

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2 (c) THEREUNDER**

1. **14 November 2023**  
Date of Report
2. SEC Identification Number: **CS202052294** 3. BIR Tax Identification No: **502-228-971-000**
4. **MREIT, INC.**  
Exact name of Issuer as specified in its charter
5. **Metro Manila**  
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)  
Industry Classification Code
7. **18th Floor, Alliance Global Tower, 36th Street corner 11th Avenue  
Uptown Bonifacio, Taguig City 1634**  
Address of principal office
8. **(632) 8894-6300/6400**  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

<b><u>Title of Each Class</u></b>	<b><u>Number of Shares of Stock Outstanding</u></b>
Common	2,795,821,381 <sup>1</sup>
Preferred	0
<b>Total</b>	<b>2,795,821,381<sup>1</sup></b>

10. **Item 9(b)**

In compliance with Section 10.2 of the Implementing Rules and Regulations of the Real Estate Investment Trust Act of 2009, we hereby submit the report on the performance of the Corporation's funds and assets for the period ending 30 September 2023, prepared by the Corporation's fund manager, MREIT Fund Managers, Inc.

**SIGNATURE**

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

**MREIT, INC.**  
Issuer

By:

  
**KRIZELLE MARIE F. POBLACION**  
Compliance Officer  
14 November 2023

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<sup>1</sup> As of 31 March 2023, MREIT, Inc. has a total of 2,795,821,381 common shares issued and outstanding. 2,532,121,381 common shares are listed in the Philippines Stock Exchange, while the 263,700,000 common shares issued in March 2023 is currently pending with the Exchange.



## **Performance Report for the Period Ending September of 2023**

**November 14, 2023**

**Prepared by: MREIT Fund Managers, Inc.**

**Use of this document**

This document was prepared by MREIT Fund Managers, Inc. ("MFMI" or the "Fund Manager") in compliance with the reportorial requirements of the REIT Implementing Rules and Regulations under Republic Act No. 9856, and is being submitted to the Securities and Exchange Commission ("SEC"), the Philippine Stock Exchange ("PSE"), and the Bureau of Internal Revenue ("BIR").

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**B. Income from Related Parties for the Nine Months Ended September 30, 2023 (in Php, millions)**

Related Parties	%	Total Amount	Breakdown per Property						
			1800	1WS	RMT	3TP	2TP	2WS	RMT
Megaworld Corporation	5.3%	123.8	-	-	64.6	1.4	14.6	0.8	42.3
Anglo Watsons Glass Inc.	0.1%	2.7	2.7	-	-	-	-	-	-
Emperador Distillers Inc.	1.3%	29.7	29.7	-	-	-	-	-	-
Asia Affinity Property Management	0.2%	4.8	-	4.8	-	-	-	-	-
Suntrust Properties Inc.	1.3%	29.5	-	29.5	-	-	-	-	-
Integrated Town Management Corporation	0.3%	6.8	-	-	6.8	-	-	-	-
<b>Total rental income from related parties</b>	<b>8.5%</b>	<b>197.3</b>	<b>32.4</b>	<b>34.3</b>	<b>71.4</b>	<b>1.4</b>	<b>14.6</b>	<b>0.8</b>	<b>42.3</b>

**C. Interim Statement of Cash Flows for the Nine Months Ended September 30, 2023 (in Php, millions)**

<b>Cash Flows from Operating Activities</b>	
Profit (loss) before tax	P 2,186.2
Adjustments for:	
Interest expense	231.9
Interest income	(45.0)
Depreciation expense	0.0
<b>Operating profit before working capital changes</b>	<b>2,373.2</b>
Increase in trade and other receivables	(83.0)
Decrease (increase) in other current assets	51.4
Increase in other non-current assets	(34.5)
Increase in accounts and other payables	254.4
Increase (decrease) in deposits and other liabilities	105.7
<b>Cash generated from operations</b>	<b>2,667.1</b>
Interest received	44.6
Final tax paid	(8.8)
<b>Net Cash from Operating Activities</b>	<b>2,703.0</b>
<b>Cash Flow from an Investing Activity</b>	<b>-</b>
<b>Cash Flow from an Investing Activity</b>	
Dividends paid	(1,999.3)
Payment for stock issuance cost	(135.0)
Interest paid	(200.7)
<b>Net Cash Used in Financing Activities</b>	<b>(2,334.9)</b>
<b>Net Increase in</b>	
<b>Cash and Cash Equivalents</b>	<b>368.1</b>
<b>Cash and Cash Equivalents</b>	
<b>at the Beginning of Period</b>	<b>1,380.5</b>
<b>Cash and Cash Equivalents at the End of Period</b>	<b>P 1,748.6</b>

D. Operating Statistics for the Nine Months Ended September 30, 2023 (in Php, millions)

	Overall					Office	
	Gross leasable area (GLA)*	Leased area	Occupancy rate	Total Rent**	% of Total Rent	Occupied GLA	Average rent
Properties	in sqm	in sqm		in mPhp		in sqm	Php/sqm/month
1800 Eastwood Avenue	34,738	34,704	100%	255	11%	32,478	774
1880 Eastwood Avenue	33,744	26,417	78%	174	8%	24,515	726
E-Commerce Plaza	20,940	17,700	85%	129	6%	17,700	781
One World Square	30,482	27,919	92%	276	12%	26,826	996
Two World Square	21,286	21,282	100%	193	8%	20,877	974
Three World Square	21,222	21,222	100%	162	7%	20,734	844
8/10 Upper McKinley	19,938	19,772	99%	220	9%	19,297	1,222
18/20 Upper McKinley	19,414	19,413	100%	164	7%	18,948	911
World Finance Plaza	25,067	22,986	92%	206	9%	22,917	976
Richmonde Tower	13,124	13,124	100%	83	4%	5,855	752
One Techno Place	9,549	9,041	95%	45	2%	8,953	559
Two Techno Place	11,100	11,100	100%	63	3%	10,809	656
Three Techno Place	9,568	9,305	97%	46	2%	8,726	596
One Global Center	10,301	9,957	97%	53	2%	9,337	586
One West Campus	9,704	9,657	100%	58	2%	9,657	832
Five West Campus	10,257	10,257	100%	67	3%	10,257	908
Festive Walk 1B	14,703	13,687	93%	74	3%	12,103	634
Two Global Center	9,903	9,903	100%	53	2%	9,048	566
<b>Total</b>	<b>325,037</b>	<b>307,443</b>	<b>95%</b>	<b>2,321</b>		<b>289,037</b>	

\*Additional retail spaces identified with a total area of 295 sqm (290 sqm and 5 sqm for Two Techno Place and Three World Square, respectively)

\*\*Excludes income from straight-line method of recognizing rental income and amortization of deferred credits

**E. Office Industry Benchmark**

	Average Occupancy		Average Office Lease Rate (per sqm)	
	Industry	MREIT	Industry	MREIT
<b>Metro Manila</b>				
McKinley Hill	88%	98%	Php800 to 1,600	971
Quezon City	82%	89%	Php600 to 1000	760
<b>Outside Metro Manila</b>				
Iloilo	91%	98%	Php300 to 600	616

Source: JLL Report Q2 2023, CBRE Report – Philippines Market Monitor Q4 2022



**F. Adjusted Funds from Operations and Dividend Declaration (in Php, millions)**

	<b>Dec-22 3M</b>	<b>Mar-23 3M</b>	<b>Jun-23 3M</b>	<b>Sep-23 3M</b>
<b>Net Income After Tax</b>	<b>-2169.9</b>	<b>730.4</b>	<b>734.0</b>	<b>713.1</b>
Straight-Line Adjustment and Amortization of Deferred Credits	-33.7	-27.1	-32.2	-15.4
Other Account Adjustments	11.2	9.6	11.8	10.8
Fair value gains (losses) on investment properties	2822.0	0.0	0.0	0.0
<b>Distributable Income</b>	<b>629.7</b>	<b>712.9</b>	<b>713.6</b>	<b>708.4</b>
Total Dividends	614.8	692.2	692.2	687.8
Dividends per Share	0.2428	0.2476	0.2476	0.2460
Declaration Date	Jan 06, 2023	May 12, 2023	Aug 8, 2023	Nov 6, 2023
% of Distributable Income	98%	97%	97%	97%

## G. Investment Return

	Period Ending September 30, 2023
<b>MREIT Returns</b>	
Dividends per share (last 12 months)	Php0.9840 per share
Price per Share as of closing of September 29, 2023	Php12.30 per share
IPO Price	Php16.10 per share
Dividend Yield at current share price	8.0%
Dividend Yield at listing price	6.1%
Total Return since IPO (unannualized)	-9.9%
<b>Benchmark Returns</b>	
FTSE Asia Pacific ex Japan ex China – Mid Cap and Large Cap – Total Returns per Annum (12M)	9.5%
FTSE Asia Pacific ex Japan ex China All Cap – Total Returns per Annum (12M)	10.2%
FTSE Asia Pacific ex Japan ex China – Mid Cap and Large Cap – Total Returns per Annum (5Y)	34.7%
FTSE Asia Pacific ex Japan ex China All Cap – Total Returns per Annum (5Y)	35.0%

Source: FTSE Russell Factsheet: FTSE Asia Pacific ex Japan ex China Indexes (October 31, 2023)

## H. Current Valuation of the MREIT Properties

MREIT's properties and their corresponding valuations are listed below. The fair values of the MREIT's properties are determined on the basis of the appraisals performed by Santos Knight Frank, Inc., an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

Fair value as determined by independent appraisers are based on the Income Approach. Under Income Approach, the fair value of an asset is measured by calculating the present value of its economic benefits by discounting expected cash flows at a rate of return that compensates the risks associated with the particular investment. The most common approach in valuing future economic benefits of a projected income stream is the discounted cash flows model. This valuation process of this model consists of the following: (a) estimation of the revenues generated; (b) estimation of the costs expenses related to the operations of the development; (c) estimation of an appropriate discount rate; and (d) discounting process using an appropriate discount rate to arrive at an indicative fair value.

Township	Building	Years Completed	GLA	Appraisal
			in sqm	mPhp
Eastwood, Quezon City	1800 Eastwood Avenue	2006	34,738	7,026
	1880 Eastwood Avenue	2007	33,744	6,798
	E-Commerce Plaza	2008	20,940	4,276
McKinley Hill, Taguig	One World Square	2007	30,482	7,343
	Two World Square	2009	21,286	5,488
	Three World Square	2010	21,222	4,799
	8/10 Upper McKinley	2009	19,938	4,633
	18/20 Upper McKinley	2009	19,414	4,347
	World Finance Plaza	2010	25,067	5,245
Mckinley West, Taguig	One West Campus	2016	9,704	1,697
	Five West Campus	2016	10,257	1,895
Iloilo Business Park, Iloilo	One Techno Place	2017	9,549	1,166
	Richmonde			
	Richmonde Tower	2016	6,355	863
	Richmonde Hotel Iloilo	2016	6,769	529
	Two Techno Place	2019	11,100	1,448
	Three Techno Place	2017	9,568	1,227
	One Global Center	2015	10,301	1,251
	Two Global Center	2014	9,903	1,045
	Festive Walk 1B	2018	14,703	1,510
<b>Total</b>			<b>325,037</b>	<b>62,586</b>

**I. Performance Indicators as of September 30, 2023**

Ratio	Formula	September 30, 2023
Current ratio	Current assets / current liabilities	2.07
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings and bonds and notes payable)	0.13
Interest rate coverage ratio	EBIT / Total Interest (Total interest includes interest expense and capitalized interest)	10.43
Return on equity	Net profit / Average Stockholders' equity	4.0%
Return on assets	Net profit / Average total assets	4.0%
Net profit margin	Net profit / Total revenues	70.0%
Market-to-book ratio	Market Capitalization / Book value	0.63

