



## Performance Report for the Second Quarter of 2024

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August 14, 2024

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



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## I. PORTFOLIO OVERVIEW

CREIT’s renewable energy property portfolio consists of the Leased Properties which include the lease of the Clark Solar Power Plant to Citicore Renewable Energy Corporation (“CREC”) and parcels of land leased to solar power plant operators, comprising (A) Company-owned Armenia Property, Bulacan Property and South Cotabato Property and (B) the Company’s leasehold rights over the Toledo Property, the Silay Property, the Clark Property and the Dalayap Property.

The Clark solar Power Plant, Armenia property, the toledo Property, the Silay Property, the Dalayap Property, the Bulacan Property and the South Cotabato Property (the “**Leased Properties**”) are leased by CREIT to its Lessees comprising CREC, Citicore Solar Tarlac 1, Inc. (“Citicore Tarlac 1”), Citicore Solar Cebu, Inc. (“Citicore Cebu”), Citicore Solar Negros Occidental Inc. (“Citicore Negros Occidental”), Citicore Solar Tarlac 2, Inc. (“Citicore Tarlac 2”), Citicore Solar Bulacan, Inc. (“Citicore Bulacan”), and Citicore Solar South Cotabato, Inc. (“Citicore South Cotabato”), respectively. The Lessees operate solar power plants on the Leased Properties with a total combined installed capacity of 145.0 MW<sub>p</sub>DC.

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

The Leased Properties comprise the Company’s current portfolio, and have an aggregate appraised value of ₱20.0 billion as of June 30, 2024 based on the Valuation Reports issued by Cuervo Appraisers dated March 14, 2024 for the period ending December 31, 2023. The following table summarizes key information relating to the Company’s Leased Properties.

	Clark Solar Power Plant	Armenia Property	Toledo Property	Silay Property	Dalayap Property	Bulacan Property	South Cotabato Property
<b>Location</b>	Clark Freeport Zone, Pampanga	Brgy. Armenia, Tarlac City	Brgy. Talavera, Toledo City, Cebu	Silay City, Negros Occidental	Brgy. Dalayap, Tarlac City	Brgy. Pasong Bangkal, San Ildefonso, Bulacan	Brgy. Centrala, Suralla, South Cotabato
<b>Land area (sq.m.)</b>	250,318	138,164	730,000	431,408	103,731	253,880	79,997
<b>Right over property</b>	Leased	Owned	Leased	Leased	Leased	Owned	Owned
<b>Land lease expiry</b>	September 2039	N/A	May 2041	October 2040	October 2040	N/A	N/A

<b>Lessor</b>	Clark Development Corporation	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
<b>Right of first refusal</b>	None	N/A	Yes	None	Yes	N/A	N/A
<b>Solar power plant installed capacity (MW<sub>pDC</sub>)</b>	22.325	8.84	60	25	7.55	15	6.23
<b>Commissioning date</b>	March 12, 2016	February 29, 2016	June 30, 2016	March 8, 2016	February 27, 2016	March 12, 2016	December 9, 2015
<b>FIT Eligibility</b>	Yes	No	No	No	No	Yes	Yes
<b>Tenant/Operator of solar power plant</b>	CREC	Citicore Tarlac 1	Citicore Cebu	Citicore Negros Occidental	Citicore Tarlac 2	Citicore Bulacan	Citicore South Cotabato
<b>Commencement of the tenancy</b>	November 1, 2021	November 1, 2021	January 1, 2022	January 1, 2022	November 1, 2021	January 1, 2022	January 1, 2022
<b>Expiration of the tenancy</b>	September 4, 2039	October 31, 2046	May 31, 2041	October 31, 2040	October 31, 2040	December 31, 2047	December 31, 2046
<b>Appraised value (₱)</b>	2,964 million	680 million	3,661 million	2,767 million	449 million	2,400 million	1,044 million

### Leased Properties

The Lessees operate solar power plants with a total installed capacity of 145.0 MW<sub>pDC</sub> on the Properties.

#### *Clark Solar Power Plant*

A solar power plant with an installed capacity of 22.3MW<sub>pDC</sub> and other real properties (the “**Clark Solar Power Plant**”) is located on a 250,318 sq.m. parcel of land (the “**Clark Land**”) in the Clark Freeport Zone, which the Company leases from the Clark Development Corporation. The Company’s lease is for 25 years commencing on September 5, 2014, and is renewable upon mutual consent of the parties.

The Clark Solar Power Plant located on the Clark Land was leased out by the Company to CREC for a period of around 18 years commencing on November 1, 2021. The Clark Solar Power Plant was commissioned on March 12, 2016.



The Clark Solar Power Plant leased to and operated by CREC is qualified under the Feed-In-Tariff (“FIT”) II Program with Certificate of Compliance (“COC”) eligibility for FIT II rate from March 12, 2016 to March 11, 2036 (COC No. 16-13-M00090L) secured from Energy Regulatory Commission (“ERC”) on December 8, 2016. Under the FIT regime, the offtaker of the Clark Solar Power Plant is TransCo, a Government-owned-and-controlled entity.

The Company has assigned the BOI registration in relation to the Clark Solar Power Plant to CREC, which will entitle CREC to enjoy incentives such as a zero VAT rating, income tax holiday for seven years until 2023 with a 10% preferential rate thereafter and a tax exemption on carbon credits.

As of June 30, 2024, the Clark Property was valued at ₱2,964 million based on the Valuation Reports issued by Cuervo Appraisers dated March 14, 2024 for the period ending December 31, 2023.

#### *Armenia Property*

The Armenia Property comprises 11 parcels of land with a total area of 138,164 sq.m. located in Brgy. Armenia, Tarlac City. The Armenia Property is owned by the Company, and was acquired by the Company from the Sponsors through the Property-for-Share Swap.

The Armenia Property was leased out by the Company to Citicore Tarlac 1 for a period of 25 years commencing on January 1, 2022. Citicore Tarlac 1 operates a solar power plant with an installed capacity of 8.84MW<sub>DC</sub> on the Armenia Property. Citicore Tarlac 1’s solar power plant was commissioned on February 29, 2016.

Citicore Tarlac 1 sells the electricity generated by its solar power plant to contestable customers operating in various industries.

As of June 30, 2024, the Armenia Property was valued at ₱680 million based on the Valuation Reports issued by Cuervo Appraisers dated March 14, 2024 for the period ending December 31, 2023.

#### *Toledo Property*

The Toledo Property comprises leasehold rights over land with an area of 730,000 sq.m. located in Brgy. Talavera, Toledo City, Cebu.

The Company owns the leasehold rights over the Toledo Property pursuant to a Deed of Assignment whereby Citicore Cebu transferred all its rights and obligations with respect to the Toledo Property to the Company. The lessor of the Toledo Property is Leavenworth Realty Development, Inc., which holds the usufructuary rights to such property. The Company’s leasehold rights are for a remaining term of 19 years, expiring on May 31, 2041, and renewable upon mutual agreement of the parties. The Company has a right to match any bona fide offer from a third party to purchase the property from the landowner.



The Company leased out the entire Toledo Property to Citicore Cebu for a period of 19 years commencing on January 1, 2022 and expiring on May 31, 2041. Citicore Cebu operates a solar power plant with an installed capacity of 60MW<sub>pDC</sub> on the Toledo Property. Citicore Cebu's solar power plant was commissioned on June 30, 2016.

Citicore Cebu sells the electricity generated by its solar power plant to contestable customers operating in various industries.

As of June 30, 2024, the Toledo Property was valued at ₱3,661 million based on the Valuation Reports issued by Cuervo Appraisers dated March 14, 2024 for the period ending December 31, 2023.

#### *Silay Property*

The Silay Property comprises leasehold rights over land with an area of 431,408 sq.m. located in Silay City, Negros Occidental.

The Company owns the leasehold rights over the Silay Property pursuant to a lease agreement between the Company as lessee, and Claudio Lopez, Inc. as lessor, with a term of 19 years expiring on October 31, 2040. The lease can be extended for an additional period of five years unless earlier terminated by either party at least six months prior to the end of the original term.

The Company leased out the entire Silay Property to Citicore Negros Occidental for a period of 18 years commencing on January 1, 2022 and expiring on October 31, 2040. Citicore Negros Occidental operates a solar power plant with an installed capacity of 25MW<sub>pDC</sub> on the Silay Property. Citicore Negros Occidental's solar power plant was commissioned on March 8, 2016. The rights of Citicore Negros Occidental as a lessee of the Silay Property is subject of an unregistered mortgage in favor of the Landbank of the Philippines, which debt is intended to be prepaid prior to the Listing Date. In the event of default by Citicore Negros Occidental, the Landbank of the Philippines will be able to exercise step-in-rights in place of the lessee.

Citicore Negros Occidental sells the electricity generated by its solar power plant to contestable customers operating in various industries.

As of June 30, 2024, the Silay Property was valued at ₱2,767 million based on the Valuation Reports issued by Cuervo Appraisers dated March 14, 2024 for the period ending December 31, 2023.

#### *Dalayap Property*

The Dalayap Property comprises leasehold rights over parcels of land with an area of 103,731 sq.m. located in Brgy. Dalayap, Tarlac City.

The Company owns the leasehold rights over the Dalayap Property pursuant to lease and sublease agreements entered into with Ma. Paula Cecilia David & Juan Francisco David and Benigno S. David and Vivencio M. Romero, Jr., respectively. The lease and sublease agreements have initial



terms of 19 years, and expire on October 31, 2040, renewable for another 25 years subject to the consent of the lessor. The Company also has the right of first refusal to purchase the relevant parcels of land in the event the lessor or sublessor decide to sell their relevant parcels of land.

The Company leased out the entire Dalayap Property to Citicore Tarlac 2 for a period of 19 years commencing on November 1, 2021 and ending on October 31, 2040. Citicore Tarlac 2 operates a solar power plant with an installed capacity of 7.55MW<sub>DC</sub> on the Dalayap Property. Citicore Tarlac 2's solar power plant was commissioned on February 27, 2016.

Citicore Tarlac 2 sells the electricity generated by its solar power plant to contestable customers operating in various industries.

As of June 30, 2024, the Dalayap Property was valued at ₱449 million based on the Valuation Reports issued by Cuervo Appraisers dated March 14, 2024 for the period ending December 31, 2023.

#### *Bulacan Property*

The Bulacan property consists of a 253,880 sq.m. parcel of land with an acquisition cost of P1,754.1 million and is located in Brgy. Pasong Bangkal, San Ildefonso, Bulacan. The property is leased out to Citicore Bulacan for 25 years. Citicore Bulacan operates a solar power plant with an installed capacity of 15MW<sub>DC</sub> in the Bulacan Property. The solar power plant was successfully commissioned on March 12, 2016 and was granted by the ERC with entitlement to the Feed-in Tariff (FIT) rate of ₱8.69 per kilowatt hour of energy output for a period of 20 years from March 14, 2016 to March 13, 2036.

As of June 30, 2024, the Bulacan Property was valued at ₱2,400 million based on the Valuation Reports issued by Cuervo Appraisers dated March 14, 2024 for the period ending December 31, 2023.

#### *South Cotabato Property*

The South Cotabato property is a 79,997 sq.m. parcel of land located in Brgy. Centrala, Suralla, South Cotabato and is leased out to Citicore South Cotabato for 25 years. Citicore South Cotabato operate a solar power plant with an installed capacity of 6.23MW<sub>DC</sub> in the South Cotabato Property. The solar power plant was successfully commissioned on December 9, 2015 and was granted with an entitlement under FIT program for a period of 20 years from October 25, 2016 to December 8, 2035.

As of June 30, 2024, the South Cotabato Property was valued at ₱1,044 million based on the Valuation Reports issued by Cuervo Appraisers dated March 14, 2024 for the period ending December 31, 2023.



### 2023 Acquisitions

In 2023, the Company used the proceeds from the bonds to acquire parcels of land with an aggregate total of 511.5 hectares from multiple landowners spread across the three (3) barangays in Tuy, Batangas namely Brgy. Lumbangan, Brgy. Luntal and Brgy Bolbok. This also includes acquisition of land properties in 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. As of June 30, 2024 the Company has fully utilized the net proceeds of the Green bonds raised last February 10, 2023 amounting to Php 4.45B for these acquisitions.

The following table summarizes key information relating to the Company’s Leased Properties acquired in 2023.

	Lumbangan Property (Batangas)	Luntal Property (Batangas)	Bolbok Phase 1 Property (Batangas)	Bolbok Phase 2 Property (Batangas)	Pampanga Property (Arayat)	Pampanga Property (Magalang)	Pangasinan Property
<b>Location</b>	Brgy. Lumbangan, Tuy, Batangas	Brgy. Luntal, Tuy, Batangas	Brgy. Bolbok, Tuy, Batangas	Brgy. Bolbok, Tuy, Batangas	Arayat, Pampanga	Magalang, Pampanga	Pangasinan
<b>Land area (sq.m.)</b>	1,062,083	839,535	741,016	933,979	419,214	70,433	1,049,102
<b>Right over property</b>	Owned	Owned	Owned	Owned	Owned	Owned	Owned
<b>Land lease expiry</b>	December 2047	December 2047	January 2048	January 2048	January 2048	July 2043	June 2048
<b>Lessor</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Right of first refusal</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Solar power plant installed capacity (MW<sub>DC</sub>)</b>	125	72	72	105	42	14	113
<b>Target Commissioning date</b>	TBD	TBD	TBD	TBD	TBD	TBD	TBD
<b>GEA 2 Eligibility</b>	No	No	Yes	Yes	Yes	No	Yes
<b>Commencement of the tenancy</b>	January 1, 2023	January 1, 2023	February 1, 2023	February 1, 2023	February 1, 2023	August 1, 2023	July 1, 2023
<b>Expiration of the tenancy</b>	December 31, 2047	December 31, 2047	January 31, 2048	January 31, 2048	January 31, 2048	July 31, 2043	June 30, 2048



Appraised value (₱)	1,213 million	1,053 million	918 million	1,132 million	734 million	884 million	90 million
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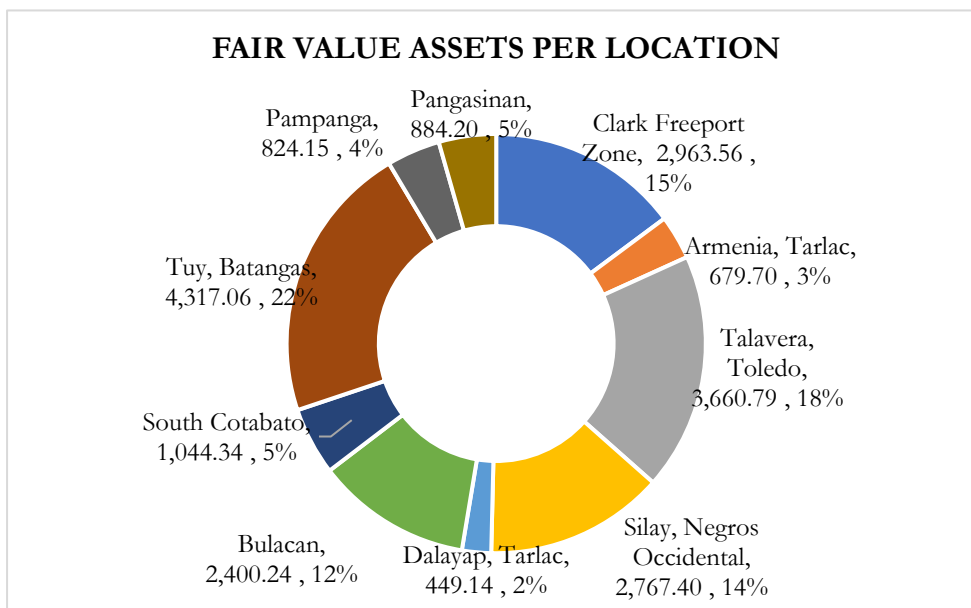
## II. INDUSTRY BENCHMARKS

CREIT is the Country’s first Energy REIT. Unlike the typical property and commercial REITs, CREIT’s leased properties have been 100% occupied by the respective Lessees, the owners of the solar operating plants with a weighted average lease expiry of 20.9 years. CREIT is unique in its class since it has a one to one ratio (1:1) between lessee and landowner, unlike office or commercial property owners which would typically have multiple tenants.

The property lease rental rates for the Leased Properties for the first seven lessees 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. These properties are leased out to solar plant operators generating electricity and catering to various customers and consumers such as Transco, merchants and contestable customers.

2023 acquired parcels of land are likewise leased out to entities with projects under construction with a straightforward base rate per square per month with annual escalation.

The breakdown of assets per fair value as of June 30, 2024 are shown below:



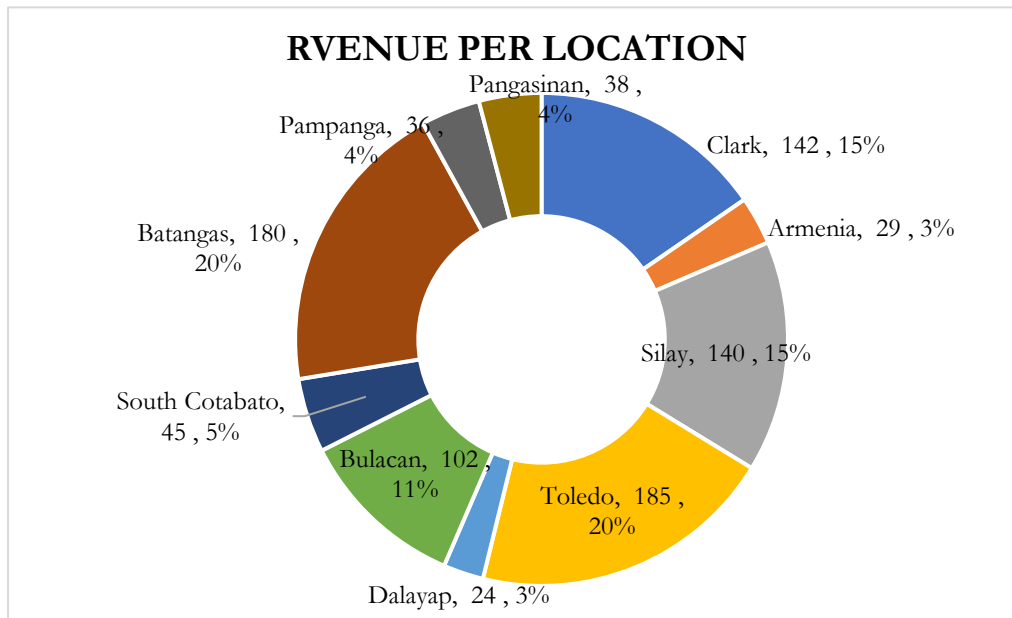


### III. OPERATING PERFORMANCE

The results of operating of CREIT as of the period ending June 30, 2024 are as follows:

	<b>June 30, 2024</b>
Lease revenue	₱ 920,849,434
Cost of services	(52,141,283)
<b>Gross profit</b>	<b>868,708,151</b>
Other operating expenses	(4,163,777)
<b>Income from operations</b>	<b>864,544,374</b>
Finance costs	(172,739,841)
Others - net	1,609,797
<b>Income before tax</b>	<b>693,414,330</b>
Income tax expense	-
<b>Net income after tax</b>	<b>₱ 693,414,330</b>
Other comprehensive income	-
<b>Total comprehensive income</b>	<b>₱ 693,414,330</b>

The breakdown of lease revenue per location is shown below:





<b>Cost of services</b>	<b>June 30, 2024</b>
Depreciation	₱ 35,667,664
Property management fee	12,355,214
Fund management fee	4,118,405
	<b>₱ 52,141,283</b>

<b>Operating expenses</b>	<b>June 30, 2024</b>
Dues and subscriptions	₱ 1,680,136
Directors' fees	684,211
Taxes and licenses	620,196
Professional fee	605,660
Outside services	445,745
Depreciation	11,292
Transportation and travel	108,126
	<b>₱ 4,163,777</b>

#### IV. CASH FLOW STATEMENT

	<b>June 30, 2024</b>
<b>Cash flows from operating activities</b>	
Profit before income tax	₱ 693,414,330
Adjustments for:	
Depreciation expense	35,678,956
Unrealized foreign exchange (gains) losses	64,068
Interest expense	172,739,840
Interest income	(1,673,865)
Operating income before working capital changes	900,223,329
Receivables	(72,939,209)
Prepayments and other current assets	(12,667,359)
Accounts payable and other liabilities	(21,832,837)
Security Deposit	48,035,828
Cash from operating activities	840,819,752
Interest received	1,673,865
<b>Net cash from operating activities</b>	<b>842,493,617</b>
<b>Cash flows used in investing activities</b>	
Acquisitions of and expenditure for Investment property	(7,463,691)
<b>Net cash used in investing activities</b>	<b>(7,463,691)</b>
<b>Cash flows from financing activities</b>	
Principal payment on lease liability	(14,375,901)



Interest payment on lease liability	(3,702,685)
Dividend payment	(641,454,490)
Interest payment on bonds	(158,721,751)
<b>Net cash from (used in) financing activities</b>	<b>(818,254,827)</b>
Net increase in cash	16,775,099
Cash at the beginning of the year	616,861,821
<b>Cash at the end of the period</b>	<b>₱ 633,636,920</b>

## V. DIVIDENDS AND DIVIDEND POLICY

The Company has adopted a dividend policy in accordance with the provisions of the REIT Law, pursuant to which the Company's shareholders may be entitled to receive at least 90% of the Company's annual Distributable Income. The Company intends to implement an annual cash dividend payout ratio of at 100% of Distributable Income for the preceding fiscal year, subject to compliance with the requirements of the REIT Law and the Revised REIT IRR, including but not limited to the requirement that the dividends shall be payable only from the unrestricted retained earnings as provided for under Section 42 of the Philippine Revised Corporation Code, among others, the terms and conditions of the Company's outstanding loan facilities in the event the Company incurs indebtedness, and the absence of circumstances which may restrict the payment of such amount of dividends, including, but not limited to, when there is need for special reserve for probable contingencies. The Company intends to declare and pay out dividends on a quarterly basis each year.

Declaration date	Record date	Payment date	Dividends per share	Amount
<b>2024</b>				
May 13, 2024	June 13, 2024	July 9, 2024	P0.049	320,727,246
August 9, 2024	September 10, 2024	October 4, 2024	P0.049	320,727,246
Distributable income				599,308,963
<b>% of dividends to distributable income</b>				<b>106%</b>
<b>2023</b>				
May 10, 2023	June 9, 2023	July 6, 2023	P0.047	307,636,338
August 9, 2023	September 11, 2023	October 4, 2023	P0.049	320,727,246
November 9, 2023	December 27, 2023	January 22, 2024 <sup>f</sup>	P0.049	320,727,246
March 19, 2024	April 18, 2024	May 15, 2024 <sup>f</sup>	P0.054	353,454,516
Total amount of dividends distributed				1,302,545,346
Distributable income				1,225,536,259
<b>% of Dividends to distributable income</b>				<b>106%</b>
<b>2022</b>				
May 11, 2022	June 8, 2022	June 24, 2022	P0.044	287,999,976
July 20, 2022	August 19, 2022	September 14, 2022	P0.044	287,999,976
November 9, 2022	December 9, 2022	January 5, 2023	P0.044	287,999,976
March 22, 2023	April 21, 2023	May 15, 2023 <sup>f</sup>	P0.044	287,999,976
March 22, 2023	April 21, 2023	May 15, 2023 <sup>f</sup>	P0.007	45,818,178
Total amount of dividends distributed				1,197,818,082
Distributable income				1,120,233,967
<b>% of Dividends to distributable income</b>				<b>107%</b>



## VI. NET ASSET VALUE

	<b>June 30, 2024</b>
Cash and cash equivalents	₱ 633,636,920
Trade and other receivables	507,420,585
Prepayment and other current assets	214,181,278
Property plant and equipment	10,149,696,000
Investment properties	9,840,880,000
Right of use assets	32,224,959
Other noncurrent assets	41,450,164
<b>Total Assets</b>	<b>₱ 21,419,489,906</b>
Trade and other payables	₱ 118,012,894
Lease liabilities	222,628,297
Bonds payable	4,464,143,338
Dividends payable	312,651,305
Security deposit and deferred rent income	190,906,167
Retirement benefit obligation	314,672
<b>Total Liabilities</b>	<b>₱ 5,308,656,673</b>
<b>Net Asset Value</b>	<b>₱ 16,110,833,233</b>
Outstanding shares	6,545,454,004
<b>Net Asset Value Per Share</b>	<b>₱ 2.46</b>

As of June 30, 2024, the Company's Deposited Property amounted to ₱20.69 billion as broken down below:

	<b>June 30, 2024</b>
Cash and cash equivalents	₱ 633,636,920
Lease receivable	33,937,931
Investment property	17,027,021,000
Property, plant and equipment	2,963,555,000
Right-of-use assets-net	32,224,959
<b>Total</b>	<b>₱ 20,690,375,810</b>

The Company has total borrowings and deferred payments amounting to ₱5.3 billion as of June 30, 2024 which mainly pertained to trade and other payables, lease liabilities, dividends payable, security deposits and bonds payable. On February 10, 2023, the Company listed its maiden ASEAN Green Bonds amounting to P4.5 billion which bear a coupon interest rate of 7.0543% in the Philippine Dealing and Exchange Corp. 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 June 30, 2024 is as follows:



Deposited Property	₱ 20,690,375,810
Leverage Ratio	70.00%
<b>Leverage Limit</b>	<b>14,483,263,067</b>
Total borrowings and deferred payments	5,308,342,001
<b>Allowable additional borrowings</b>	<b>₱ 9,174,921,066</b>

## VII. KEY PERFORMANCE INDICATORS

Summarized below are the key performance indicators of CREIT for the period ending June 30, 2024.

Current ratio <sup>1</sup>	2.10x
Acid test ratio <sup>2</sup>	1.60x
Solvency ratio <sup>3</sup>	0.16x
Debt-to-equity ratio <sup>4</sup>	0.99x
Asset-to-equity ratio <sup>5</sup>	2.18x
Interest rate coverage ratio <sup>6</sup>	5.22x
Debt service coverage ratio <sup>7</sup>	5.35x
Net debt/ EBITDA <sup>8</sup>	4.25x
Earnings per share (Php) <sup>9</sup>	0.11
Book value per share <sup>10</sup>	0.69
Return on assets <sup>11</sup>	7.10%
Return on equity <sup>12</sup>	15.48%

<sup>1</sup> Current assets/current liabilities

<sup>2</sup> Cash and cash equivalents + Trade and other receivables, net/Current liabilities

<sup>3</sup> Net operating profit after tax + depreciation and amortization/Total liabilities

<sup>4</sup> Loans payable/ Total equity

<sup>5</sup> Total assets/ Total equity

<sup>6</sup> Earnings before interest, taxes, depreciation and amortization/Interest expense

<sup>7</sup> Earnings before interest, taxes, depreciation and amortization/Current loan payable + Interest expense + Current lease liabilities

<sup>8</sup> Short-term and long-term bank borrowings less cash and cash equivalents/Earnings before interest, taxes, depreciation and amortization

<sup>9</sup> Net income attributable to ordinary equity holders of the Company/Weighted average number of ordinary shares

<sup>10</sup> Total equity less Preferred Equity/Total number of shares outstanding

<sup>11</sup> Net income attributable to owners of the Company/Average total assets

<sup>12</sup> Net income attributable to owners of the Company/Average total equity



## VIII. ASSET ACQUISITION

CEIT's principal strategy is to invest in income-generating renewable energy real estate properties that meet the following criteria:

- Primarily (but not exclusively) be a site suitable for solar power plants, but may include other renewable energy properties available in the market
- Located in underdeveloped areas where CREIT 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 to remove: "Achieved successful plant testing and commissioning, with stable offtake contracts for 100% of the power plant's expected generation output." The revised investment 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 own parcels of land for development or for construction of solar power plants. The land will be leased out to solar plant developers, providing income 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 SEC last December 14, 2022.

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.

In 2022, the Company executed a deed of absolute sale with Citicore Solar Bulacan, Inc. (CSBI) (formerly Bulacan Solar Energy Corporation) and Citicore Solar South Cotabato, Inc. (CSSCI) (formerly nv vogt Philippine Solar Energy One, Inc.), entities under common control, for the purchase of several parcels of land located in San Ildefonso, Bulacan and Brgy. Centrala, Suralla, South Cotabato for a total consideration of P1.75 billion and P753.80 million, respectively.

In 2023, as discussed above, the Company used the proceeds from the bonds to acquire parcels of land with an aggregate total of around 500 hectares from multiple landowners spread across



the three (3) barangays in Tuy, Batangas namely Brgy. Lumbangan, Brgy. Luntal and Brgy Bolbok. This also includes acquisition of land properties in 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. As of June 30, 2024, the Company has fully utilized the net proceeds of the Green bonds raised last February 2023 amounting to Php 4.45B for these acquisitions.

## **IX. USE OF PROCEEDS**

The net proceeds from the IPO shares amounting to Php 6,114,896,495.56 were fully utilized as of February 22, 2023. The total net proceeds were disbursed and reinvested to projects identified in the Reinvestment Plan from February 22, 2022 to February 22, 2023 based on the agreed upon procedures performed by PwC.



## 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:

**CITICORE FUND MANAGERS, INC.**  
Fund Manager of Citicore Energy REIT Corp.

A handwritten signature in black ink, appearing to read "A. Nadayag", written in a cursive style.

**CHRISTOPHER A. NADAYAG**  
Attorney-in-fact

A handwritten signature in black ink, appearing to read "A. Sobrevinas", written in a cursive style.

**AUBREY MARIE P. SOBREVINAS**  
Attorney-in-fact



REPUBLIC OF THE PHILIPPINES )  
SAN JUAN METRO MANILA ) S.S.

SUBSCRIBED AND SWORN to before me this AUG 14 2024 in San Juan, Metro Manila, affiants exhibiting to me the following:

<u>Name</u>	<u>Government ID</u>	<u>Date &amp; Place Issued</u>
Christopher A. Nadayag	PRC ID No. 0116912	October 29, 2018
Aubrey Marie P. Sobrevinas	Passport No. P9583130B	April 11, 2022/DFA Manila

all known to me and to me known to be the same persons who executed the foregoing Performance Report and acknowledged to me that the same is their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and in the place first above written.

Doc. No. 351 ;  
Book No. II ;  
Page No. 72 ;  
Series of 2024.



*Neil Kirby L. Ada*  
**NEIL KIRBY L. ADA**  
Notary Public for and in Quezon City  
Notarial Commission No. NP-557 (2023-2024)  
Until 31 December 2024

No. 20 N. Domingo Street, Barangay Valencia, Quezon City  
Roll No. 77893  
PTR No. 5573898 / 01.04.2024 / Quezon City  
IBP No. 397719 / 01.04.2024 / Batangas Chapter  
MCLE Compliance - Admitted to the BAR on 11 May 2022