



RL FUND MANAGEMENT, INC.

# Performance Report for the First Quarter of 2024

07 May 2024

This document was prepared by RL Fund Management, Inc. ("RLFMI") for **RL Commercial REIT, Inc.** ("RCR" or the "Company") in compliance with the reportorial requirements of the REIT Implementing Rules & Regulations under Republic Act No. 9856.



**RL FUND MANAGEMENT, INC.**

### **FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements and forward-looking information that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to known and unknown risks; uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expected future results; performance or achievements expressed or implied by forward-looking statements; RCR's overall future business, financial condition, and results of operations, including, but not limited to financial position or cash flow; RCR's goals for or estimates of future operational performance or results; and changes in the regulatory environment including, but not limited to, policies, decisions, and determinations of governmental or regulatory authorities. Although RCR has extensive experience and that the forward-looking statements may be reasonable, nothing herein should be relied upon as a commitment as RCR cannot guarantee future events due to various risks and uncertainties.



**RL FUND MANAGEMENT, INC.**

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## RL FUND MANAGEMENT, INC.

### I. PORTFOLIO OVERVIEW

RL Commercial REIT, Inc. ("RCR"), a company designated by Robinsons Land Corporation ("RLC") to operate as a Real Estate Investment Trust ("REIT"), leases to a diversified tenant base a high-quality portfolio (the "Portfolio") of 16 commercial real estate assets (the "Properties" and each, a "Property") across the Philippines with an aggregate Portfolio gross leasable area ("GLA") of 480,479 sqm as of 31 March 2024. The Portfolio consists of commercial spaces primarily leased for office purposes, with minimal retail spaces on some of the Properties to support the needs of office tenants, with an aggregate Appraised Value of ₱78,035.60 million as of 31 March 2024.

Details of RCR's portfolio as of 31 March 2024 are as follows:

	Location	Year Completed	Registration/ Certification	Office Grade (1)	GLA (sqm)	% of Total Portfolio GLA	Appraised Value (₱ million) <sup>(2)</sup>	Title to Asset	Title to Land
<b>Metro Manila</b>									
<b>Assigned Properties</b>									
Robinsons Equitable Tower	Ortigas CBD, Pasig City	1999	PEZA	A	14,365	3.00%	2,664.3	Freehold over 96 units <sup>(3)</sup>	Subdivided interest in land
Robinsons Summit Center	Makati CBD, Makati City	2001	PEZA	A	31,394	6.53%	9,123.8	Freehold over 31 units <sup>(4)</sup>	Subdivided interest in land
Cyberscape Alpha	Ortigas CBD, Pasig City	2014	PEZA, EDGE	A	49,902	10.39%	8,366.9	Building owned	Land leased from Sponsor for 99 years
Cyberscape Beta	Ortigas CBD, Pasig City	2014	PEZA, EDGE	A	42,245	8.79%	7,261.9	Building owned	Land leased from Sponsor for 98 years
Tera Tower	Bridgetowne Complex IT Park, Quezon City	2015	PEZA, LEED Gold	A / Prime	35,087	7.30%	5,828.9	Building owned	Land leased from Sponsor for 98 years
Cyber Sigma	McKinley West, Fort Bonifacio, Taguig City	2017	PEZA	A	49,970	10.40%	5,590.7	Building owned	Land leased from BCDA for 25 years <sup>(5)</sup>
Exxa-Zeta Tower	Bridgetowne Complex IT Park, Quezon City	2018	PEZA, LEED Silver	A / Prime	74,584	15.52%	11,714.3	Building owned	Land leased from Sponsor for 99 years
Cyberscape Gamma	Pasig City	2018	PEZA, EDGE	A	44,797	9.32%	7,203.9	Building owned	Land leased from Sponsor for 50 years <sup>(6)</sup>
<b>Cybergate Center Building Leases</b>									
Robinsons Cybergate Center 2	Cybergate Complex IT Park, Mandaluyong City	2007	PEZA	A	43,672	9.09%	6,881.8	Building leased from Sponsor	N/A
Robinsons Cybergate Center 3	Cybergate Complex IT Park, Mandaluyong City	2008	PEZA	A	44,614	9.29%	7,796.1	Building leased from Sponsor	N/A

## RL FUND MANAGEMENT, INC.

Outside Metro Manila									
Assigned Properties									
Robinsons Cybergate Cebu	Cebu City	2011	PEZA	B	6,866	1.43%	543.1	5/F to 7/F owned	Land leased from Sponsor for 98 years
Galleria Cebu	Cebu City	2017	PEZA	A	8,851	1.84%	916.2	3/F to 4/F owned	Land leased from Sponsor for 99 years
Luisita BTS 1	Robinsons Luisita Complex, Tarlac City	2018	PEZA	B	5,786	1.20%	743.2	Building owned	Land leased from Sponsor for 99 years
Cybergate Naga	Robinsons Place Naga Complex, Naga City	2018	PEZA	B	6,069	1.26%	702.7	3/F to 5/F owned	Land leased from Sponsor for 99 years
Cybergate Delta 1	Robinsons Cyberpark Davao, Davao City	2018	PEZA	B	11,910	2.48%	1,491.5	Building owned	Land leased from Sponsor for 99 years
Robinsons Cybergate Bacolod	Robinsons Cybergate Bacolod, Bacolod City	2018	PEZA	B	10,367	2.16%	1,206.3	Building owned	Land leased from Sponsor for 50 years <sup>(6)</sup>
<b>Total</b>					<b>480,479</b>	<b>100.00%</b>	<b>78,035.60</b>		

*Notes:*

- (1) According to the JLL Report, office buildings classified as "Grade A" or "Prime" are modern specification buildings with high quality finishes, typically located in prime locations while those classified as "Grade B" are medium quality buildings in prime locations or "Grade A" standard buildings, but in secondary locations.
- (2) The valuation of the properties is done using the Discounted Cashflows ("DCF") Approach or Income Approach.
- (3) The Company owns 96 units out of 353 units comprising the Robinsons Equitable Tower. Title over each unit is evidenced by a CCT which represents ownership over the unit and an undivided interest in the land on which the Robinsons Equitable Tower is located.
- (4) The Company owns 31 units out of 32 units comprising the Robinsons Summit Center. Title over each unit is evidenced by a CCT which represents ownership over the unit and an undivided interest in the land on which the Robinsons Summit Center is located.
- (5) The lease is renewable for another 25 years and includes an Option to Purchase the land and its improvements from BCDA on the 24<sup>th</sup> year of the initial lease period.
- (6) The lease is renewable for another 25 years upon terms and conditions mutually acceptable to both parties.

## II. FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2024

### A. Interim Statement of Comprehensive Income for the Three Months Ended 31 March 2024

	(P thousands)
<b>REVENUE</b>	
Rental income	1,170,230
Income from dues	221,184
Income from dues - net	14,082
	1,405,496
<b>FAIR VALUE CHANGE IN INVESTMENT PROPERTIES</b>	
Increase in fair value of investment properties	-
Straight-line adjustments	(22,250)
Lease commissions	(5,702)
	(27,952)
Other income	53,410
	<b>1,430,954</b>
<b>COSTS AND EXPENSES</b>	
Direct operating costs	200,213
General and administrative expenses	96,471
Interest expense on lease liability	2,529
	<b>299,213</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,131,741</b>
Provision for income tax	(7,437)
<b>NET INCOME</b>	<b>1,124,304</b>
Other comprehensive income	-
<b>Total comprehensive income</b>	<b>1,124,304</b>
<b>Distributable income</b>	<b>1,152,257</b>
<b>Adjusted funds from operations</b>	<b>1,095,240</b>
<b>Basic/Diluted earnings per share</b>	<b>0.10</b>
<b>Dividend per share declared to-date</b>	<b>0.0980</b>

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### B. Revenue, Rental Income, and Net Income Contribution of Each Property

The contribution of each of the Properties to the Company's Revenue are as follows:

Contribution to Revenue	For the period ending March 2024 (Unaudited)	
	(₱ thousands)	(%)
Robinsons Equitable Tower	56,892	3.98%
Robinsons Summit Center	137,580	9.61%
Cyberscape Alpha	150,587	10.52%
Cyberscape Beta	133,075	9.30%
Tera Tower	100,143	7.00%
Cyber Sigma	161,285	11.27%
Exxa-Zeta Tower	186,889	13.06%
Robinsons Cybergate Center 2	118,037	8.25%
Robinsons Cybergate Center 3	146,419	10.23%
Robinsons Cybergate Cebu	17,649	1.23%
Galleria Cebu	16,822	1.18%
Robinsons Place Luisita 1	12,625	0.88%
Cybergate Naga	13,024	0.91%
Cybergate Delta 1	24,902	1.74%
Robinsons Cybergate Bacolod	21,006	1.47%
Cyberscape Gamma	134,019	9.37%
<b>Total</b>	<b>1,430,954</b>	<b>100%</b>

The contribution of each of the Properties to the Company's Rental Income are as follows:

Contribution to Rental Income	For the period ending March 2024 (Unaudited)	
	(₱ thousands)	(%)
Robinsons Equitable Tower	42,260	3.61%
Robinsons Summit Center	126,036	10.77%
Cyberscape Alpha	132,341	11.31%
Cyberscape Beta	105,456	9.01%
Tera Tower	79,963	6.83%
Cyber Sigma	136,296	11.65%
Exxa-Zeta Tower	154,721	13.22%
Robinsons Cybergate Center 2	91,278	7.80%
Robinsons Cybergate Center 3	118,357	10.11%
Robinsons Cybergate Cebu	11,564	0.99%
Galleria Cebu	11,582	0.99%
Robinsons Place Luisita 1	9,662	0.83%
Cybergate Naga	9,694	0.83%
Cybergate Delta 1	18,739	1.60%
Robinsons Cybergate Bacolod	13,931	1.19%
Cyberscape Gamma	108,350	9.26%
<b>Total</b>	<b>1,170,230</b>	<b>100%</b>

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The contribution of each of the Properties to the Company's Net Income are as follows:

Contribution to Net Income	For the period ending March 2024 (Unaudited)	
	(₱ thousands)	(%)
Robinsons Equitable Tower	49,460	4.40%
Robinsons Summit Center	118,046	10.50%
Cyberscape Alpha	113,837	10.13%
Cyberscape Beta	104,254	9.27%
Tera Tower	76,015	6.76%
Cyber Sigma	124,037	11.03%
Exxa-Zeta Tower	144,513	12.85%
Robinsons Cybergate Center 2	93,874	8.35%
Robinsons Cybergate Center 3	119,293	10.61%
Robinsons Cybergate Cebu	15,118	1.34%
Galleria Cebu	13,985	1.24%
Robinsons Place Luisita 1	9,736	0.87%
Cybergate Naga	9,199	0.82%
Cybergate Delta 1	18,562	1.65%
Robinsons Cybergate Bacolod	9,935	0.88%
Cyberscape Gamma	104,440	9.29%
<b>Total</b>	<b>1,124,304</b>	<b>100%</b>

### C. Costs and Expenses

Cost and expenses consist of direct operating expenses, general and administrative expenses and interest expense on lease liability.

	For the period ending March 2024 (Unaudited, ₱ thousands)
<b>Direct operating expenses</b>	
Fund management fees	62,666
Property management fees	58,001
Contracted services	28,928
Repairs and maintenance	21,831
Utilities	11,484
Accretion of interest expense	9,985
Amortization of right-of-use asset	7,318
	<b>200,213</b>
<b>General and administrative expenses</b>	
Rent expense	58,129
Taxes and licenses	26,359
Insurance	5,374
Supplies expense	1,046
Professional fees	1,042
Association dues	212
Travel and transportation	16
Others	4,293
	<b>96,471</b>



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<i>(Forward)</i>	<b>For the period ending March 2024 (Unaudited, ₱ thousands)</b>
<b>Interest expense on lease liability</b>	<b>2,529</b>
<b>Total costs and expenses</b>	<b>299,213</b>

**D. Interim Statement of Cash Flows for Three Months Ended 31 March 2024**

	<b>(₱ thousands, Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Income before income tax	1,131,741
Adjustments for:	
Fair value change in investment properties	27,952
Depreciation and amortization of right-of-use asset	7,318
Interest expense on lease liability	2,529
Interest income	(37,183)
Operating income before working capital changes	1,132,357
Changes in operating assets and liabilities:	
Decrease (increase) in:	
Receivables	(122,873)
Other current assets	12,760
Increase (decrease) in:	
Accounts and other payables	(71,724)
Deposits and other liabilities	4,486
Cash generated from operations	95,006
Income tax paid	(7,437)
Interest received	37,183
Net cash flows provided by operating activities	<b>984,752</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	
Additions to investment properties	(19,937)
Increase in other noncurrent assets	(7,915)
Net cash flows used in investing activities	<b>(27,852)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	
Payment of dividends	(1,051,227)
Payment of stock issue cost	-
Net cash flows used in financing activities	<b>(1,051,227)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>(94,327)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,788,810</b>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH 2024</b>	<b>1,694,483</b>

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**E. Distributable Income and Adjusted Funds from Operations for the Three Months 31 March 2024**

<b>(₱ thousands, Unaudited)</b>	
Total comprehensive income	1,124,304
Fair value change in investment properties	27,952
<b>Distributable income</b>	<b>1,152,257</b>
<i>Less:</i>	
Maintenance capital expenditure reserve	(18,666)
Fair value change in investment properties	(27,952)
Reversal of other non-cash accounting adjustments to comply with accounting standards	(10,398)
<b>Adjusted funds from operations</b>	<b>1,095,240</b>

The fair value of the Company's investment properties is determined using the Income Approach by an external valuer. It is reduced by the application of the straight-line method of recognizing rental income and lease commissions for the period. For the three months ending 31 March 2024, gain or loss arising from the change in the fair value of investment properties amounted to nil; while straight-line adjustments in rent and lease commissions amounted to ₱22.25 million and ₱5.70 million, respectively totalling ₱27.95 million.

**F. Borrowings**

RCR did not breach the borrowing limit per REIT IRR as it did not have any outstanding borrowings as of 31 March 2024 and 31 December 2023.

**III. OPERATING STATISTICS AS OF 31 MARCH 2024**

**A. Occupancy Rate**

<b>Building</b>	<b>GLA (in sqm)</b>	<b>Occupied Area (in sqm)</b>	<b>Occupancy Rate</b>
Robinsons Equitable Tower	14,365	12,936	90%
Robinsons Summit Center	31,394	29,217	93%
Cyberscape Alpha	49,902	47,868	96%
Cyberscape Beta	42,245	40,755	96%
Tera Tower	35,087	35,087	100%
Cyber Sigma	49,970	46,561	93%
Exxa-Zeta Tower	74,584	70,129	94%
Robinsons Cybergate Center 2	43,672	41,662	95%
Robinsons Cybergate Center 3	44,614	40,316	90%
Robinsons Cybergate Cebu	6,866	6,866	100%
Robinsons Galleria Cebu	8,851	8,851	100%
Luisita BTS 1	5,786	5,786	100%
Cybergate Naga	6,069	6,069	100%
Cybergate Delta 1	11,910	11,688	98%
Cybergate Bacolod 1	10,367	9,322	90%
Cyberscape Gamma	44,797	44,523	99%
<b>Total</b>	<b>480,479</b>	<b>457,636</b>	<b>95%</b>

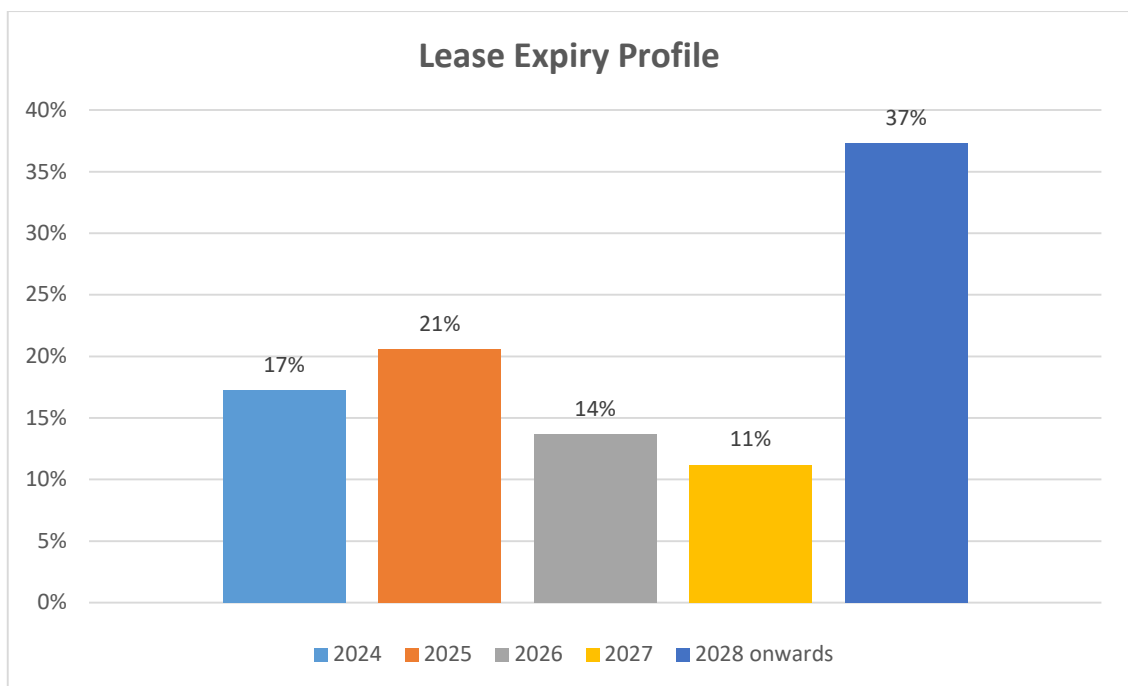
**B. Tenant Mix**

Tenant mix, excluding spaces occupied by affiliates as of 31 March 2024 is as follows:

	<b>BPO</b>	<b>Traditional</b>	<b>Others</b>
As a % of Total Occupied Area	78%	10%	12%

**C. Weighted Average Lease Expiry**

Weighted Average Lease Expiry of 3.27 years as of 31 March 2024 is shown below:



## IV. INVESTMENT RETURN

Following the listing of RCR's common stock in the Philippine Stock Exchange on 14 September 2021, RCR has adopted a dividend policy to maintain an annual cash dividend payout ratio of at least 90% of Distributable Income for the preceding fiscal year, subject to compliance with the requirements of the REIT Law and the Revised REIT IRR. RCR likewise intends to declare and pay out dividends on a quarterly basis each year as allowed under Rule 4 Section 4 of the Revised REIT IRR.

On 03 May 2024, RCR declared its first regular cash dividends for calendar year 2024 covering the period 01 January 2024 to 31 March 2024 at ₱0.0990 per outstanding common share, following the approval of the Board of Directors in their regular meeting held on the same date. The cash dividends are payable on 31 May 2024 to stockholders of record as of 17 May 2024.

	1Q 2024
<b>Dividend per Share</b>	₱0.0990
<b>Number of Shares Outstanding</b>	10,726,804,330
<b>Total Dividend Amount (a)</b>	₱1,061,953,629
<b>Adjusted Funds from Operations (AFFO)<sup>1</sup> (b)</b>	₱1,095,240,234
<b>Distributable Income (c)</b>	₱1,152,256,723
<b>Dividend Payout Ratio</b>	
% of AFFO (a/b)	96.96%
% of Distributable Income (a/c)	92.16%
<b>Dividend Yield</b>	
at Listing Price of P6.45/share	6.14%
at Latest Share Price of P5.03/share <sup>2</sup>	7.87%
at 30-day VWAP of P5.10/share <sup>2</sup>	7.76%

<sup>1</sup> AFFO is Net Income adjusted for maintenance CAPEX, PAS/PFRS adjustments and deferred tax  
<sup>2</sup> From pse.com.ph and Bloomberg as at 25 April 2024

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### V. KEY PERFORMANCE INDICATORS

	As of March 31, 2024	As of December 31, 2023
Current ratio <sup>1</sup>	1.62	1.52
Acid test ratio (Quick ratio) <sup>2</sup>	1.56	1.46
Debt-to-equity ratio <sup>3</sup>	<i>RCR does not have any financial indebtedness as of March 31, 2024 and December 31, 2023</i>	
Asset-to-equity ratio <sup>4</sup>	1.04	1.04
Net book value per share <sup>5</sup>	₱5.95	₱5.94
	<b>For the Period Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Earnings per share <sup>6</sup>	₱0.10	₱0.10
Interest rate coverage ratio <sup>7</sup>	<i>RCR does not have any financial indebtedness as of March 31, 2024 and December 31, 2023</i>	
Net profit/ operating margin <sup>8</sup>	0.79	0.79
Solvency ratio <sup>9</sup>	<i>RCR does not have any financial indebtedness as of March 31, 2024 and December 31, 2023</i>	
Return on equity <sup>10</sup>	0.07	0.07
Return on assets <sup>11</sup>	0.06	0.07

*Considering the change in the fair market values of Investment Properties, Return on Equity are 0.18 and -0.10; and Return on Assets are 0.17 and -0.09, as of March 31, 2024 and 2023, respectively.*

**Notes:**

- (1) **Current ratio** is computed as Current Assets over Current Liabilities
- (2) **Acid test ratio (Quick ratio)** is computed as Quick Assets over Current Liabilities (Quick Assets include Cash)
- (3) **Debt-to-equity ratio** is computed as the ratio of financial indebtedness (which for the applicable periods is nil) to Total Shareholders' Equity
- (4) **Asset-to-equity ratio** is computed as Total Assets over Total Shareholders' Equity
- (5) **Net Book value per share** is computed as Total Shareholders' Equity over total common shares outstanding
- (6) **Earnings per share** is computed as Net Income over weighted average commons shares outstanding
- (7) **Interest rate coverage ratio** is computed as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) over interest expensed and capitalized from financial indebtedness
- (8) **Net profit/operating margin** is computed as Operating Income over Total Revenues
- (9) **Solvency ratio** is computed Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) over Total Debt (Total debt includes short-term debt and long-term debt)
- (10) **Return on equity** is computed as Net Income (12-month basis) over Total Shareholders' Equity
- (11) **Return on assets** is computed as Net Income (12-month basis) over Total Assets

### VI. ASSET ACQUISITION AND FINANCING STRATEGY

RCR will consider asset acquisitions via different financing methods as the case may be, including but not limited to a tax-free exchange via asset-for-share swap or cash with the Sponsor, equity and debt capital raising transactions, bank loans, among others, depending on what is in RCR's best interests. As of 31 March 2024, RCR has zero debt.

### VII. Office Industry Benchmarks

All Metro Manila assets of RCR are in line with the market office rental rates<sup>(1)</sup>.

	Quezon City	Ortigas Center	Mandaluyong	Makati <sup>(2)</sup>	Taguig (BGC)
Rental rate/sqm/mo.	₱600-800	₱650-850	₱600-750	₱700-1,100	₱900-1,300

**Notes**

- (1) Colliers 1Q 2024 Office Market Report
- (2) Grade A Buildings
- (3) 1Q 2024 transacted

# RCREIT

A ROBINSONS LAND COMPANY

RL FUND MANAGEMENT, INC.

## 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 basis of our knowledge and/or based on authentic records.

By:

**RL FUND MANAGEMENT, INC.**

Fund Manager of RL Commercial REIT, Inc.

**JAMES REYNARD M. ARCO**

*Attorney-in-fact*

**MICHELA MARIE C. CRUZ**

*Attorney-in-fact*

SUBSCRIBED AND SWORN to before me this MAY 06 2024 day of May 2024 at Pasig City, with the affiant/s exhibiting to me their identification documents as follows:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date and Place Issued</u>
RL FUND MANAGEMENT, INC.	TIN: 010-622-265-000	
<i>Represented by:</i> James Reynard M. Arco Michela Marie C. Cruz		

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Page No. 25 ;  
Book No. 11 ;  
Series of sm .

**ATTY. NATALIE JOYCE P. ESTACIO**  
Notary Public for Pasig, San Juan, and Pateros  
Appointment No. 36 (2023-2024)  
12F Robinsons Cyberscape Alpha Sapphire and  
Garnet Roads, Ortigas, Pasig City  
Roll of Attorneys No. 69249; May 31, 2017  
IBP Lifetime Member Roll No. 016702, CALMANA Chapter  
MCLF No. VII-0006762, August 27, 2021 - April 14, 2025  
PTR No. 1651117; January 04, 2024; Pasig City