PhilRatings PHILIPPINE RATING SERVICES CORPORATION ***The Pioneer Domestic Credit Rating Agency***	**RATING NEWS** **April 13, 2026**

Arthaland Corporation Maintains its Very Strong Credit Rating

Philippine Rating Services Corporation (PhilRatings) has maintained the Issue Credit Rating of **PRS Aa**, with a **Stable Outlook**, for Arthaland Corporation's (ALCO) outstanding Green Bonds amounting to P3.0 billion.

Obligations rated **PRS Aa** are of high quality and are subject to very low credit risk. The obligor's capacity to meet its financial commitment on the obligation is very strong. A **Stable Outlook**, on the other hand, is assigned when a rating is likely to be maintained or to remain unchanged in the next 12 months.

PhilRatings' ratings are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to ALCO and may change the rating at any time, should circumstances warrant a change. The rating assigned is in relation to the Company's capacity to pay the rated bonds only and is not an opinion on the project's adherence to the ASEAN Green Bonds Standards.

The rating and Outlook take into account the following key considerations: (1) the Company's track record of delivering sustainable and green-certified developments; (2) its ability to compete in its targeted segments despite the presence of more established competitors; (3) its manageable leverage position; and (4) revenues on a higher trend than past years, albeit recent profitability weighed down by operating and financing costs.

ALCO is a pioneer developer of premium and sustainable projects and has the unique distinction of being the only real estate developer in the country with a 100% certified sustainable residential and commercial portfolio. All of the Company's projects are multi-certified by both local and global organizations in terms of environmental sustainability.

In 2024, the Company achieved its five-fold growth target for its "High Growth Stage" (2018-2024), reaching a gross floor area (GFA) of approximately 456,019 square meters. The Company is now entering the "Next Stage" of its three-tier plan. In this stage, ALCO intends to build a steady pipeline of projects, ranging from single and dual towers to multi-phased projects which will be developed in the long-term.

Most of ALCO's developments cater to the upscale and luxury market segments. The Company, however, strategically diversified into the broader midscale market segment, with the launch of Una Apartments in 2022. With its foray to the midscale market segment, ALCO had a more diversified demand base with the share from midscale developments accounting for 27% of total residential revenues in 2024.

The Company also launched the third tower of Una Apartments ahead of the original schedule, given the strong demand for the first and second towers. In September 2025, the Company launched Liv, a residential development in Katipunan Avenue, Quezon City, which also caters to the broader middle-market segment. These midscale developments are likewise registered and/or on-track to achieve multiple green certifications. While midscale developments will be an important driver of ALCO's future growth, the Company still intends to maintain its position as one of the industry leaders in the core upscale and luxury segments with the recent launch of Sondris, a premium green residential development along Arnaiz Avenue within the central business district of Makati.

In the first nine months of 2025 (9M2025), ALCO's topline declined by 13.2% to ₱3.9 billion, from ₱4.5 billion in 9M2024. Nonetheless, the Company recorded higher earnings before interest, taxes, depreciation, and amortization (EBITDA) and operating income for the period. EBITDA and operating income increased to ₱407.2 million (+23.9%) and ₱352.8 million (+26.8%), respectively, in 9M2025, driven by the strong performance of its high-margin residential developments such as Eluria. Net income, however, declined by 53.7% to ₱365.6 million in 9M2025, from ₱790.5 million in the same period of 2024. Such decline was driven by lower gain on change in fair value of investment properties. Notably, finance costs grew marginally (+2.1%) despite higher financing requirements to complete strategic acquisition of properties that will drive growth going forward.

In recent years, the Company sustained a higher revenue trajectory compared to historical levels. Such is seen to continue, supported by upcoming launches in the medium-term. The Company's net income is also expected to remain healthy moving forward.

As of end-September 2025, ALCO's total debt stood at ₱21.0 billion, a 14.2% increase from end-2024 following the completion of strategic acquisitions of properties that will drive its growth going forward. Total equity, on the other hand, was unchanged at ₱14.3 billion. The Company's debt-to-equity ratio, therefore, inched up from 1.3x as of end-2024 to 1.5x, as of end-September 2025. The Company's capital structure is seen to remain manageable moving forward.