



CITICORE ENERGY REIT CORP.

Three-Year Investment Strategy

03 January 2024



NOTICE TO READERS

This document was prepared by Citicore Fund Managers, Inc. ("CFMI") for Citicore Energy REIT Corp. ("CREIT" or the "Company") in compliance with the requirements of the Implementing Rules and Regulations of The Real Estate Investment Trust (REIT) Act of 2009 under Republic Act No. 9856.

This report contains forward-looking financial information, which are based on the assumptions and are subject to certain risks and uncertainties which could cause actual results to differ materially from estimates, forecasts and projections. Under no circumstances should the inclusion of such information herein be regarded as a representation, guarantee, warranty or prediction with respect to the accuracy of the underlying assumptions by f the Company or the Sponsors, or that these results will be achieved or are likely to be achieved. Investors are cautioned not to place undue reliance on these forward-looking financial information.

The forward-looking financial information are based upon a number of assumptions and forecasts that are subject to significant business, macroeconomic and competitive uncertainties and contingencies, many of which are beyond the Company's control. Depending upon operating, macroeconomic and other business conditions, the Company may adopt or vary its operating, financing and other business decisions in ways which could cause the Company's actual financial results, taken on a consolidated basis, to materially vary from those set out in this report.

The Company's business involves a significant number of risks, uncertainties and other factors that could cause its future performance, financial condition and results of operation to vary significantly from the projections forecasts and therefore the Company cannot provide any assurance that the forward-looking financial information will accurately reflect its future results.

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OVERVIEW

Citicore Energy REIT Corp. (the "**Company**" or "**CREIT**") is the Philippines' first renewable energy REIT, focused on delivering excellent value and attractive returns to shareholders by harnessing nature's resources and empowering communities thru positive energy. CREIT was incorporated with the SEC on July 15, 2010 originally as Enfinity Philippines Renewable Resources, Inc. (EPRRI). is focused on the ownership of sustainable infrastructure projects such as lease income-generating renewable energy real estate properties in the Philippines.

The Company is a Real Estate Investment Trust (REIT) company, formed primarily to own and invest in income-generating real estate properties, including land and properties used for harnessing



renewable energy, that meet the Company's investment criteria. It was listed on the Main Board of The Philippine Stock Exchange Inc. on February 22, 2022. As of September 30, 2023, 38.21% of the Company's shares are owned by public shareholders, while 61.79% balance is retained by its Sponsor, Citicore Renewable Energy Corporation (CREC) and Citicore Solar Tarlac 1, Inc. Primarily, CREIT serves as the commercial REIT platform of the Citicore Group. With the guidance of the Citicore Fund Managers, Inc. (CFMI), the Company is focused on expanding its portfolio of income-generating renewable energy real estate properties, from the project pipeline roll out of its Sponsor, CREC.

As of the date of this report, the Company's renewable energy property portfolio consists of:

- a. a solar power plant with an installed capacity of 22.3MW_{DC} and other real properties (the "**Clark Solar Power Plant**") which have been leased to CREC and that are located on a 250,318 sq.m parcel of land (the "**Clark Land**") inside Clark Freeport Zone, Pampanga, (the "**Clark Property**"), with the Company owning the leasehold rights over the Clark Land; and
- b. land leased to solar power plant operators, comprising (A) Company-owned parcels of land in Brgy. Armenia, Tarlac City (the "**Armenia Property**"), in Brgy. Pasong Bangkal, San Ildefonso, Bulacan (the "**Bulacan Property**") and in Brgy. Centrala, Suralla, South Cotabato (the "**South Cotabato Property**"), and (B) leasehold rights over parcels of land located in Brgy. Talavera, Toledo City, Cebu (the "**Toledo Property**"), Silay City, Negros Occidental (the "**Silay Property**"), and Brgy. Dalayap, Tarlac City (the "**Dalayap Property**"), and together with the Clark Property, Armenia Property, Bulacan Property, South Cotabato Property, Toledo Property, Silay Property and Dalayap Property, the "**Properties**").
- c. Land leased to solar plant developers for the lease of Company-owned parcels of land with a total of 5,175,795 square meters located in Tuy, Batangas, Pampanga and Pangasinan.

The Clark Solar Power Plant, the Armenia Property, the Bulacan Property, the South Cotabato Property, the Toledo Property, the Silay Property and the Dalayap Property (collectively, the "**Leased Properties**") are leased by the Company to CREC, Citicore Tarlac 1, Citicore Solar Bulacan, Inc. ("**Citicore Bulacan**"), Citicore South Cotabato ("**Citicore South Cotabato**"), Citicore Solar Cebu, Inc. ("**Citicore Cebu**"), Citicore Solar Negros Occidental, Inc. ("**Citicore Negros Occidental**"), and Citicore Solar Tarlac 2, Inc. ("**Citicore Tarlac 2**", collectively with CREC, Citicore Tarlac 1, Citicore Bulacan, Citicore South Cotabato, Citicore Cebu, and Citicore Negros Occidental, the "**Lessees**"), respectively. The Lessees operate solar power plants on the Leased Properties with a total combined installed capacity of 145.0MW_{DC}

Citicore Tarlac 1, Citicore Bulacan, Citicore South Cotabato and Citicore Tarlac 2 are wholly owned indirect subsidiaries of CREC, while Citicore Cebu and Citicore Negros Occidental are wholly owned subsidiaries of Citicore Power, Inc. ("**CPI**"), the parent company of CREC.

Properties in Tuy, Batangas were leased to Citicore Solar Batangas 1, Inc. and Citicore Solar Batangas 2, Inc. while properties in Pampanga and Pangasinan were leased to Citicore Solar Pampanga 1, Inc. and Citicore Solar Pangasinan 2, Inc., respectively.



	Clark Solar Power Plant	Armenia Property	Bulacan Property	South Cotabato Property	Toledo Property	Silay Property	Dalayap Property	Batangas 1 Property	Batangas 2 Property	Pampanga Property	Pangasinan Property
Location	Clark Freeport Zone, Pampanga	Brgy. Armenia, Tarlac City	Brgy. Pasong Bangkal, San Ildefonso, Bulacan	Brgy. Centrala, Suralla, South Cotabato	Brgy. Talavera, Toledo City, Cebu	Silay City, Negros Occidental	Brgy. Dalayap, Tarlac City	Brgy. Lumbangan and Luntal, Tuy, Batangas	Brgy. Bolbok, Tuy, Batangas	Arayat, Pampanga	Brgy. Santa Catalinan, Pangasinan
Land area (sq.m.)	250,318	138,164	253,880	79,997	730,000	431,408	103,371	1,091,618	1,664,995	560,080	1,049,102
Right over property	Leased	Owned	Owned	Owned	Leased	Leased	Leased	Owned	Owned	Owned	Owned
Land lease expiry	September 2039	N/A	N/A	N/A	May 2041	October 2040	October 2040	N/A	N/A	N/A	N/A
Lessor	Clark Development Corporation	N/A	N/A	N/A	Leavenworth Development, Inc.	Claudio Lopez, Inc.	Ma. Paula Cecilia David & Juan Francisco David; and Benigno S. David & Vivencio M. Romero	N/A	N/A	N/A	N/A
Right of first refusal	None	N/A	N/A	N/A	Yes	None	Yes	N/A	N/A	N/A	N/A
Solar power plant installed capacity (MW_{DC})	22.325	8.84	15	6.23	60	25	7.55	197.0	177	56	113
Commissioning date	March 12, 2016	February 29, 2016	March 12, 2016	December 9, 2015	June 30, 2016	March 8, 2016	February 27, 2016	N/A	N/A	N/A	N/A
FIT/GEA 2 Eligibility	Yes	No	Yes	Yes	No	No	No	No	Yes	Yes	Yes
Tenant/Operator of solar power plant	CREC	Citicore Tarlac 1	Citicore Bulacan	Citicore South Cotabato	Citicore Cebu	Citicore Negros Occidental	Citicore Tarlac 2	Citicore Batangas 1	Citicore Batangas 2	Citicore Pampanga 1	Citicore Pangasinan 2
Commencement of the tenancy	November 1, 2021	November 1, 2021	January 1, 2022	January 1, 2022	January 1, 2022	January 1, 2022	November 1, 2021	January 1, 2023	February 1, 2023	February 1, 2023	July 1, 2023
Expiration of the tenancy	September 4, 2039	October 31, 2046	December 31, 2046	December 31, 2046	May 31, 2041	October 31, 2040	October 31, 2040	December 31, 2047	January 31, 2048	January 31, 2048	June 30, 2048
Appraised value (₱)	3,030,159	687,815,000	2,391,521,000	1,045,064,000	3,757,242,000	2,845,966,000	461,565,000	1,654,859,825	1,466,724,965	532,238,508	468,494,266
% of Appraised value	13.6%	3.1%	10.7%	4.7%	16.1%	12.8%	2.1%	7.4%	6.6%	2.4%	2.1%

The Company's leasable properties are composed of (i) 5,647,836 sq.m. of land owned by the Company (i.e., the Armenia Property, the Bulacan Property, the South Cotabato Property, the Tuy, Batangas Property, the Pampanga Property and the Pangasinan Property), and (ii) 1,515,457 sq.m. of land, of which the Company owns the leasehold rights (i.e., the Clark Property, the Toledo Property, the Silay Property, and the Dalayap Property). The Company has a right of first refusal, subject to certain conditions, in the event the land underlying the Toledo Property and the Dalayap Property are sold by their owners, usufructuaries or lessees. With more than 7,000,000 sqm of leasable area, CREIT is the largest landlord of renewable energy real estate properties.



As of September 30, 2023, the Company's Deposited Property amounted to ₱19.2 billion as broken down below:

Cash and cash equivalents	₱ 997,050,863
Lease receivable	37,884,138
Investment property	15,125,336,197
Property, plant and equipment	3,030,159,000
Right-of-use assets-net	<u>33,826,073</u>
Total	<u>₱19,224,256,272</u>

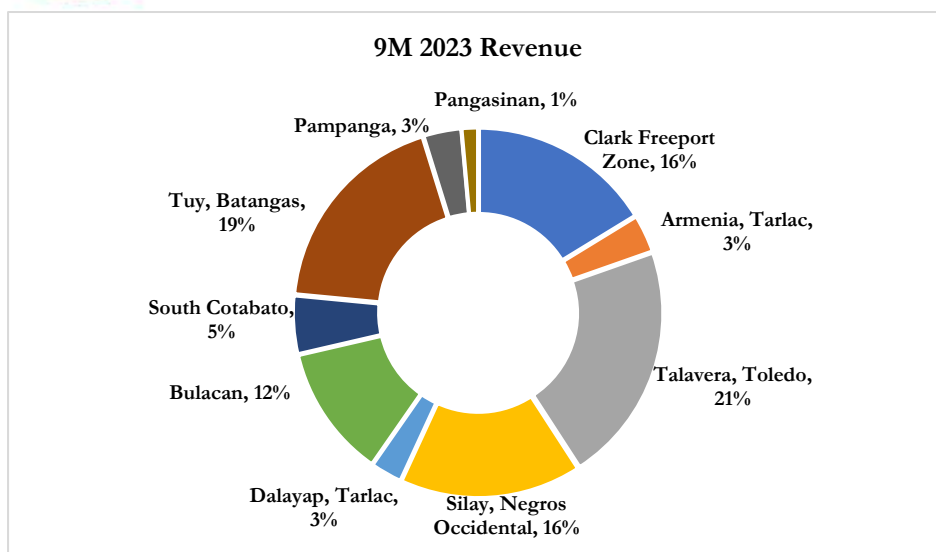
The following table summarizes key information relating to the Company's Leased Properties.

The Company built and owns the Clark Solar Power Plant on the Clark Land that it leases from Clark Development Corporation pursuant to a 25-year lease which expires on September 2039. The Armenia Property was acquired by the Company from the Sponsors pursuant to the Property-for-Share Swap while the Bulacan Property and the South Cotabato Property were acquired through a straight acquisition using part of the proceeds from the Company's initial public offering. In addition, the Company acquired (i) the leasehold rights over the Toledo Property for a remaining term of 19 years expiring on May 31, 2041, (ii) the leasehold rights over the Silay Property for a period of 19 years expiring on October 31, 2040 and (iii) the leasehold rights over the Dalayap Property for a period of 19 years expiring on October 31, 2040, pursuant to the Acquisition of Leasehold Rights.

The lease rental rates for the Leased Properties comprise (i) a guaranteed annual base rental rate, payable on equal monthly installments, and (ii) a variable rental rate equivalent to 50% of the incremental gross revenue earned by the Lessee from any excess of its agreed base lease revenue for the current fiscal year.

In 2023, the Company used the proceeds from the bonds to acquire parcels of land with an aggregate total of 517.58 hectares from multiple landowners spread across the barangays in Tuy, Batangas namely Brgy. Lumbangan, Brgy. Luntal and Brgy. Bolbok, Arayat, Pampanga and Pangasinan. The lease rentals for these newly acquired properties are based on an annual fixed rate with escalation clause.

The Company's REIT asset portfolio is geographically spread out and generates rental revenues from the three main island groups, Luzon, Visayas and Mindanao.



The Company likewise enjoys a superior occupancy rate, compared to the other listed REITs in the market. With its 1:1 Asset to Tenant ratio, each asset is always 100% occupied as the solar operator tenant utilizes the entire leased property at any given point in time, in compliance with its service contract with the Department of Energy (DOE). Leases are long-term in nature and have a Weighted Average Lease Expiry of 21.48 years, the longest among all the listed REITs in the market.

CREIT Property	Occupancy Rate	Tenant's Lease Term (in years)
Clark	100%	17.9
Armenia	100%	25.0
Toledo	100%	19.4
Silay	100%	18.8
Dalayap	100%	19.0
Bulacan	100%	25.0
South Cotabato	100%	25.0
Batangas 1	100%	22.3
Batangas 2	100%	24.3
Pampanga	100%	22.1
Pangasinan	100%	24.8
	100% Occupancy	21.48 years WALE

INVESTMENT POLICY



Investment Strategy

The Company's principal investment strategy is to invest in income-generating renewable energy real estate properties and aim to become the largest renewable energy landlord in the Philippines. A core tenet of the Company's investment policy is to invest in properties that meet a select set of criteria designed to provide a Competitive Investment Return to investors. To meet the Company's investment criteria, a potential new renewable energy property should:

- i. primarily (but not exclusively) be a site suitable for solar power plants, but may include other renewable energy properties available in the market; and
- ii. be located in underdeveloped areas where the Company has completed and validated the availability of resources and the potential of such area for future township developments to drive long-term appreciating land value.

CREIT revised its investment criteria and removed the following: "Achieved successful plant testing and commissioning, with stable offtake contracts for 100% of the power plant's expected generation output." The removal of the said criteria was meant to expand and accelerate possible investments that can be folded into CREIT. With the revised criteria, the Company will be able to realize lease income earlier as renewable energy properties can now be leased out to solar plant developers even during construction stage, thereby providing earlier income stream to the Company's shareholders. Upon successful plant testing, commissioning and securing of offtake contracts, CREIT still has an option to purchase the power plant and lease it out to the plant operator. The Company's revised investment criteria was approved by the SEC on December 14, 2022 subject to some procedural compliances.

The Fund Manager and the Property Manager intend to work towards maximizing investment returns by increasing Gross Revenue as well as Net Operating Income over time through active management of the properties owned now and in the future by the Company. The Fund Manager and the Property Manager aim to promote growth in returns by careful selection of properties, optimizing the properties owned now and in the future by the Company, and by taking advantage of desirable opportunities for property acquisition.

The Fund Manager intends to hold the Properties in the Company's portfolio on a long-term basis. However, where suitable opportunities arise, and subject to applicable laws and regulations, the Fund Manager may also consider divesting Properties or part thereof to realize their optimal market potential and value. In the future, the Fund Manager may also consider divesting mature and non-core properties which have reached a stage that affords limited growth for income in order to free up capital and reinvest proceeds into properties that meet the Company's investment criteria.

Proactive Identification of Asset Growth Opportunities

To enhance the value of the Company's portfolio, the Fund Manager, pursuant to the Fund Management Agreement and consistent with the Company's investment strategy and the REIT Law, is primarily required to, among other things:

- determine asset allocation to allowable investment outlets to enable the Company to improve yields;



- objectively evaluate whether properties and assets targeted for acquisition meet the Company's rigorous investment criteria, and provide advice and recommendations to the Company accordingly;
- continuously measure, monitor, and assess asset performance and valuation; and
- perform all such acts necessary to ensure that the Company can maximize the value of its assets and deliver higher returns in line with its investment strategy.

The Fund Manager will rely on the experience of its management to implement the pursued strategies.

Growth through potential investments

The Fund Manager will continue to actively consider and solicit opportunities, consistent with the Company's investment strategies, to grow the Company's portfolio and invest in properties with operating solar plant assets or other renewable energy projects that financially and strategically meets or exceeds the Company's financial and strategic investment criteria.

The association between the Company and the Citicore Group offers various growth avenues for the Company's property portfolio. Through cooperation with the Citicore Group, the Company is committed to growing its portfolio through acquisition of relevant assets from the Citicore Group or third parties under mutually acceptable terms. The Company will also continuously seek to leverage the Citicore Group's market knowledge, its established industry relationships, and its vast repository of real estate expertise, as well as to jointly explore potential synergies with members of the Citicore Group.

The Company may acquire new projects through direct acquisition, or through tax-free-exchanges, depending on what would be the most beneficial transactional form for the Company at such time. The Company may also procure new land sites can through long-term leases, joint ventures or acquisitions, which shall be studied, and proposed to the Company' management. The Company believes that the identification and targeting of such new projects and additional locations offer potential opportunities for future income and capital growth.

Active capital and risk management

The Company expects that the Fund Manager, pursuant to the Company's investment strategies, will endeavor to employ an appropriate mix of debt and equity in financing operations and maintenance of the Properties as well as of any future acquisitions. As such, the Fund Manager has adopted financing policies to optimize risk-adjusted returns to Shareholders. Depending on the situation, such policies may entail the Company accessing various capital markets to source appropriately priced and structured debt and equity as well as assessing alternative forms of capital and other capital management strategies where appropriate. The Fund Manager shall review the appropriate financing sources when the opportunity so arises.

INVESTMENT LIMITATIONS

Because the Company is a REIT, its business activities and investments are, subject to certain limitations under the REIT Law.



Investments

Pursuant to the REIT Law (and in many instances subject to the approval of the Philippine SEC), the Company generally may invest only in:

- real estate and real estate-related assets;
- evidence of indebtedness of the Philippines and other evidence of indebtedness or obligations, the servicing and repayment of which are fully guaranteed by the Philippines;
- bonds and other forms of indebtedness issued by:
 - i. the government of any foreign country with which the Philippines maintains diplomatic relations, with a credit rating obtained from a reputable credit rating agency or a credit rating agency acceptable to the Philippine SEC that is at least two notches higher than that of Philippines bonds; and
 - ii. supranationals (or international organizations whose membership transcends national boundaries or interests, e.g. International Bank for Reconstruction and Development, Asian Development Bank);
- corporate bonds of non-property privately-owned domestic corporations duly registered with the Philippine SEC with a current credit rating of at least "A" by an accredited Philippine rating agency;
- corporate bonds of a foreign non-property corporation registered in another country provided that said bonds are duly registered with the Philippine SEC and the foreign country grants reciprocal rights to Filipinos;
- commercial papers duly registered with the Philippine SEC with a current investment grade credit rating based on the rating scale of an accredited Philippine rating agency at the time of investment;
- equities of a non-property company listed in a local or foreign stock exchange, provided that these stocks shall be issued by companies that are financially stable, actively traded, possess a good track record of growth, and have declared dividends for the past three years;
- cash and cash equivalents;
- collective investment schemes, duly registered with the Philippine SEC or organized pursuant to the rules and regulations of the BSP; provided however that: (i) the collective investment scheme must have a track record of performance at par with or above the median performance of pooled funds in the same category as appearing in the prescribed weekly publication of the net asset value per unit of the collective investment scheme units; and (ii) new collective investment schemes may be allowed provided that its fund manager has at least a three-year track record in managing pooled funds;



- offshore mutual funds with rating acceptable to the Philippine SEC; and
- synthetic investment products (i.e. derivatives and other such securities), provided that: (i) synthetic investment products shall not constitute more than 5% of the investible funds of the REIT; (ii) the REIT shall avail of such synthetic investment products solely for the purpose of hedging risk exposures of the existing investments of the REIT; (iii) the synthetic investment products shall be accounted for in accordance with PFRS; (iv) the synthetic investment products shall be issued by authorized banks or non-bank financial institutions in accordance with the rules and regulations of the BSP and/or the Philippine SEC; and (iv) the use of synthetic investment products shall be disclosed in this Prospectus and under special authority from the Philippine SEC derivatives and other such securities.

At least 75% of the Deposited Property must be invested in, or consist of, income generating real estate which is held for the purpose of generating a regular stream of income such as, but not limited to, rentals, toll fees, user's fees, ticket sales, parking fees, and storage fees. Geographically, at least 35% of the Deposited Property should be invested in property located in the Philippines, and in no case may the Company's investments in such property fall below 35% of the Deposited Property. Additionally, the Company may invest in income generating real estate located outside of the Philippines, however, such an investment must not exceed 40% of the Deposited Property. Investment in such foreign properties is also subject to special authorization from the Philippine SEC. In issuing such authorization, the Philippine SEC shall consider, among other things, satisfactory proof that the valuation of assets is fair and reasonable.

As described above, a REIT may also invest in real estate-related assets, wherever the issuers, assets, or securities are incorporated, located, issued, or traded. However, not more than 15% of the funds of the REIT that can be placed in investment vehicles other than income-generating real estate, as allowed under these REIT Law, may be invested in any one issuer's securities or any one managed fund. If the REIT's investment is in Philippine government securities, then the limit is raised to 25%.

Property Development

Pursuant to the REIT Law, a REIT shall not undertake property development activities whether on its own, in a joint venture with others, or by investing in unlisted property development companies, unless:

- it intends to hold in fee simple the developed property for at least three years from date of completion;
- the purchase agreement of the property is made subject to the completion of the building with proper cover for construction risks;
- the development and construction of the real estate shall be carried out on terms which are the best available for the REIT and which are no less favorable to the REIT than an arm's length transaction between independent parties; and
- the prospects for the real estate upon completion can be reasonably expected to be favorable.



The total contract value of property development activities undertaken and investments in uncompleted property developments shall not exceed 10% of the Deposited Property of the REIT.

PROPERTIES RECENTLY ACQUIRED AND FOR ACQUISITION

On January 30, 2023 to February 3, 2023, the Company offered P4.5 billion ASEAN Green Bonds to the public at face value and subsequently issued and listed these ASEAN Green Bonds in the Philippine Dealing & Exchange Corp. (PDEX) on February 10, 2023. The ASEAN Green Bonds are denominated in Philippine Peso, maturing in 5 years from the issue date and bear a fixed interest rate of 7.0543% per annum.

In 2023, the Company used the proceeds from the bonds to acquire parcels of land with an aggregate total of 517.58 hectares from multiple landowners spread across the barangays in Tuy, Batangas namely Brgy. Lumbangan, Brgy. Luntal and Brgy. Bolbok, Arayat, Pampanga and Pangasinan. These parcels of land are ideal for utility scale solar power plants due to its proximity to the NGCP Substation and proven solar irradiance resources. Around 300 hectares of the parcels of land were originally secured by CREC and its subsidiaries and were subsequently assigned to the Company. As of September 30, 2023, the Company paid a total of P3.94 billion for the acquisition of these properties exclusive of taxes and other fees related to the land acquisition and land conversion. As the properties have been recently acquired, the acquisition cost or book value reasonably approximates its fair value.

The Company aims to eventually grow its renewable energy portfolio and support CREC, the Sponsor, to generate a gross installed capacity of approximately 4,248.8MW in additional solar power and onshore wind energy generation for CREC's projects in the "Under Development" stage in the next five years, which significantly contributes to our target of generating approximately 1.0GW of renewable energy capacity per year, within cluster locations across nine provinces in the Luzon and Visayas regions. By using the cluster locations approach, we are able to expedite the rollout and execution of our renewable energy projects. By capitalizing on our established network and relationships with stakeholders in local communities, municipalities, and provinces, we are able to achieve relatively quicker land and permit acquisition. Furthermore, this approach enhances project and construction management efficiency compared to handling projects in dispersed locations. The Sponsor's pipeline of projects will serve as the primary source of new assets for infusion into CREIT.



Batangas Cluster

CREC is currently constructing the first phase of our solar power projects in Batangas with a gross installed capacity of approximately 530MW and is expected to be in commercial operation in 2024 – 2025. The land was acquired by CREIT in 2023 and leased out to CREC subsidiaries. The succeeding phases of the solar power projects within the Batangas Cluster will comprise a gross installed capacity of approximately 2,013.0MW which is expected to be completed from 2026 to 2027. These projects will capitalize on the transmission infrastructure upgrades of NGCP in the area.

Central Luzon Cluster

The Central Luzon Cluster comprises the Bataan, Pampanga and Zambales provinces where we expect to develop solar power projects with a gross installed capacity of approximately 285.0MW, including our joint venture with a large-scale renewable developer, from 2026 to 2027. These projects are strategically positioned to leverage on the newly approved projects of NGCP.

Quezon Cluster

CREC will develop solar power projects with a gross installed capacity of 622.2MW from 2025 to 2028. These projects will be located nearby NGCP's 500kV substation which caters to large generation capacities within the area.

North Luzon Cluster

The North Luzon Cluster comprises the Isabela and Pangasinan provinces where we will develop several solar power projects with gross installed capacity of 991.0MW from 2025 to 2028. These projects are expected to be connected to NGCP's grid in Luzon.

Visayas Cluster

We will develop a number of solar power projects within the Visayas Cluster comprising Negros Occidental with a gross installed capacity of approximately 88.0MW. These projects will be connected to the grid through transmission infrastructure upgrades and interconnection projects in the area which will contribute to its additional generation capacity.

CREC defines our four project development stages, in the order of earliest to latest stages of development, as follows:





- **“Identified Pipeline”** means the preliminary assessment of viable connection scheme conducted to initially determine potential capacity in the area that may become available within five years and the development of grid connection strategy to identify general area feasibility;
- **“Under Development”** (including the “Early Development” and “Pre-Development” substages) means projects with ongoing land sourcing and vetting of site prospects which include site resource assessments, legal and technical due diligence to determine suitability of site and authenticity of land titles and landowners and **“Advanced Development”** means projects with on going land acquisition, consolidation and conversion, conduct of pre-engineering studies and transmission line studies and securing the Solar Energy Operating Contracts (**“SEOC”**), Wind Energy Service Contract (**“WESC”**) and Hydropower Service Contract (**“HSC”**), as applicable, from the DOE;
- **“Ready to Build” / “Under Construction”** means projects with secured land rights, grid rights and DOE SEOC, WESC or HSC, as applicable, as well as on going negotiation and closing of material contracts such as offtake agreements, project financing and Engineering, Procurement and Construction (**“EPC”**) contract, including projects that are undergoing physical construction; and
- **“Operating”** means projects that have successfully achieved grid injection and started generating power.

Projects that are Ready-to-Build/Under Construction

CREC have eight solar energy projects in the “Ready-to-Build” / “Under Construction” stage, with the following details as of September 30, 2023:

	Batangas 1 Solar Project	Batangas 2 Solar Project	Pangasinan 1 Solar Project	Pangasinan 2 Solar Project	Pampanga 3 Solar Project	Quezon 1 Solar Project	Zambales 1 Solar Project	Negros 2 Solar Project	Total
Type	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Solar	
Operating Company	Citicore Solar Batangas 1, Inc.	Citicore Solar Batangas 2, Inc.	Citicore Solar Pangasinan 2, Inc.	Citicore Solar Pangasinan, Inc.	Citicore Solar Pampanga 1, Inc.	Citicore Solar Quezon, Inc.	Solar Power Utilities Generator Corporation ⁹	Citicore Solar Negros Occidental 2, Inc.	
Parent Company	Citicore Solar Energy Corporation (“CSEC”)	CSEC	CSEC	CSEC	CSEC	CSEC	CSEC	CSEC	
Gross Installed Capacity (in MW)	280.0	250.0	240.0	270.0	60.0	293.0	90.0	100.0	1,583.0
Net Attributable Capacity (in MW)	280.0	250.0	240.0	270.0	60.0	293.0	90.0	100.0	1,583.0
Estimated Annual Generation (in MWh)⁽²⁾	379,905.0	229,884.0	326,289.0	367,075.0	81,572.0	398,344.0	122,235.0	135,817.0	1,592,474.0
Estimated Carbon	265,933.5	160,918.8	228,402.3	256,952.5	57,100.4	278,840.8	85,564.5	95,071.9	1,428,784.7



Emission Reduction (in tons) ⁽²⁾									
Estimated Number of Households Covered per Year ⁽³⁾	158,293.8	95,785.0	135,953.8	152,947.9	33,988.3	165,976.7	50,931.3	56,590.4	850,467.2
Peak Generation Capacity (in MWac)	140.0	125.0	120.0	135.0	30.0	146.5	45.0	50.0	791.5
Tariff Structure	Privately negotiated	Under GEAP-2	Under GEAP-2	Under GEAP-2	Under GEAP-2	Under GEAP-2	Privately negotiated	Under GEAP-2	
Offtaker	Corporate	TransCo	TransCo	TransCo	TransCo	TransCo	Distribution utility	TransCo	
Offtake Period (in years)	10 + 10	20	20	20	20	20	Confidential	20	
Expected Commercial Operations Date / Completion Date	196.0MW – Jun 2024 84.0MW – Jun 2025	175.0MW – Dec 2024 75.0MW – Dec 2025	168.0MW – Dec 2024 72.0MW – Dec 2025	189.0MW – Dec 2024 81.0MW – Dec 2025	42.0MW – Dec 2024 18.0MW – Dec 2025	205.0MW – Dec 2024 88.0MW – Dec 2025	63.0MW – Sep 2024 27.0MW – Sep 2025	70.0MW – Sep 2024 30.0MW – Sep 2025	
Estimated Total Project Cost (in ₱ billions) ⁽⁴⁾	8.7	7.8	7.5	8.4	1.9	9.1	2.8	3.1	49.3
Ownership Interest	100%	100%	100%	100%	100%	100%	100%	100%	

Notes:

1. Based on an energy yield estimate of P50.
2. “Key Energy Statistics (2021)” Department of Energy, https://www.doe.gov.ph/sites/default/files/pdf/energy_statistics/doe-key-energy-statistics-2021-pocket-size.pdf
- (3) Based on a typical Philippine household consumption of 200kWh per month based on the CREC’s estimates.
- (4) Based on CREC’s estimates.

Projects in Advanced Development

As of September 30, 2023, CREC has 12 renewable energy projects spanning several locations in the Luzon and Visayas region in “Advanced Development” with a gross installed capacity of approximately 1,426.8MW, which we expect to complete within the next two to three years. These renewable energy projects are being undertaken by CREC’s subsidiaries and through joint ventures with large-scale renewable energy developers. The following table summarizes the details and progress of these 12 renewable energy projects as of September 30, 2023:

	Batangas 3 Solar Project	Batangas 4 Solar Project	Pampanga 4 Solar Project	Pampanga 5 Solar Project	Quezon 2 Solar Project	Bataan 2 Solar Project	Negros 1 Expansion Project	Cebu 1 Expansion Project	Iloilo CW 1 Wind Project	Bataan-Zambales CW Power Project	Pangasinan CW 2 Wind Power Project	Camarines Sur CW Wind Power Project	Total
Type	Solar + BESS	Solar	Solar	Solar	Solar	Solar	Solar	Solar	Onshore wind	Onshore wind	Onshore Wind	Onshore wind	
Parent Company	Citicore Solar Energy Corporation	Citicore Solar Energy Corporation	Citicore Solar Energy Corporation	Citicore Solar Energy Corporation	Citicore Solar Energy Corporation	Citicore Solar Energy Corporation	Citicore Solar Energy Corporation	Citicore Solar Energy Corporation	Citicore Wind Energy Corporation	Citicore Wind Energy Corporation	Citicore Wind Energy Corporation	Citicore Wind Energy Corporation	



Gross Installed Capacity (in MW)	Solar - 125.0	140.0	60.0	20.0	200.0	214.0	36.0	88.0	237.5	125.0	150.0	31.3	1,426.8
Net Attributable Capacity (in MW)	Solar - 125.0	140.0	60.0	20.0	200.0	107.0	36.0	88.0	237.5 ⁽⁴⁾	125.0 ⁽⁴⁾	150.0 ⁽⁴⁾	31.3 ⁽⁴⁾	1,426.8
Estimated Annual Generation (in MWh) ⁽¹⁾	189,761.0	190,335.0	81,572.0	30,362.0	271,907.0	324,216.0	48,943.0	119,639.0	919,581.0	349,305.0	245,280.0	91,890.0	5,698,70
Estimated Carbon Emission Reduction (in tons) ⁽²⁾	132,832.7	133,234.5	57,100.4	21,253.4	190,334.9	226,951.2	34,260.1	83,747.3	643,706.7	244,513.5	171,696.0	64,386.0	3,989,146.4
Estimated Number of Households Covered per Year ⁽³⁾	79,067.1	79,306.3	33,988.3	12,650.8	113,294.6	135,090.0	20,392.9	49,849.6	383,158.7	145,543.7	102,000.0	38,325.0	1,052,342.0
Expected Offtaker	Corporate	Mixed – Corporate and WESM	Mixed – Corporate and WESM	Corporate	Mixed – Corporate and WESM	Corporate	TransCo (GEAP-2)	Mixed – Corporate and WESM	TransCo (GEAP-2)	TransCo (GEAP-2)	TransCo (GEAP-2)	TransCo (GEAP-2)	
Expected Notice to Proceed Date	June 2024	June 2024	June 2024	June 2024	June 2024	March 2024	June 2024	June 2024	April 2026	July 2025	July 2025	July 2025	
Expected Commercial Operations Date / Completion Date	December 2025	December 2025	December 2025	December 2025	December 2025	June 2025	December 2025	December 2025	October 2027	September 2026	September 2026	September 2026	
Ownership Interest	100%	100%	100%	100%	100%	50%	100%	100%	100% ⁽⁴⁾	100% ⁽⁴⁾	100% ⁽⁴⁾	100% ⁽⁴⁾	

Notes:

1. Based on an energy yield estimate of P50.
2. "Key Energy Statistics (2021)" Department of Energy, https://www.doe.gov.ph/sites/default/files/pdf/energy_statistics/doe-key-energy-statistics-2021-pocket-size.pdf
3. Based on a typical Philippine household consumption of 200kWh per month based on the CREC's estimates.
4. We have executed a non-binding term sheet covering a potential joint venture arrangement with respect to these projects.



Projects Under Development (including Pre- Development and Early Development) and Identified Pipeline Projects

We are in the “Under Development” (including Pre-Development and Early Development) stage for 32 of our renewable energy power projects, which we expect to complete within the next five years. A certain number of these renewable energy power projects would be complemented with BESS in line with our ambition of developing approximately 1.0GW of ready-to-build/under construction solar energy capacity per year for the next five years.

- a. We have a total of 1,722.0MW in gross installed capacity of solar energy and onshore wind energy projects in the “Pre-Development” substage with the following details:

	Type	Gross Installed Capacity (in MW)	Net Attributable Capacity (in MW)	Offtaker	Expected Notice to Proceed Date	Expected Commercial Operations Date / Completion Date	Ownership Interest
Bataan 3 Solar Project	Solar	214.0	214.0	Corporate	March 2025	June 2026	100% ⁽¹⁾
Negros 3 Solar Project	Solar	50.0	50.0	Mixed – Corporate /WESM	March 2025	June 2026	100%
Pampanga 2 Expansion	Solar	48.0	24.0	WESM	March 2025	June 2026	50%
Batangas 5 Solar Project	Solar	140.0	140.0	Mixed – Corporate /WESM	June 2025	December 2026	100%
Batangas 6 Solar Project	Solar	216.0	216.0	Mixed – Corporate /WESM	June 2025	December 2026	100%
Pangasinan 3 Solar Project	Solar	214.0	214.0	Mixed – Corporate /WESM	June 2025	December 2026	100%
Pangasinan 4 Solar Project	Solar	240.0	240.0	Mixed – Corporate /WESM	June 2025	December 2026	100%
Pangasinan 5 Solar Project	Solar	200.0	200.0	Mixed – Corporate /WESM	June 2025	December 2026	100%
Quezon 3 Solar Project	Solar	200.0	200.0	Mixed – Corporate /WESM	June 2025	December 2026	100%
Quezon 4 Solar Project	Solar	200.0	200.0	Mixed – Corporate /WESM	June 2025	December 2026	100%
Total		1,722.0	1,722.0				

Note:

1. We have executed a non-binding term sheet covering a potential joint venture arrangement with respect to these projects.



b. We have a total of 2,258.0MW in gross installed capacity of solar energy projects in the “Early Development” substage with the following details:

	Type	Gross Installed Capacity (in MW)	Net Attributable Capacity (in MW)	Expected Offtaker	Expected Notice to Proceed Date	Expected Commercial Operations Date / Completion Date	Ownership Interest
Isabela 1 Solar Project	Solar	25.0	25.0	Corporate	March 2025	June 2026	100%
Batangas 1B Solar Project	Solar	70.0	70.0	Corporate	June 2026	December 2027	100%
Batangas 2B Solar Project	Solar	63.0	63.0	Corporate	June 2026	December 2027	100%
Batangas 4B Solar Project	Solar	35.0	35.0	Corporate	June 2027	December 2028	100%
Batangas 6B Solar Project	Solar	54.0	54.0	Corporate	June 2027	December 2028	100%
Pangasinan 1B Solar Project	Solar	60.0	60.0	Corporate	June 2027	December 2028	100%
Pangasinan 2B Solar Project	Solar	68.0	68.0	Corporate	June 2027	December 2028	100%
Pangasinan 3B Solar Project	Solar	54.0	54.0	Corporate	June 2027	December 2028	100%
Pangasinan 4B Solar Project	Solar	60.0	60.0	Corporate	June 2027	December 2028	100%
Pangasinan 5B Solar Project	Solar	50.0	50.0	Corporate	June 2027	December 2028	100%
Quezon 1B Solar Project	Solar	73.0	73.0	Corporate	June 2027	December 2028	100%
Quezon 2B Solar Project	Solar	50.0	50.0	Corporate	June 2027	December 2028	100%
Quezon 3B Solar Project	Solar	50.0	50.0	Corporate	June 2027	December 2028	100%
Quezon 4B Solar Project	Solar	50.0	50.0	Corporate	June 2027	December 2028	100%
Zambales 1B Solar Project	Solar	23.0	23.0	Corporate	June 2027	December 2028	100%
Negros 2B Solar Project	Solar	25.0	25.0	Corporate	June 2027	December 2028	100%
Negros 3B Solar Project	Solar	13.0	13.0	Corporate	June 2027	December 2028	100%
Batangas 7 Solar Project	Solar	375.0	375.0	Corporate	June 2026	December 2027	100%
Batangas 8 Solar Project	Solar	1,060.0	1,060.0	Corporate	June 2026	December 2027	100%
Total		2,258.0	2,258.0				



FINANCING STRATEGY

The operation of the real estate investments of the Company shall be outsourced to the Property Manager. The financing of future new real estate investments of the Company can be by way of a borrowing mix from local banks up to 70% of Deposited Property and equity through a follow-on offering, among others.

Pursuant to the REIT Law, the total borrowing and deferred payments of a REIT should not exceed 35% of the Deposited Property. A REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency, however, may exceed this 35% limit, but in no circumstances may its total borrowing and deferred payments exceed 70% of the Deposited Property.

In 2022, the Company received PRS AA+ rating with stable outlook from Philratings for both CREIT and its proposed bond issuance. The rating, which is considered as investment grade, allowed CREIT to increase its leverage limit from the minimum 35% of the Deposited Property to a maximum of 70% as prescribed in the REIT IRR. The Company's leverage limit as of September 30, 2023 and post-bond issuance is as follows:

Deposited Property	P	19,224,256,272
Leverage Ratio		<u>70%</u>
Leverage Limit	P	13,456,979,390
Total borrowings and deferred payments		<u>5,313,588,393</u>
Allowable additional borrowings	P	<u>8,143,390,997</u>



SIGNATURE

In compliance with the reportorial requirements of the REIT Implementing Rules and Regulations under the Republic Act No. 9856, Citicore Energy REIT Corp. (CREIT) has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Citicore Energy REIT Corp. (CREIT)

By:

A handwritten signature in black ink, appearing to read "Chris Nadayag", written over the printed name.

Christopher A. Nadayag
President

Citicore Fund Managers, Inc.

January 3, 2024