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S.E.C. Registration Number

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(Company's Full Name)

V	E	C	T	O	R	O	N	E	B	U	I	L	D	I	N	G	,	A	L	A	B	A	N	G	,	
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(Business Address; No. Street City / Town / Province)

c/o Atty. Katrina O. Clemente-Lua
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Contact Person

7918-8188
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Company Telephone Number

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Month

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Day

Fiscal Year

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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type; If Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number / Section

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Total No. of Stockholders

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Domestic

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Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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# Performance Report for the 1st Quarter 2024

## Filinvest REIT Corp.

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15 May 2024

This document was prepared by FREIT Fund Managers, Inc. (FFMI) for Filinvest REIT Corp. (FILRT or the “Company”) in compliance with the reportorial requirements of the REIT Implementing Rules & Regulations under Republic Act No. 9856.

## **A. Executive Summary**

A recent Colliers property report noted that the office property market in Metro Manila continued to avert a 20% vacancy, ending the first quarter of 2024 with a slightly better vacancy of 19% vs. the 19.3% recorded in the previous quarter in 4Q 2023, despite the delivery of 96,000 sq meters of new office space. Transactions for the quarter showed a two-fold increase vs. the same quarter last year, as traditional and outsourcing tenants continue to be key drivers for office space. Nearly half of the total transactions were traditional companies followed by a third from BPOs and the balance of about a fifth from POGOs.

FILRT continued to show resilience with occupancy of 79% for the first quarter of 2024, which performed better than the industry occupancy average in Alabang at 70%, where 16 of FILRT's 17 office buildings are located.

In a push to recover previous periods' pre-terminations and to drive retention, FILRT, as of end-March 2024, successfully signed new leases of 2,438 sqm. In terms of tenant retention, 18,516 sqm were renewed and 7,688 sqm of leases have signed LOIs, comprising almost half of expiring leases in 2024.

For the first quarter of 2024, the weighted average lease expiry (WALE) improved from 6.91 in 2023 to 7.24 for the first quarter of 2024 with renewals and new leases having a relatively longer lease term.

FILRT declared dividends last May 10, 2024, amounting to Php 0.062 per share which is equivalent to the distributable income generated from the first quarter. The resulting annualized dividend yield is at 8.7% based on May 3, 2024, closing price of P2.86/share.

**B. Financial Performance for the Year-To-Date Period ended 31 March 2024**  
(reported at Fair Market Value, please refer to “G. Business Updates”)

**B.1 Statement of Financial Position in Php**

	March 31, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	992,626,107	1,301,018,941
Receivables	166,932,126	146,541,127
Other current assets	477,923,861	297,335,022
<b>Total Current Assets</b>	<b>1,637,482,094</b>	<b>1,744,895,090</b>
<b>Noncurrent Assets</b>		
Investment properties	45,128,766,571	45,094,555,000
Intangible assets	2,789,180,000	2,789,180,000
Other noncurrent assets	263,216,144	317,608,846
<b>Total Noncurrent Assets</b>	<b>48,181,162,715</b>	<b>48,201,343,846</b>
<b>Total Assets</b>	<b>49,818,644,809</b>	<b>49,946,238,936</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	1,702,493,791	1,814,798,144
Current portion of:		
Lease Liabilities	2,113,920	2,088,451
Security and other deposits	194,339,290	191,930,531
Loans Payable - net	5,990,107,837	
<b>Total Current Liabilities</b>	<b>7,889,054,838</b>	<b>2,008,817,126</b>
<b>Noncurrent Liabilities</b>		
Loans Payable		5,985,415,836
Lease liabilities - net of current portion	26,742,018	26,656,853
Security and other deposits - net of current portion	560,814,753	566,829,817
<b>Total Noncurrent Liabilities</b>	<b>587,556,771</b>	<b>6,578,902,506</b>
<b>Total Liabilities</b>	<b>8,476,611,608</b>	<b>8,587,719,632</b>
<b>Equity</b>		
Capital stock - P0.50 par value	2,446,388,997	2,446,388,997
Additional paid-in capital	2,518,356,922	2,518,356,922
Retained earnings (deficit) – end	36,377,287,282	36,393,773,385
<b>Total Equity</b>	<b>41,342,033,201</b>	<b>41,358,519,304</b>
<b>Total Liabilities and Equity</b>	<b>49,818,644,809</b>	<b>49,946,238,936</b>

Total assets decreased mainly due to the cash payment of dividends amounting to P328M in the first quarter of 2024 and payment to FDC for the Boracay lot purchase amounting 91M per quarter.

## B.2 Statement of Comprehensive Income in Php

	Quarter Ended March 31	
	2024	2023
<b>REVENUES</b>		
Rental income	558,288,257	630,441,727
Others	166,359,926	174,825,267
	<b>724,648,184</b>	<b>805,266,995</b>
<b>COST AND EXPENSES</b>		
Utilities	59,725,346	73,020,432
Rental expense	56,980,123	63,467,820
Manpower and service cost	48,114,548	42,186,036
Repairs and maintenance	46,015,909	47,108,267
Taxes and licenses	42,056,659	41,052,240
Insurance	5,377,387	2,687,102
Service and management fees	44,469,097	46,629,622
Commission	20,323,409	-
Others	2,256,339	2,871,844
	<b>325,318,817</b>	<b>319,023,364</b>
<b>OTHER INCOME (CHARGES)</b>		
Interest income	10,910,302	4,057,835
Interest and other financing charges	(106,549,513)	(98,475,938)
Other income (charges) - net	(29,383)	(10,037)
	<b>(95,668,594)</b>	<b>(94,428,140)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>303,660,772</b>	<b>391,815,491</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>		
Current	-	-
Deferred	-	-
	-	-
<b>NET INCOME</b>	<b>303,660,772</b>	<b>391,815,491</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>303,660,772</b>	<b>391,815,491</b>
<b>Basic/Diluted Earnings Per Share</b>	<b>0.06</b>	<b>0.08</b>

Net income declined year-on-year due to lower occupancy.

### B.3 Cashflow Summary in Php

	<b>Three Months Period Ended March 31</b>	
	<b>2024</b>	<b>2023, As restated</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>303,660,772</b>	391,815,491
Fair value change in investment properties, intangible asset and straight-line adjustment		(4,509,604)
Interest expense and other financing changes	<b>107,169,526</b>	93,442,916
Interest income	<b>(10,910,302)</b>	(4,057,835)
<b>Operating income before changes in operating assets and liabilities</b>	<b>399,919,997</b>	476,690,968
<b>Changes in operating assets and liabilities</b>		
Decrease (increase) in:		
Receivables	<b>(20,395,905)</b>	61,798,141
Other current assets	<b>(129,020,480)</b>	(135,276,282)
Increase (decrease) in:		
Accounts payable and accrued expenses	<b>(40,430,966)</b>	(76,637,823)
Security and other deposits	<b>(3,606,304)</b>	3,615,558
Other noncurrent liabilities	<b>(86,027,248)</b>	
<b>Net cash generated from operations</b>	<b>120,439,092</b>	330,190,562
Interest received	<b>10,910,302</b>	4,057,835
<b>Net cash provided by operating activities</b>	<b>131,349,393</b>	334,248,397
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to:		
Investment properties	<b>(34,211,571)</b>	(52,777,962)
Intangible assets		220,765
Decrease (increase) in:		
Other noncurrent assets	<b>24,032,349</b>	3,400,819
<b>Net cash provided by (used) in investing activities</b>	<b>(10,179,222)</b>	(49,156,378)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of:		
Payment on bonds		(6,000,000,000)
Proceeds from long-term debt		6,000,000,000
Principal portion of lease liability	<b>(509,378)</b>	(485,122)
Interest and transaction cost	<b>(101,237,500)</b>	(92,258,961)
Dividends Payable	<b>(327,816,126)</b>	(347,387,238)
<b>Net cash provided by (used) in financing activities</b>	<b>(429,563,004)</b>	(440,131,321)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(308,392,833)</b>	(155,039,302)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,301,018,941</b>	1,701,935,199
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>992,626,107</b>	1,546,895,897

Lower operating cash is mainly due to the timing difference of payment to supplier.

#### B.4 Rental Income (In Php Millions)

Property	GLA	Rental Income
Plaza A	10,860	27
Plaza B	6,488	10
Plaza C	6,540	13
Plaza D	10,860	18
Plaza E	14,860	35
Capital One	18,000	47
5132 Building	9,409	23
iHub1	9,481	14
iHub2	14,181	29
Filinvest One	19,637	15
Filinvest Two	23,784	28
Filinvest Three	23,784	17
Vector One	17,764	42
Vector Two	17,889	42
Vector Three	36,345	65
Axis Tower One	40,870	67
FCC Tower One	20,612	43
Boracay Lot	29,086	18
<b>Sub-total</b>	<b>330,448</b>	<b>552</b>
Open parking		6
<b>Total rental income</b>		<b>558</b>

#### B.5 Income from Related Parties (In Php Millions)

Affiliate	GLA, sqm	31 March 2024
Filinvest Cyberparks, Inc.	424	0.79
ProOffice Work Services, Inc.	159	0.34
Filinvest Alabang, Inc.	1,635	4.74
SharePro, Inc.	3,270	9.48
Filinvest Land, Inc.	3,270	9.26
Chroma Hospitality, Inc.	676	1.65
Filinvest Hospitality Corp.	706	1.72
Festival Mall	252	0.61
Corporate Tech, Inc.	292	0.72
Filinvest Alabang, Inc.	1,907	4.23
Filinvest Cyberparks, Inc.	164	0.06
Boracay Seascapes, Inc.	29,086	18.30
<b>Total</b>	<b>41,841</b>	<b>51.91</b>

## B.6 Financial Performance Ratios as of March 2024

Financial Ratios	Particulars	31 March 2024
Earnings per Share *annualized	$\frac{\text{net income}}{\text{weighted ave. of no. of outstanding shares}}$	0.06
Current Ratio	$\frac{\text{current assets}}{\text{current liabilities}}$	0.21
Debt to Equity Ratio	$\frac{\text{debt (loans payable + bonds payable)}}{\text{total stockholders' equity}}$	15%
Net Profit Margin	$\frac{\text{net income}}{\text{revenue}}$	42%
Return on Equity Ratio *annualized	$\frac{\text{net income}}{\text{equity}}$	1%

The Current Ratio includes the loans payable amounting to 5,990M due January 2025 that have been reclassified as short-term debt.

### C. Office Industry Market Outlook

*“Metro Manila net demand remains muted despite increase in year-on-year transaction levels; Outsourcing companies continue to roll out provincial expansion plans; Marginal improvement in overall vacancy quarter-on-quarter; Vacancy expected to continue averting the 20%-level in 2024; US elections seen to affect net take-up towards end 2024 until early 2025.”*

Source: Q1 2024 Office Market report of Colliers Philippines

### D. Asset Performance

#### Industry Occupancy Benchmarks

Occupancy rates and rental rates per sqm of FILRT’s properties performed better than industry. FILRT’s occupancy rate for the 1st quarter of 2024 was 75% for Alabang and 100% for both Cebu and Boracay respectively. In addition, rental rates for Alabang and Cebu performed better than industry ranges.

	Alabang		Cebu	
	FILRT	Industry	FILRT	Industry
Supply Occupancy rate (%)	75%	70%	100%	79%
Supply Rental Rate (Php/sqm)	525-983	500-750	490-771	600

Source and Date of Report: Colliers 1Q 2024 report



### Occupancy by Property

The table below shows the average occupancy rates of the FILRT properties for the first quarter of 2024.

<b>Property</b>	<b>GLA, sqm</b>	<b>Occupancy</b>
Plaza A	10,860	100%
Plaza B	6,488	62%
Plaza C	6,540	100%
Plaza D	10,860	66%
Plaza E	14,859	100%
Capital One	18,000	100%
5132 Building	9,409	100%
iHub1	9,480	74%
iHub2	14,181	89%
Filinvest One	19,637	33%
Filinvest Two	23,784	49%
Filinvest Three	23,784	30%
Vector One	17,764	100%
Vector Two	17,889	100%
Vector Three	36,345	75%
Axis Tower One	40,869	79%
FCC Tower One	20,612	100%
Boracay Lot	29,086	100%
<b>Total</b>	<b>330,448</b>	<b>79%</b>

As of end-March 2024, new leases of 2,438 sqm. were successfully signed. In terms of tenant retention, 18,516 sqm were renewed and 7,688 sqm of leases have signed LOIs, comprising almost half of expiring leases in 2024.

For the first quarter of 2024, the weighted average lease expiry (WALE) improved as renewals and new leases for the year have been set in place.

<b>GLA</b>	<b>End-Mar 2024</b>	<b>End-Dec 2023</b>
330,448	<b>7.24</b>	6.91

### Tenancy Mix

The table below shows the tenancy mix as of March 2024.

<b>Tenant Mix</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
BPO	76.0%	77.9%
Traditional	10.2%	9.0%
Co-Working	2.0%	1.9%
Retail	0.7%	0.6%
POGO	-	-
Hospitality	11.2%	10.6%
<b>Total Leased</b>	<b>100.0%</b>	<b>100.0%</b>

The tenant mix of FILRT showed a slight decrease in BPO occupancy in terms of percentage as other tenant types increase towards traditional and a slight increase in share for co-working. This reflects FILRT's leasing strategy on tenant diversification to include more traditional and non-traditional offices. Note that FILRT's tenant portfolio remains to be POGO-free.

### **E. Market Capitalization as of March 27, 2024**

Number of Outstanding Shares	<i>no. of shares</i>	4,892,777,994
Market Price as of March 27, 2024	<i>Php/share</i>	3.06
Market Capitalization	<i>Php</i>	14,971,900,662

Public ownership was at 34.7%, which was within the required minimum float.

### **F. Investment Return**

#### Return to Investors

Cash Dividend (declared May 10, 2024)	<i>Php/share</i>	0.062
Cash Dividend annualized	<i>Php/share</i>	0.248
Divided Yield annualized	<i>%</i>	8.7%

FILRT declared cash dividends last May 10, 2024. The annualized dividend yield of 8.7% was based on the market price as of May 3, 2024 of Php 2.86 per share.

### Cash Dividends Summary

The following table summarizes the cash dividends declared during the report period by the Company's Board of Directors on the outstanding capital stock:

<b>Dividend Declaration</b>	<b>Record Date</b>	<b>Dividend per Common Shares</b>	<b>Total Dividends Declared</b>	<b>Payment Date</b>
10-May-24	24-May-24	0.062	303,352,236	07-Jun-24
26-Feb-24	11-Mar-24	0.067	327,816,126	26-Mar-24
9-Nov-23	29-Nov-23	0.071	347,387,238	15-Dec-23
10-Aug-23	31-Aug-23	0.071	347,387,238	20-Sep-23
14-May-23	2-Jun-23	0.071	347,387,238	20-Jun-23

### **G. Events After Reporting Period**

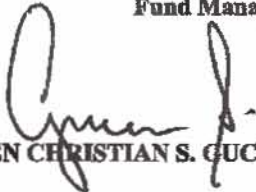
On May 10, 2024, the board of directors of FILRT declared cash dividends in the amount of Php 0.062 per share resulting in an annualized dividend yield of 8.7% (on May 3, 2024, closing price of P2.86/share). This is payable to stockholders of record as of May 24, 2024, with payment date on June 7, 2024.

**CERTIFICATION**

This PERFORMANCE REPORT was prepared and assembled under our supervision in accordance with existing rules of the Securities and Exchange Commission. The information and data provided herein are complete, true, and correct to the best of our knowledge and/or based on authentic records.

By:

**FREIT FUND MANAGERS, INC.**  
**Fund Manager for Fillinvest REIT Corp.**

  
**VEN CHRISTIAN S. GUCE**  
**President and CEO**

  
**YASMIN M. DY**  
**Chief Finance Officer**

**MAY 15 2024**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ at Mandaluyong City with the Affiants exhibiting to me their identification documents as follows:

Name	Competent Evidence of Identity	Date and Place Issue
FREIT Fund Managers, Inc. <i>Represented by:</i>		
Ven Christian S. Guce	Passport ID No. P8034465B	DFA Manila / 29-Oct- 2021
Yasmin M. Dy	United Multi-Purpose ID 0508859384	Social Security System

Doc No. 19;  
Page No. 9;  
Book No. 78;  
Series of 2024.

**JOVEN G. SEVILLANO**  
NOTARY PUBLIC FOR CITY OF MANDALUYONG  
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024  
IBP LIFETIME NO. 011302; 12-28-12; RIZAL  
ROLL NO. 53970  
PTR NO. 5420812; 1-3-24; MANDALUYONG  
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025  
UG03 CITYLAND SHAW TOWER,  
SHAW BLVD. MANDALUYONG CITY