



## Performance Report for the Second Quarter of 2023

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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 MWpDC.

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.

In 2023, Citicore Energy REIT Corp. (CREIT) ("the Company") used the proceeds from the bonds to acquire parcels of land with an aggregate total of 397.3 hectares from multiple landowners spread across the three (3) barangays in Tuy, Batangas namely Brgy. Lumbangan, Brgy. Luntal and Brgy. Bolbok and in Arayat, Pampanga. These parcels of land are ideal for utility scale solar power plants due to its proximity to the NGCP Tuy 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 June 30, 2023, the Company paid a total of P3.67 billion for the acquisition of these properties. As the properties have been recently acquired, the acquisition cost or book value reasonably approximates its fair value.

The existing Leased Properties prior to further acquisition of the Batangas and Arayat Properties which mainly comprised the Company's current portfolio, and have an aggregate appraised value of ₱14.2 billion as of June 30, 2023 based on the Valuation Reports issued by Cuervo Appraisers dated March 17, 2023 for the period ending December 31, 2022. The following table summarizes key information relating to these existing 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>	3,030 million	688 million	3,757 million	2,846 million	462 million	2,412 million	1,045 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, 2023, the Clark Property was valued at ₱3,030 million based on the Valuation Reports issued by Cuervo Appraisers dated March 17, 2023 for the period ending December 31, 2022.

*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, 2023, the Armenia Property was valued at ₱688 million based on the Valuation Reports issued by Cuervo Appraisers dated March 17, 2023 for the period ending December 31, 2022.

#### *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>DC</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, 2023, the Toledo Property was valued at ₱3,757 million based on the Valuation Reports issued by Cuervo Appraisers dated March 17, 2023 for the period ending December 31, 2022.

#### *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, 2023, the Silay Property was valued at ₱2,846 million based on the Valuation Reports issued by Cuervo Appraisers dated March 17, 2023 for the period ending December 31, 2022.

#### *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>pDC</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, 2023, the Dalayap Property was valued at ₱462 million based on the Valuation Reports issued by Cuervo Appraisers dated March 17, 2023 for the period ending December 31, 2022.

#### *Bulacan Property*

The Bulacan property consists of a 253,880 sq.m. parcel of land located in Brgy. Pasong Bangkal, San Ildefonso, Bulacan which is leased out to Citicore Bulacan for 25 years. Citicore Bulacan operates a solar power plant with an installed capacity of 15MW<sub>pDC</sub> in the Bulacan Property. The





solar power plant was successfully commissioned on March 12, 2016 and had an actual annual net generation output of 19.8GWh, 20.2GWh and 20.0GWh for the years ended December 31, 2017, 2018 and 2019, respectively. In 2022, CREIT purchased the said parcels of land from Citicore Bulacan for a purchase price of P1,754.1 million.

As of June 30, 2023, the Bulacan Property was valued at ₱2,412 million based on the Valuation Reports issued by Cuervo Appraisers dated March 17, 2023 for the period ending December 31, 2022.

*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 had an actual annual net generation output of 8.8GWh, 8.9GWh and 9.0GWh for the years ended December 31, 2017, 2018 and 2019, respectively.

As of June 30, 2023, the South Cotabato Property was valued at ₱1,045 million based on the Valuation Reports issued by Cuervo Appraisers dated March 17, 2023 for the period ending December 31, 2022.

The following table summarizes key information relating to the newly acquired Company’s Leased Properties in Tuy, Batangas and Arayat, Pampanga out of the Green Bond’s proceeds of P4.45B raised last February 2023.

	<b>Lumbangan Property</b>	<b>Luntal Property</b>	<b>Bolbok Phase 1 Property</b>	<b>Bolbok Phase 2 Property</b>	<b>Arayat 3A Property</b>
<b>Location</b>	Brgy. Lumbangan, Tuy, Batangas	Brgy. Luntal, Tuy, Batanags	Brgy. Bolbok, Tuy, Batangas	Brgy. Bolbok, Tuy, Batangas	Arayat, Pampanga
<b>Land area (sq.m.)</b>	1,066,930	785,893	741,016	941,639	437,528
<b>Right over property</b>	Owned	Owned	Owned	Owned	Owned
<b>Land lease expiry</b>	December 2047	December 2047	January 2048	January 2048	January 2048
<b>Lessor</b>	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





<b>Solar power plant installed capacity (MW<sub>pdc</sub>)</b>	125	72	72	105	42
<b>Target Commissioning date</b>	TBD	TBD	TBD	TBD	TBD
<b>GEA 2 Eligibility</b>	No	No	Yes	Yes	Yes
<b>Tenant/Operator of solar power plant</b>	Citicore Batangas 1	Citicore Batangas 1	Citicore Batangas 2	Citicore Batangas 2	Citicore Pampanga 1
<b>Commencement of the tenancy</b>	January 1, 2023	January 1, 2023	February 1, 2023	February 1, 2023	February 1, 2023
<b>Expiration of the tenancy</b>	December 31, 2047	December 31, 2047	January 31, 2048	January 31, 2048	January 31, 2048
<b>Market value (₱)</b>	926 million	668 million	664 million	822 million	594 million

*Land property located in Lumbangan and Luntal Tuy, Batangas with GPS4*

In 2023, the Company entered into a contract of lease with Grencore Power Solutions 4 (GPS4) for the lease of 785,893 square meters and 1,066,930 square meters properties located in Luntal and Lumbangan, respectively. The lease agreement is effective for 25 years commencing on January 1, 2023. The Company recognized lease income related to these properties for the period ended June 30, 2023 amounting to P26.72 million and P37.04 million, respectively (Note 13).

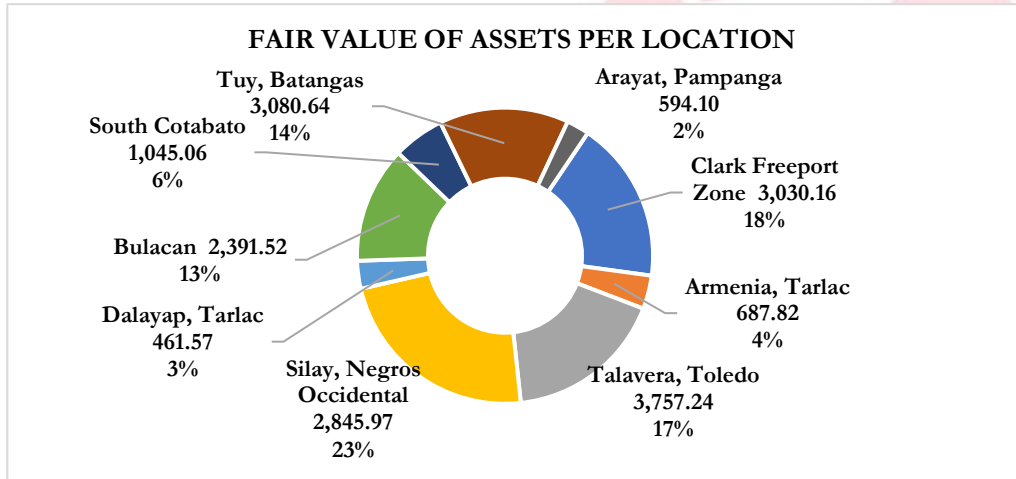
*Land property located in Bolbok Phase 1 and Phase 2 Tuy, Batangas with GPS2*

In 2023, the Company entered into a contract of lease with Grencore Power Solutions 2 (GPS2) for the lease of 741,016 square meters and 941,639 square meters properties located in Bolbok Phase 1 and 2, respectively. The lease agreement is effective for 25 years commencing on February 2023. The Company recognized lease income related to these properties for the period ended June 30, 2023 amounting to P22.14 million and P27.41 million, respectively (Note 13).

*Land property located in Arayat Phase 3 Arayat, Batangas with CSP1*

In 2023, the Company entered into a contract of lease with CS Pampanga 1, Inc, (CSP1) for the lease of 437,528 square meters. The lease agreement is effective for 25 years commencing on February 2023. The Company has recognized P19.80 million lease income related to these properties for the period ended June 30, 2023.

All assets have 100% occupancy rate with a weighted average lease expiry of 22.7 years. The breakdown of assets per fair value as of June 30, 2023 are shown below (in Php M):

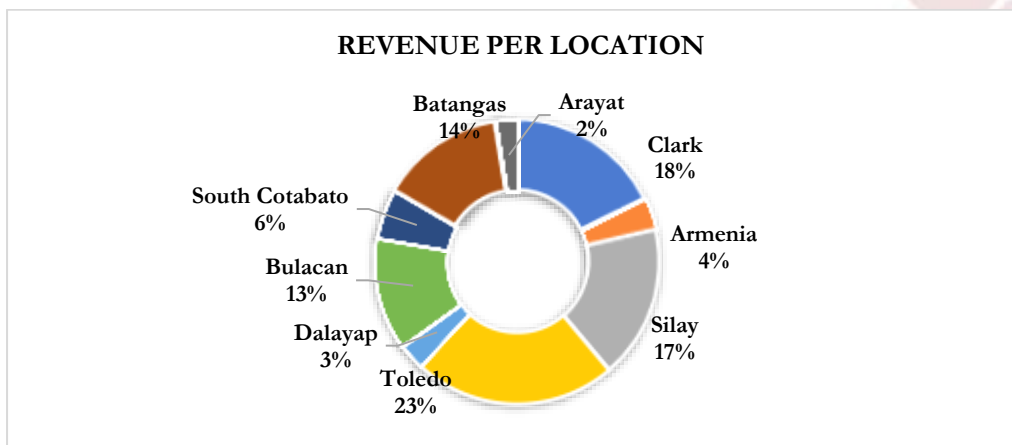


## II. OPERATING PERFORMANCE

The results of operating of CREIT as of the period ending June 30, 2023 are as follows:

Lease Revenue	<b>P</b>	799,977,180
Cost of Services		(50,999,467)
<b>Gross Profit</b>		<b>748,977,713</b>
Operating expenses		(4,048,571)
<b>Income from operations</b>		<b>744,929,142</b>
Finance cost		(135,864,195)
Others - net		11,971,521
<b>Income before tax</b>		<b>621,036,468</b>
Income tax expense		-
<b>Net income after tax</b>	<b>P</b>	<b>621,036,468</b>

The breakdown of lease revenue per location is shown below:





**Cost of Services**

Depreciation	P	35,665,373
Property management fee		11,495,325
Fund management fee		3,831,775
Taxes and licenses		6,994
	<b>P</b>	<b>50,999,467</b>

**Operating expenses**

Outside services		798,305
Management and consultancy fee		205,263
Taxes and licenses		645,684
Dues and subscriptions		1,719,955
Depreciation		11,292
Miscellaneous		668,072
	<b>P</b>	<b>4,048,571</b>



### III. CASH FLOW STATEMENT

The movements of cash from operating, investing and financing activities of CREIT for the period ended June 30, 2023 are shown below.

<b>Cash flows from operating activities</b>		
Profit before income tax		621,036,468
Adjustments for:		
Depreciation expense		35,676,665
Unrealized foreign exchange (gains) losses		(15,071)
Interest expense		134,229,935
Interest income		(12,648,249)
Operating income before working capital changes		778,279,748
Changes in:		
Receivables		20,309,772
Prepayments and other current assets		(116,358,656)
Accounts payable and other liabilities		(270,131,547)
Security Deposit		(1,435,867)
Due from related party		1,936,083
Increase in other assets		(38,209,979)
Cash from operating activities		374,389,554
Interest received		719,327
Net cash from operating activities		<b>375,108,881</b>
<b>Cash flows used in investing activities</b>		
Acquisitions of and expenditure for Investment property	8, 11	(3,522,102,553)
Interest received from short-term placements		9,577,274
Net cash used in investing activities		<b>(3,512,525,279)</b>
<b>Cash flows from financing activities</b>		
Principal payment on lease liability		(666,399)
Interest payment on lease liability		(3,759,195)
Dividend payment	12	(333,818,154)
Interest payment on bonds		(65,639,732)
Proceeds from bonds issuance		4,500,000,000
Share issuance costs		-
Bond issuance costs		(42,228,129)
Proceeds from issuance of shares	12	-
Net cash from financing activities		<b>4,053,888,391</b>
<b>Net increase in cash</b>		916,471,993
Cash at the beginning of the year		571,423,464
<b>Cash at the end of the period</b>		<b>1,487,895,457</b>





#### IV. 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.

Dividends declared for the period ended June 30, 2023 (in Php millions) are summarized below.

	1Q 2023	2Q 2023	To date
<b>Net income</b>	<b>304.96</b>	<b>316.08</b>	<b>621.04</b>
Straight-line rent adjustment	(15.28)	(15.28)	(30.56)
<b>Distributable income</b>	<b>289.68</b>	<b>300.80</b>	<b>590.48</b>
Depreciation	17.84	17.84	35.68
<b>FFO/AFFO</b>	<b>307.52</b>	<b>318.64</b>	<b>626.15</b>
AFFO payout ratio (%)	106%	0%	106%
<b>Dividends</b>	<b>307.52</b>	<b>318.64</b>	<b>626.15</b>
Dividends payout ratio (%)	106%	0%	106%
No. of outstanding shares	6,545.45	6,545.45	6,545.45
<b>Dividends per share</b>	<b>0.047</b>	<b>0.049</b>	<b>0.096</b>
<b>Payment date</b>	7/6/2023	10/4/2023	



## V. NET ASSET VALUE

The Company uses the cost model in accounting for its assets under lease which are recorded under investment property and property, plant and equipment. For purposes of computing for net asset value, the Company uses the fair value of the assets based on the appraisal report from the Company's independent appraiser, Cuervo Appraisers Inc. for the period ending December 31, 2022. The details of the net asset value as of June 30, 2023 is shown below:

Cash and cash equivalents	P	1,488
Trade and other receivable		248
Prepayment and other current assets		152
Property plant and equipment		7,647
Investment Properties		10,095
Right-of-use assets		34
Deferred Tax Asset		-
Other non-current asset		43
<b>TOTAL ASSETS</b>		<b>19,707</b>
Trade and other payable		127
Lease liabilities		233
Bonds payable		4,461
Due to related parties		55
Dividends payable		300
Security deposit		142
<b>TOTAL LIABILITIES</b>		<b>5,318</b>
<b>NET ASSET VALUE</b>	<b>P</b>	<b>14,389</b>
Outstanding Shares		6,545
<b>NAV Per Share</b>	<b>P</b>	<b>2.20</b>

As of June 30, 2023, the Company's Deposited Property amounted to ₱19.43 billion as broken down below:

Cash and Cash Equivalents	₱	1,487,895,457
Lease Receivable		165,195,109
Investment Property		14,711,275,553
Property, Plant and Equipment		3,030,159,000
Right-of-use Assets – net		<u>34,363,377</u>
<b>Total</b>	<b>₱</b>	<b><u>19,428,888,496</u></b>



The Company has total borrowings and deferred payments amounting to ₱5.3 billion as of June 30, 2023 which mainly pertained to trade and other payables, lease liabilities, due to a related party, 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, 2023 is as follows:

Deposited Property	₱	19,428,888,496
Leverage Ratio		<u>70%</u>
Leverage Limit	₱	<u>13,600,221,947</u>
Total borrowings and deferred payments		<u>5,317,584,403</u>
<b>Allowable additional borrowings</b>	₱	<u><b>8,282,637,544</b></u>



## VI. KEY PERFORMANCE INDICATORS

Summarized below are the key performance indicators of CREIT for the period ending June 30, 2023.

Current ratio <sup>1</sup>	3.42x
Acid test ratio <sup>2</sup>	3.10x
Solvency ratio <sup>3</sup>	0.15x
Debt-to-equity ratio <sup>4</sup>	1.03x
Asset-to-equity ratio <sup>5</sup>	2.23x
Interest rate coverage ratio <sup>6</sup>	5.83x
Debt service coverage ratio <sup>7</sup>	4.26x
Net debt/ EBITDA <sup>8</sup>	3.75x
Earnings per share (Php) <sup>9</sup>	0.09
Book value per share <sup>10</sup>	0.66
Return on assets <sup>11</sup>	8.41%
Return on equity <sup>12</sup>	14.30%
Net profit margin <sup>13</sup>	77.63%

<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

<sup>13</sup> Net income/Revenue





## VII. 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.



### Acquisition of Parcels of Land

The proceeds from the P4.5 billion bonds which the Company raised in February 2023 will be used to acquire parcels of land with an aggregate total of 475.3 hectares from multiple landowners spread across the three (3) barangays in Tuy, Batangas namely Brgy. Lumbangan, Brgy. Luntal and Brgy Bolbok. These parcels of land are ideal for utility scale solar power plants due to its proximity to the NGCP Tuy Substation and proven solar irradiance resources.

Around 397 hectares of the parcels of land were originally secured by CREC and its subsidiaries and were subsequently assigned to the Company. As of June 30, 2023, the Company paid a total of P3.67 billion for the acquisition of this property. Remaining balance is expected to be disbursed in Q3 2023.

CREIT shall lease the parcels of land to solar power developers and operators. The tenants already secured Solar Energy Service Contracts from the DOE to construct three (3) utility scale solar power plants totaling 269MW<sub>p</sub> capacity and provide adequate space for local farmers to plant high value crops beneath the solar panel tables and along the aisle between solar panel tables. The lease shall have a term of 25 years renewable for another 25 years effective immediately upon consummation of the land acquisition and providing access to the leased premises to the lessees. The lessees shall sell the electricity generated from the solar power plants to a new state-of-the-art steel smelting furnace and rolling mills to be constructed adjacent to one of the solar plants, the local electric distribution cooperative and various industrial and commercial grid connected consumers. Moreover, the tenants are working on additional Solar Energy Service Contracts to build another 411MW<sub>p</sub> solar power plants within the parcels of land to be leased from CREIT.

## **VIII. 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.

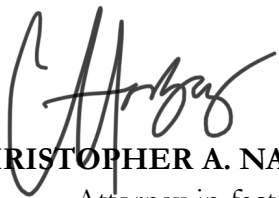



## CERTIFICATION

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.

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

  
**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 11 2023 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. 449 ;  
 Book No. 92 ;  
 Page No. 4 ;  
 Series of 2023.



*[Signature]*

FRA ANGELICA S. ALEJANDRO  
 Appointment No. 109 (2023-2024)  
 Notary Public for and in the Cities of  
 Pasig and San Juan and in the Municipality of Pateros  
 Until December 2024  
 11/F Santolan Town Plaza, 276 Santolan Road, San Juan City  
 Roll of Attorneys No. 77312  
 PTR No. 1673663 / 01-06-2023 / San Juan City  
 IBP.O.R. No. 275028 / 01-07-2023 / RSM