



PRESIDENT'S MESSAGE

2022 PERFORMANCE HIGHLIGHTS

Citicore Energy REIT's (CREIT's) transformation – from a solar power generation company (with electricity sales as the main source of revenue) to a pure renewable energy real estate investment trust (REIT) company – has rippled through the Company's operating results.

After a full year as a listed REIT in 2022, we recorded leasing revenues of P1.37 billion, more than three times the amount generated the previous year.

We also expanded our clean and green asset portfolio, now totaling six (6) land parcels and one operating (1) solar plant that are geographically spread over Luzon, Visayas and Mindanao. We also ensured that these are tenanted by solar plant operators to provide steady and recurring rental revenue stream over a long period of time. While heightened commercial and office vacancies – an offshoot of the pandemic and hybrid working environment – affected real estate assets, CREIT showed its resiliency and immunity from cyclical occupancy struggles with its 1:1 tenant-to-asset ratio and 100% occupancy.

With these metrics, we were able to deliver a net income after tax of P1.25 billion – more than six times the P225.9 million we generated the previous year. Our landmark structure enabled us to pay out total higher dividends of P0.047 per share – P0.044 from the Guaranteed Base Lease and a special dividend of P0.007 per share from the Variable Lease component, coming from 50% share of the incremental revenues earned by the Lessees from its actual energy generation over its base revenues.

COMPELLING EESG PLATFORM

Integral to all these is a strong commitment to Economic, Environmental, Social and Governance (EESG), especially the environmental aspect as we are engaged primarily in leasing land to renewable energy operators. This allows the REIT to share the economic prosperity stemming from its steady and recurring rental income stream from its long-term tenants.

In terms of asset expansion, we also continue to target renewable energy company as tenants, in line with our shared goal of a net zero carbon future. The fluidity of our commitment to the environment, from the very nature of our business operations flows into our community relations projects as well.

Our stakeholders within the area of our asset locations are beneficiaries of our Balik-Eskwela, Brigada Basa and EcoShed programs. More importantly, having pioneered the Agro-Solar initiative in the country, wherein we plant high value crops and vegetables alongside or

underneath solar PV panels, enabled us to work with local farmers and provide them with income augmentation as the main thrusts for our social initiatives.

These programs, we believe, were primary considerations why CREIT was awarded the highest rating, Dark Green by world-renowned climate research agency, Cicero, ascertaining the company's sustainable and governance practices. This is also the first in the Philippines and in Southeast Asia, continuing our tradition of trailblazing achievements.

Above all these, we continue to exercise sound corporate governance with the guidance and leadership of our three independent directors as well as the support of Citicore Property Management, Inc. and Citicore Fund Management, Inc.

RADIATING ONWARDS

We remain true to our core strategy of investing and acquiring real estate properties that are dedicated for renewable energy development and operations. From our initial portfolio of one (1) solar plant and four (4) land parcels upon listing, we have acquired Bulacan and South Cotabato properties, bringing to seven (7) the CREIT asset portfolio, and solidified our unique positioning as the largest renewable energy landlord with about 2,000,000 square meters in total leasable area.

As CREC, our sponsor, ramps up its pipeline by an additional capacity of 1,000MW per year, CREIT has a natural growth potential to mirror the sponsor's expansion, as it has the option to acquire the underlying land parcels where future solar farms will be built on. Our investment strategy for asset acquisition continue to be centered on choosing strategic land parcels that are value accretive to the REIT on day one. This, we believe, will further cement CREIT's position as the largest renewable energy landlord, with desirable dividend yields, year in and year out.

A MESSAGE OF THANKS

CREIT's landmark listing in February 2022 would not have been possible were it not for the progressive support of our regulators as they paved the way to enable a renewable energy themed REIT to make its debut in the capital markets. Our deepest gratitude to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE). We are more than grateful to our underwriting syndicate, financial institutions, trading participants who were instrumental in pushing forth the CREIT story and value proposition, as a strong EESG-worthy investment.

To our shareholders and management team, we are committed to continue radiating positive energy that we, in the Citicore Group, are harnessing and generating, not just for our power consumers but ultimately, for the land we will leave behind for the next generations to come.

Let's power on!

Thank you very much.



OLIVER TAN

President & CEO