not reflected in the report.

In consideration of FTI CONSULTING allowing **[name of recipient]** access to the report and, if requested by **[name of recipient]**, discussing the report, **[name of recipient]** agrees that it does not acquire any rights as a result of such access that it would not otherwise have had and acknowledges that FTI CONSULTING does not assume any duties or obligations to **[name of recipient]** in connection with such access.

[name of recipient] agrees to release FTI CONSULTING and its personnel from any claim by **[name of recipient]** that arises as a result of FTI CONSULTING permitting **[name of recipient]** access to the report. Further, **[name of recipient]** agrees not to disclose or distribute the report, or information received, orally or in writing from FTI CONSULTING to any other parties (including any other members of a lending syndicate) without FTI CONSULTING's prior written consent.

Acknowledged by **[name of recipient]** representative:

By: _____
(Name of company official)

_____
(Title)

_____
(Date)



Scope of Work

FTI CONSULTING™

Scope of Work

Fairness Opinion

- On the basis of our independent valuation of the FLI and FILRT shares, determine whether the number of shares to be issued in exchange for the properties to be infused is fair from a financial point of view.

Valuation

- In support of the fairness opinion, analyze and estimate a range of market values of the FLI and FILRT shares as of the Valuation Date, with Philippine Peso (PHP) as the valuation currency, using the generally accepted valuation approaches, as appropriate and applicable, under the International Valuation Standards (IVS):
  - Income Approach: Discounted Cash Flows Method
  - Market Approach: Market Capitalization Method
  - Market Approach: Comparable Companies/Transactions Method
- Discuss with the Client the business operations, revenue mix, key operating metrics, tenants' lease terms, developments and plans, market dynamics, etc. to understand the business and operations of FLI, FILRT, and the industry.
- Review the audited and/or unaudited interim financial statements and related management reports of FLI and FILRT as of the Valuation Date.
- Review at least three-year historical and performance data of the FLI and FILRT.
- Review at least five-year financial forecasts of the FLI and FILRT (with a focus on the tenant leases and rent rolls).
- Hold discussions and Q&A sessions with the Client's management regarding the bases of assumptions used in the financial forecasts.
- Conduct research on historical trading prices of FLI and FILRT and calculate volume-weighted average prices ("VWAPs").
- Review key contracts and agreements pertinent to the valuation such as lease agreements, loan agreements, shareholders agreements, etc.

Scope of Work

Valuation (cont'd)

- Conduct a site visit, as appropriate.
- Review appraisal reports on land, and property and equipment.
- Review publicly available industry reports for understanding of industry dynamics.
- Conduct meetings and interviews with Client's management and other company advisors (i.e., legal, regulatory, tax, accounting, technical, etc.) and such other activities as may be necessary and desirable to arrive at the valuation.

Reporting

- Drafting of valuation study of the Shares and the Properties and opining on the fairness of the Transaction;
- Submission to the Client of the draft valuation and fairness opinion report for comments;
- Finalization of valuation study and fairness opinion report (the "Report"); and
- Presentation of final results to management and the Board of Directors of the Client, if necessary.



FTI Consulting Philippines, Inc. Accreditations

FTI CONSULTING™

FTI Consulting Philippines, Inc. Accreditations



Securities and Exchange Commission
PHILIPPINES

Accreditation No. 032

CERTIFICATE OF ACCREDITATION

THIS IS TO CERTIFY that

FTI CONSULTING PHILIPPINES, INC.

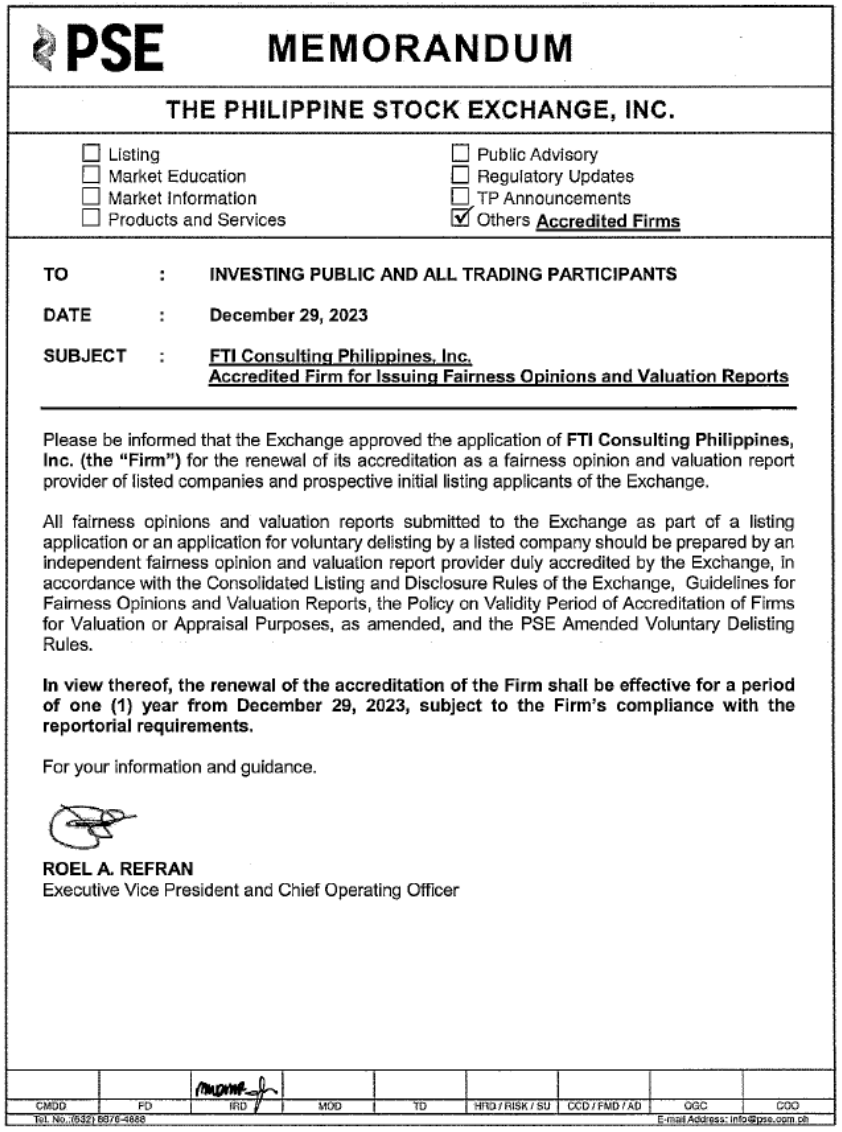
has been accredited by the Commission on **29 October 2020** as a Professional Service Organization (PSO) after its compliance with the documentary and qualification requirements of SEC Memorandum Circular No. 02, Series of 2014 (Guidelines on Asset Valuations).

The effectivity of this Certificate shall be from **October 29, 2020** to **October 28, 2025** and shall be subject to the requirements set forth under said Circular or any amendments thereto and such orders as may be issued by the Commission.

The accreditation by the Commission of the company named herein is permissive only and does not constitute a recommendation or indorsement of its engagement and practice. The review of the qualifications and sample valuation report of the company was based only on the documents submitted and the representations made therein by the company. Parties directly concerned on a report issued by the PSO are expected to conduct due diligence towards reliance of the contents thereof.

Issued at Pasay City, Philippines this 29th day of October, Two Thousand and Twenty.

EMMANUEL Y. ARTIZA
General Accountant



CN - No. 2023-0073

PSE **MEMORANDUM**

THE PHILIPPINE STOCK EXCHANGE, INC.

- ☐ Listing
- ☐ Market Education
- ☐ Market Information
- ☐ Products and Services
- ☐ Public Advisory
- ☐ Regulatory Updates
- ☐ TP Announcements
- ☑ Others **Accredited Firms**

TO : **INVESTING PUBLIC AND ALL TRADING PARTICIPANTS**

DATE : **December 29, 2023**

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

Please be informed that the Exchange approved the application of **FTI Consulting Philippines, Inc. (the "Firm")** for the renewal of its accreditation as a fairness opinion and valuation report provider of listed companies and prospective initial listing applicants of the Exchange.

All fairness opinions and valuation reports submitted to the Exchange as part of a listing application or an application for voluntary delisting by a listed company should be prepared by an independent fairness opinion and valuation report provider duly accredited by the Exchange, in accordance with the Consolidated Listing and Disclosure Rules of the Exchange, Guidelines for Fairness Opinions and Valuation Reports, the Policy on Validity Period of Accreditation of Firms for Valuation or Appraisal Purposes, as amended, and the PSE Amended Voluntary Delisting Rules.

In view thereof, the renewal of the accreditation of the Firm shall be effective for a period of one (1) year from December 29, 2023, subject to the Firm's compliance with the reportorial requirements.

For your information and guidance.

ROEL A. REFRAN
Executive Vice President and Chief Operating Officer

CMDD	FD	IRD	MOD	TD	HRD / RISK / SU	CCD / FMD / AD	OGC	COO

Tel. No.: (632) 6878-4888 E-mail Address: info@pse.com.ph



References

FTI CONSULTING™

References

- https://psa.gov.ph/content/gdp-expands-57-percent-first-quarter-2024#:~:text=The%20Philippine%20Gross%20Domestic%20Product,the%20first%20quarter%20of%202024
- https://neda.gov.ph/build-better-more-infra-program-to-further-propel-ph-economy-neda/
- https://www.jll.com.ph/en/trends-and-insights/research/1q24-metro-manila-and-metro-cebu-property-market-dynamics
- https://kmcmaggroup.com/research/2024/metro-manila-office-briefing-1q-2024/
- https://santosknightfrank.com/market-report/metro-manila-office-update-q1-2024/
- https://www.colliers.com/en-ph/research/colliers-quarterly-property-market-report-office-q1-2024-philippines
- https://www.colliers.com/en-ph/research/radar-expansion-diversification-philippine-reit-benefit-property-stakeholders
- https://www.gmanetwork.com/news/money/economy/904741/ncr-office-space-rental-prices-seen-to-drop-as-vacancy-levels-increase-jll/story/
- https://www.bworldonline.com/property/2024/01/16/568968/reits-expected-to-do-better-in-2024/
- https://psa.gov.ph/price-indices/cmrpi
- https://www.bworldonline.com/economy/2024/05/10/594112/metro-manilas-construction-material-retail-price-growth-quickens-in-april/
- https://www.asiapropertyawards.com/en/philippines-on-the-property-ladder-rising-investments-and-dynamic-developments/
- https://realestatenews.ph/national/business/colliers-sees-surge-in-property-revenge-investing
- https://www.jll.com.ph/en/trends-and-insights/research/4q23-metro-manila-and-metro-cebu-property-market-overview



Experts with Impact™

FTI CONSULTING™