

ANNUAL AND SUSTAINABILITY REPORT 2024

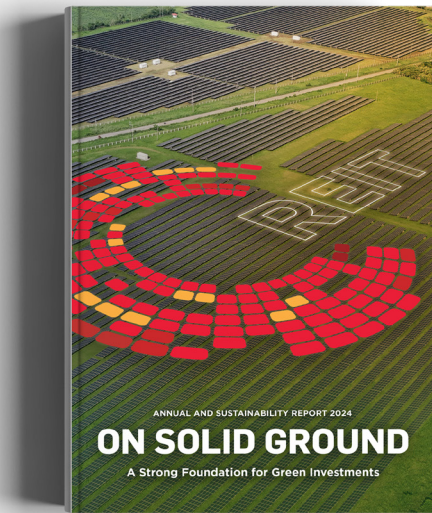
# ON SOLID GROUND

A Strong Foundation for Green Investments



# About the Cover

Citicore Energy REIT’s 2024 Annual and Sustainability Report (ASR), “On Solid Ground: A Strong Foundation for Green Investments,” signifies CREIT’s firm standing in its vast fields for the growth of solar power plants. Our green portfolio is making space for green energy developments across the Philippines.



# About the Report

Since pioneering the first renewable energy-focused Real Estate Investment Trust (REIT) in the Philippines, CREIT has maintained its strong and innovative presence in the industry. Our 2024 ASR reinforces our commitment to business stability and sustained growth with the theme: “On Solid Ground: A Strong Foundation for Green Investments.”

This report highlights our continued efforts to preserve and maximize our green asset portfolio, deliver stable yields for shareholders and investors, and uphold our sustainability commitments to our people, host communities, and the environment. It also provides stakeholders with transparent insight into our governance practices, organizational policies, mechanisms, and key stakeholder rights.

Through the comprehensive disclosure of our operations and impact, we aim to strengthen stakeholder trust in CREIT’s integrity, governance, and long-term role in advancing green investments on solid ground.

**Reporting Framework and Period**  
 CREIT abides by the Securities and Exchange Commission’s (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies, the Global Reporting Initiative (GRI) 2021 standards, and the United Nations Sustainable Development Goals (UN SDGs) in disclosing our performance in the 2024 ASR. The stories and data presented in this report sum up CREIT’s performance and activities from January 1, 2024 to December 31, 2024, unless otherwise specified.

**Reporting Scope and Boundaries**  
 The ASR 2024 examines the business operations at our office in San Juan City, our land assets, and their neighboring communities across the Philippines. The report covers material related to financial, environmental, social, governance, and other business-associated activities for our stakeholders.

Contact Us:  
**CREIT Investor Relations**  
 No.: +632 8826-5698  
 Email: [investorrelations@creit.com.ph](mailto:investorrelations@creit.com.ph)  
 Address: 10th Floor, Rockwell Santolan Town Plaza, 276 Bonny Serrano Avenue, Little Baguio, San Juan City, Philippines.



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# 01 ABOUT THE COMPANY

Citicore Renewable Energy REIT Corporation (CREIT) is the country's largest renewable energy landlord, leasing real estate properties to solar operators. The company offers solid green investment opportunities through a distinct asset portfolio operating in an essential, sustainable sector.

Established as Enfinity Philippines Renewable Resources, Inc. (EPRRI) in 2010, it was renamed CREIT on October 12, 2021. The company is sponsored by Citicore Renewable Energy Corporation (CREC) and serves as the REIT arm of the Citicore Power Group.



## Vision

To be the foremost Energy REIT investment in the Philippines, delivering superior yields from a portfolio of sustainable prime land and solar assets.

## Mission

CREIT intends to deliver a sustainable investment platform with a renewable energy asset portfolio for shareholders and investors.

## Values



### Sustainable Investment

CREIT invests in environmental and social responsibility by implementing sustainable business practices and inclusive programs to develop a path for growth and expansion.



### Community Upliftment

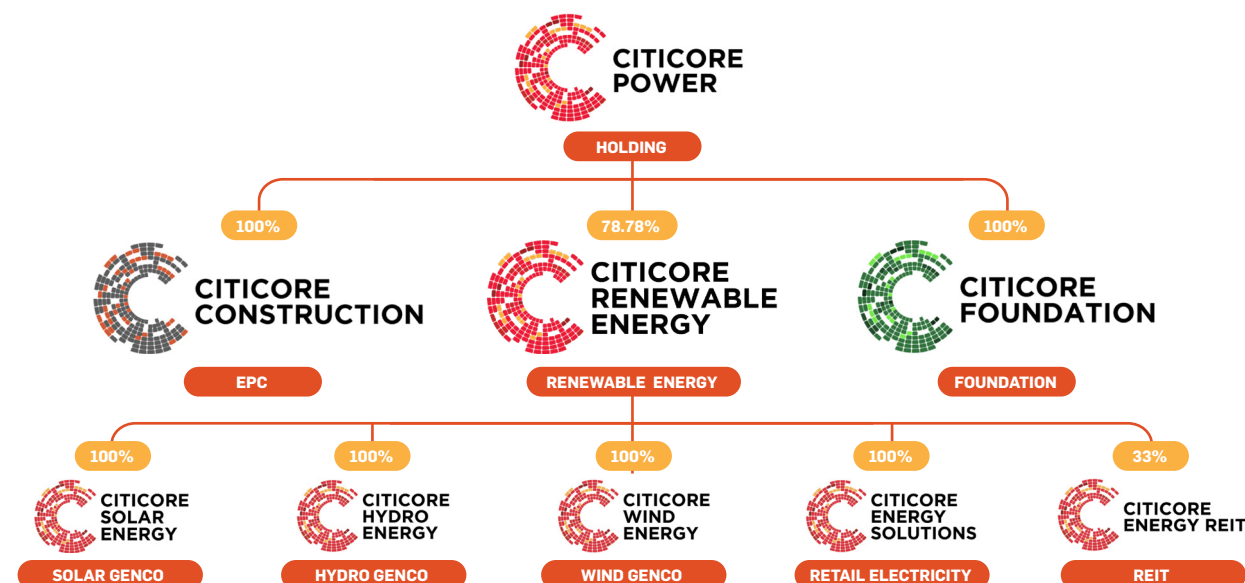
As one of our vital stakeholders, CREIT values community empowerment. We organize development programs centered on local employment that promote inclusive growth in our communities.



### Stewardship for Environment

As the country's primary energy REIT, CREIT works with lessees by supporting the development of renewable power plants to contribute to climate action and mitigate risks.

## Overview of Citicore Power





## Chairman's Message



“

**The country is also seeing a more diversified REIT landscape, with strong REIT performance in 2024 driven by improvements in the stock market and a more favorable interest rate environment.**

”

In 2024, CREIT stood on solid ground as a stable and sustainable investment platform. Three years since our listing, we continue building strong foundations and resilient operations, empowering shareholder investments as we champion renewable energy.

The government's ardent thrust to expedite and fully realize the Philippines' renewable energy transition brings many opportunities to the energy industry and adjacent sectors. Being a renewable energy REIT grants us an upper hand, especially with the country's continued attractiveness for renewable energy investments.

The country is also seeing a more diversified REIT landscape, with strong REIT performances in 2024 driven by improvements in the stock market and a more favorable interest rate environment.

In this setting, CREIT has set itself apart by operating in the renewable energy space, ensuring resilience regardless of market conditions throughout the year. Given the advantageous playing field for scaling up renewable energy in the country, our land assets, which are primed to support such developments, are an attractive opportunity for investors.

With this, CREIT is optimistic about stable growth. The resiliency of the REIT coupled with the fast growing and visible pipeline of its sponsor, CREC, is why we not only believe in our business model, but it is also why we continue on a path with security and continued progress.

We expect investors to continue setting their sights on REITs in 2025, seeing stable returns from these investments. But with our unique portfolio grounded in supporting renewable expansion in the Philippines, CREIT offers green investors stability in generating returns and a positive impact on sustainable development.

**EDGAR B. SAAVEDRA**  
CHAIRMAN



# President's Report



“

After three years, our vision remains the same: To be the foremost Energy REIT investment in the Philippines, delivering superior yields from a portfolio of sustainable prime land and solar assets.

”

CREIT remained steadfast in empowering investments with business stability and sustainability commitments in 2024. The foundation of our relationships with lessees, investors, and host communities remains strong, as evidenced by our financial performance and consistent actions toward sustainable development.

Looking back at our operations and accomplishments in 2024, CREIT stood high in the investment landscape by delivering superior returns attributed to our strong green portfolio. This translates to a full-year dividend of Php 0.202 per share, the highest since its listing in 2022. At the same time, we remained steadfast in uplifting the lives of communities neighboring our land assets through sustainability programs conducted with the Citicore Group and external partners.

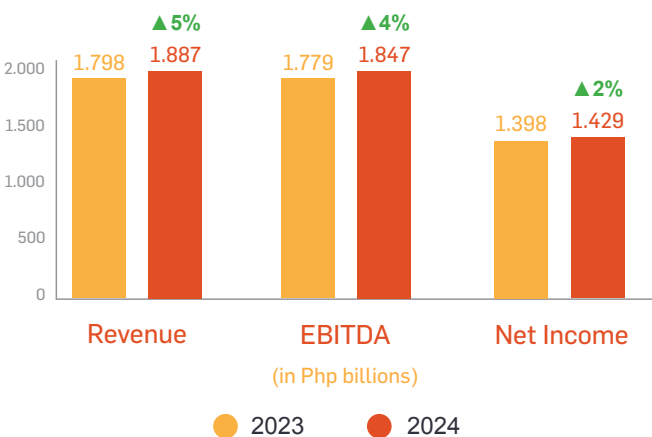
### Strong Financial Footing

The company's strong green portfolio continued to strengthen our financial position in the previous year, which then powered our stable growth and dividend yields. We recorded increases in our revenues, earnings before interest, taxes, depreciation, and amortization (EBITDA), and net income. In 2024, we saw a 5% increase in our revenues to Php 1.9 billion, while our EBITDA climbed to Php 1.8 billion. We also saw our net income inched up to Php 1.4 billion.

Such financial standing was due to the full impact of the seven land parcels totaling 5.12 million sqm, which we acquired in 2023—with an improvement to an already strong guaranteed base lease and supported by a 48% increase in CREIT's variable lease revenues totaling Php 50 million.

All 14 assets in our green portfolio were maintained in 2024, totaling 7.1 million sqm of gross leasable space with a 100% occupancy rate year-round and an impressive above-industry standard weighted average lease expiry (WALE) of 20.44 years as of the end of 2024.

Through our green asset portfolio and business strategy, CREIT solidifies our financial strength, making us capable of giving significant yields to our shareholders and investors. For the first nine months of 2024, we declared a consistent dividend payout of Php 0.049 per share and completed Q4 with Php 0.055 per share. In total, we have paid above-market dividends amounting to Php 0.202 per share in 2024.



### Steady Foundations for Sustainability

While our financial performance assures sustainable investors of our business success, we also uphold our commitments to sustainability within and beyond our organization. Apart from supporting renewable energy investments to power consumers and enterprises, we also organize sustainability initiatives to improve our communities' daily lives, from their environment to their health and livelihood.





We continue our efforts to foster a greener and safer environment for our communities through tree-planting activities and donating eco-friendly infrastructure developments. Our programs, from the Citicore Group's AgroSolar Initiative, educational support projects to medical missions, also aim to support holistic progress and development to communities around our lands.

Green investors focused on sustainability are also assured as their investments fully contribute to the growth of a green asset class and, ultimately, the development of the renewable energy industry. With CREIT providing a stable land for renewable energy operators and developers, investors are part of Citicore's commitment to pure renewable energy and a sustainable, climate-resilient future.

Our journey in 2024, which attested to our standing on stable ground, is founded on the efforts of our employees across the Citicore Group. As they drive the Group's business operations and sustainability initiatives, our organization also commits to developing sustainable business practices to ensure employees' safety, engagement, and motivation.

### Rising to the Future

CREIT's continued growth is further supported by its close relationship with its sponsor, Citicore Renewable Energy Corporation (CREC). Its seven acquired assets in 2023 are the sites of solar farms, which are part of the sponsor's first gigawatt (GW) in its 5 GW in five years goal. Once these renewable energy facilities are online, we expect to surge in tandem with CREC, further giving merit to our value-accretive strategy.

With the entire Citicore Group, we aim to grow our green portfolio and expand investment opportunities. Our three-year investment plan for 2025 to 2027 is more strategic in acquiring lands for renewable energy developments, particularly by seeking to accelerate the income realization for the company and our investors. As we extend our geographical reach, we will also be able to engage with more communities and contribute to their growth and development.

After three years, our vision remains the same: to be the foremost energy REIT investment in the Philippines, delivering superior yields from a portfolio of sustainable prime land and solar assets. We have established our track record in laying the ground for the entry of renewable energy developments and have created significant value for our investors through our unique green asset portfolio.

As we continue our journey, we aim to provide a more significant upside—implementing our strategies in asset acquisition and operational optimization—all towards empowering investments and creating a positive impact on our communities and the environment.

**OLIVER Y. TAN**  
PRESIDENT AND CEO



# 02 2024 AT A GLANCE




# Operational and Financial Highlights


 **7.1M sqm**  
leasable area all over the Philippines

 **100%**  
occupancy rate year-round since 2021

 **14 assets**  
in our green portfolio

 **PRS Aa+**  
credit rating with a stable outlook for CREIT and our ASEAN Green Bond

 **Php 1.9B**  
in total revenues

 **106%**  
of distributable income allocated for dividends with Php 0.202 per share


 **20.44 years**  
of Weighted Average Lease Expiry (WALE), the longest among the country's listed REITs

# Sustainability Highlights

 **12,735**  
kilograms of crops harvested in our AgroSolar farms since 2021

 **16,950**  
diverse trees planted in employee and community-driven planting activities

 Improved Environment, Safety, and Health policies to optimize monitoring of environmental compliance

 **15,292**  
households benefited from 163 solar streetlights developed for communities

 **0**  
hazardous waste generated

# Awards and Recognitions



## 11th International Finance Awards

**Best Investor Relations – Energy REIT**  
CREIT received the Best Investor Relations – Energy REIT for the Philippines from the International Finance Magazine on January 26, 2024. This acknowledges the company's notable performance in ensuring transparent and sound investor communications.



## The Asset Triple A Country Awards for Sustainable Finance 2023

**Best Green Bond**  
CREIT's maiden ASEAN Green Bond issued in 2024 was honored by The Asset on March 12, 2024. The award-giving body consults with issuers and investors to gain insights to be considered alongside other selection criteria for the awarding process.



## 2024 ASEAN Corporate Governance Scorecard (ACGS)

**One Golden Arrow**  
CREIT earned its first One Golden Arrow recognition from the Institute of Corporate Directors on September 19, 2024. The award honors companies that scored at least 80 points in the ACGS and Corporate Governance Scorecard (CGS) Assessments. The assessments evaluate an organization's performance in terms of management, company disclosures, and relationships with stakeholders and shareholders.



## FinanceAsia – Best Managed Companies in Asia 2024

**Best Managed Company**  
**Best Small-Cap Company**  
**Best Committed to ESG**  
**Most Committed to DEI**  
**Best CEO**  
**Best CFO**  
CREIT won multiple country awards at the FinanceAsia ceremony on June 27, 2024. CREIT bagged gold in the Best Small-Cap Company category for the Philippines. Meanwhile, our executives, Oliver Tan and Mia Cortez, became the silver recipients in the Best CEO and Best CFO categories, respectively. CREIT also won silver in the country awards for Best Managed Company, Best Committed to ESG, and Most Committed to DEI.



## 19th PDS Annual Awards Night

**First REIT company to issue an ASEAN Green Bond**  
CREIT received an acknowledgment for being a pioneer in issuing an ASEAN Green Bond during the PDS Group's awards night on March 14, 2024.



## IR Magazine Awards – South East Asia 2024

**IR Magazine Hall of Fame**  
**Certificates of Excellence in Investor Relations**  
Ms. Abigail Joan R. Cosico, the Citicore group's Chief Investor Relations Officer, was inducted into the IR Magazine Investor Relations (IR) Hall of Fame and received certificates of excellence in IR for the company and as an individual. She was also nominated for Best Investor Relations Officer - Small Cap.



## 03

## Business Review

Recounting our financial performance in 2024, CREIT remains an industry leader committed to steady dividend generation. These accomplishments are boosted by preserving our land assets, especially the infusions made in 2023. Our financial strength is proven by our PhilRatings PRS Aa+ investment grade rating. With such stability, CREIT not only maintains the edge of operating in an essential energy industry but also bolsters the grounds for solid yield opportunities from sustainable investments.

## Financial Performance: Standing on Firm Ground

### Revenues rose by 5% to Php 1.9 billion

Our revenues recorded a 5% increase, equivalent to Php 89.5 million, rising to a total of Php 1.9 billion in 2024 from Php 1.8 billion in 2023. The lease from our freehold properties contributed the most to our revenues for the year, which amounted to Php 864.5 million. Revenues from our leasehold properties were at Php 739.6 million, while our solar plant in Clark generated Php 283.5 million. Our revenues continued to benefit from the green bond offering we issued in 2023, which enabled us to acquire new parcels of land in the same year. These assets are now leased out to under-construction projects.

### EBITDA grew 4% to Php 1.8 billion

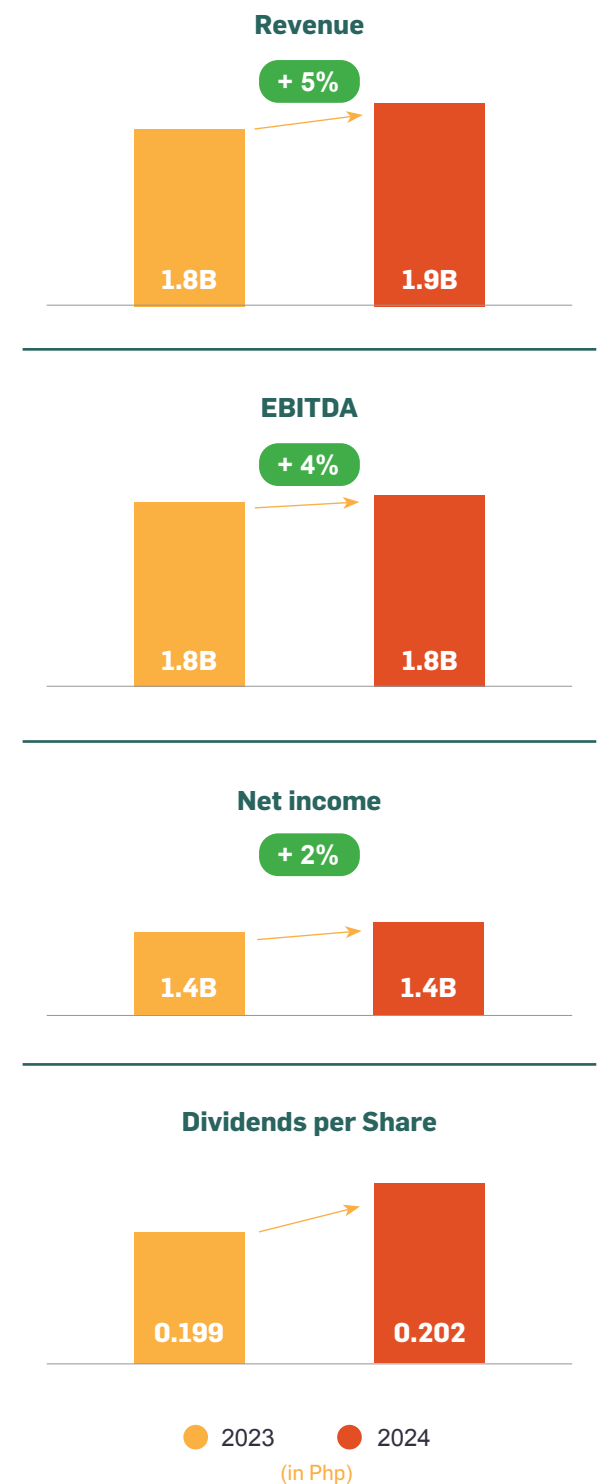
Through the solid investments we made from the green bond proceeds, our EBITDA was up by 4% to Php 1.8 billion in 2024. This performance further demonstrated the stable growth of our financial standing.

### Net income inched up by 2% to Php 1.4 billion

An additional Php 31.3 million increased our net income by 2% to Php 1.4 billion in 2024. Such growth remains mainly attributable to the incremental revenues from the land assets procured through the green bond offering in 2023.

### Dividends valued at a record-breaking Php 0.202 per share

We have cemented our stability as an investment platform with our full-year dividend payout of Php 0.202 per share. This value marks our highest payout since our listing in 2022. Our payout accounted for 106% of our distributable income, therefore continuing to give out dividends above the minimum requirement of 90% of distributable income as mandated by the REIT law. Our notable dividends in 2024 corroborated our stability in generating superior yields for our shareholders.





## FEATURE STORY

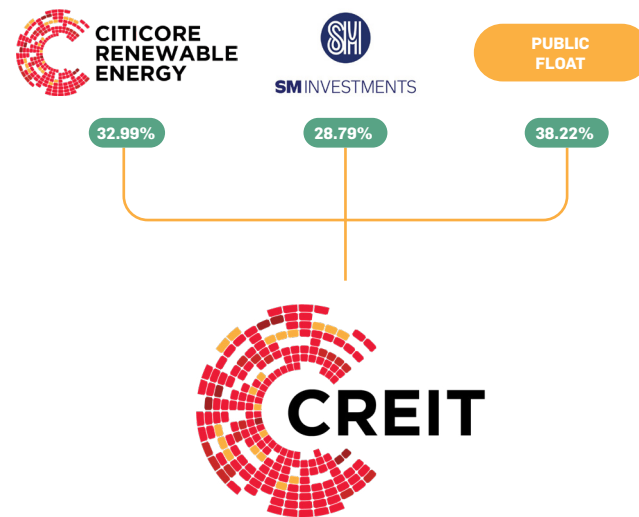
## A Platform for Well-Established Investors

Aside from ensuring substantial returns for our investors and working in a sustainable and essential industry, CREIT furthers its attractiveness as a green investment platform through the entry of SM Investments Corporation (SMIC) in March 2024.

SMIC invested in a 28.79% stake in CREIT, which equates to over 1,884,374,000 common shares at the rate of Php 2.6534 per share. The corporation joins CREC, our largest stakeholder with 32.88% effective ownership/post-transaction, in powering CREIT through our investments.

“We believe that the SM group’s entry and investment into CREIT and the partnership with CREC unlock potential synergies given the energy requirements of the SM group,” said CREC President and CEO Oliver Tan.

Selling CREIT’s shares to SMIC enables CREC to secure funding amounting to Php 5 billion. These proceeds will help develop CREC’s 1,583 MW ready-to-build/under-construction solar power projects across eight site locations nationwide as of end-2023, which will contribute to achieving its goal of adding 1 GW of solar energy capacity annually for five years.



CREIT’s ability to attract SMIC—one of the Philippines’ largest and most respected conglomerates—as a shareholder affirms our strong market position and the credibility of our green investment strategy. This milestone highlights investor confidence in our unique business model and our capacity to deliver reliable yields. With this added momentum, we are well-positioned to draw in more investors and accelerate our growth trajectory.

## The Continued Edge of CREIT’s ASEAN Green Bond

Since the successful release of our maiden ASEAN Green Bond in 2023, CREIT has continued to reap its benefits, as evidenced by our financial performance in 2024.

Through the proceeds gained in the same year of the green bond’s listing, CREIT acquired seven land parcels in Batangas, Pampanga, and Pangasinan in 2023, totaling 5 million sqm. On September 30, 2024, the company paid Php 4.45 billion to obtain these properties. CREIT’s new assets increased our revenue by 5% to Php 1.9 billion and our net income by 2% to over Php 1.4 billion in 2024.

While our ASEAN Green Bond offering supported our financial performance, CREIT will continue to consider more investment opportunities to strengthen the prospects for the company’s portfolio expansion and shareholder rewards.

## Supporting Economic Development

CREIT holds a unique and leading position in the Philippine REIT market. We offer a distinct investment model centered on renewable energy. By leasing our land assets to renewable energy developers and operators, we help diversify the country’s REIT landscape while advancing the shift toward clean energy solutions.

As we expand our assets with energy developments, the construction, operations, and maintenance of solar farms generate employment opportunities, especially for our host communities. These jobs contribute to the local economies, stimulating local economic development while enabling our communities to benefit from the growing renewable energy sector.

As CREIT continues to generate stable earnings and yield distributions for shareholders, we also make direct contributions to public funds through taxes and regulatory fees, reinforcing our role in supporting the government’s broader economic development initiatives.



## Outlook: Master Plan for Growth

To further CREIT’s growth potential in the next few years, we have released our strategic investment plan for 2025 until 2027, which puts our enhanced approach to property leasing in place. CREIT unveiled its three-year investment plan to the PSE on December 27, 2024.

CREIT has been working on delivering Competitive Investment Returns to our investors by meticulously acquiring properties that meet the company’s strategic investment criteria. We select our assets by examining a land’s aptness for renewable energy developments and its location in underdeveloped areas yet with resource availability and growth potential for township developments.

While these fundamentals enable us to improve our portfolio and capital, we aim to gain better income for the company and our shareholders by removing the investment criteria stipulating plant testing and

commissioning fulfillment. Now, our strategy allows property leasing to renewable energy developers even if the power plants are still under construction.

In property procurement, CREIT may also acquire directly or through tax-free exchanges, long-term leases, or joint ventures, depending on our management’s assessment and which transactional method is the most effective.

CREIT considers these strategies in eyeing particular areas and means to help bolster our capital growth in the coming years. In turn, our investors can anticipate more significant yields.



# Portfolio: Strategic Acquisition of Sustainable Assets

CREIT approaches land acquisitions strategically to offer growth potential for renewable energy operators and stable power for key areas in the Philippines. In 2024, we maintained our green portfolio with 14 assets, comprising a solar power plant, freehold lands, and leasehold lands.


Our portfolio reaches the country’s three main island groups. All of our properties are close to key metropolitan locations considered prospective growth areas, thereby ensuring energy operators of steady demand for electricity. Furthermore, these areas guarantee operators and consumers of significant solar power generation because of their high irradiation of around 4.7 to 5.5 kWh/m² per day, according to a study by the National Renewable Energy Laboratory on irradiation in the Philippines.

CREIT continues to strategically expand its green portfolio to deliver better yields for the company and investors. We have set our sights on income-generating real estate assets and supporting 32 solar and wind energy developments in the pipeline for CREC in the next five years.

## Green Asset Portfolio

 **14** green assets consisting of 13 land parcels and one solar plant

 **100%** occupancy rate with its unique 1:1 asset to tenant ratio

 **7.1M sqm** leasable space in strategic growth areas

 Diverse mix of tenants’ offtakers operating in dynamic industries

## Geographical Footprint



**Clark Solar Power Plant**  
Location: Clark Freeport Zone, Pampanga  
Area: 250,318 sqm



**Armenia**  
Location: Barangay Armenia, Tarlac City, Tarlac  
Area: 138,164 sqm



**Pampanga 1**  
Service Contract: Citicore Solar Pampanga 1  
Location: Barangay Baliti and Telapayong, Arayat, Pampanga  
Area: 419,214 sqm



**Pampanga 2**  
Location: Magalang, Pampanga  
Area: 70,433 sqm



**Bulacan**  
Location: Barangay Pasong Bangkal, San Ildefonso, Bulacan  
Area: 253,880 sqm



**Dalayap**  
Service Contract: Citicore Solar Tarlac 2  
Location: Barangay Dalayap, Tarlac City, Tarlac  
Area: 103,731 sqm



**Pangasinan**  
Service Contract: Citicore Solar Pangasinan 2  
Location: Barangay Sta. Catalina, Binalonan, Pangasinan  
Area: 1,049,102 sqm



**Batangas 1**  
Location: Barangay Lumbangan, Tuy, Batangas  
Area: 1,062,083 sqm



**Batangas 2**  
Location: Barangay Luntal, Tuy, Batangas  
Area: 839,535 sqm



**Batangas 3**  
Location: Barangay Bolbok, Tuy, Batangas  
Area: 741,016 sqm



**Batangas 4**  
Location: Barangay Bolbok, Tuy, Batangas  
Area: 933,979 sqm



**Negros Occidental**  
Location: Barangay Rizal, Silay City, Negros Occidental  
Area: 431,408 sqm



**South Cotabato**  
Location: Barangay Centrala, Surallah, South Cotabato  
Area: 79,997 sqm



**Cebu**  
Location: Barangay Talavera, Toledo City, Cebu Province  
Area: 730,000 sqm



# 04 Business Model

Beyond ensuring our green portfolio's profitability for the organization and our investors, CREIT centers our investments on sparking sustainable development for the people and the planet. As such, our approach to supporting sustainability is built on Citicore's Green Financing Framework, which details the fundamentals that entities under Citicore Power must consider when issuing green bonds or loans. The framework corresponds to several global standards, including the International Capital Market Association's Green Bond Principles 2021, the ASEAN Green Bond Standards, and the Loan Market Association's Green Loan Principles.

Citicore's Green Financing Framework drives CREIT to be conscious of our responsibility and impacts on communities and the environment. It is our constant reminder to champion sustainable development as we provide the foundations for renewable energy developments.

## Citicore's Green Financing Framework

### Anchored in Principles

In conducting our business activities, we are guided by the framework's priorities and principles to incorporate sustainability practices in various aspects.

As we acquire assets to support energy innovations for emission reduction, we ensure that we abide by all relevant regulatory compliances and are sustainability-conscious of our supply chain. This responsibility continues to maintain our operations, be transparent with our sustainability performance, and generate long-term economic impact.

The framework's principles also value people, including our workforce and communities, in doing business. Thus, CREIT must look after their well-being and deliver economic opportunities. It also urges the company to leverage our platform to impart knowledge among our stakeholders, from our employees to the public, to enlighten them about renewables and sustainability.

### Proceeds to Positive Impact

Alongside the aforementioned principles and priorities that Citicore entities should consider in our business operations, the Green Financing Framework ensures that CREIT and our affiliates utilize the funds raised for initiatives that contribute to achieving the United Nations' Sustainable Development Goals (UN SDGs).

Since Citicore mainly seeks to empower a renewable future in the Philippines, the framework urges CREIT to support green energy acquisition and developments such as solar, offshore wind, and run-of-river hydropower. This enables Citicore entities to help fulfill SDG visions of affordable clean energy, resilient infrastructure, and sustainable cities and communities.



Furthermore, CREIT should contribute to cultivating reforestation and biodiversity while carrying out land acquisitions, as the Green Financing Framework urges. To participate in achieving SDGs on climate action and sustainable use of terrestrial ecosystems, Citicore businesses should allocate proceeds for forestry projects such as planting native and endemic species well-adapted to their respective sites, protecting the wildlife, and preventing landslides and deforestation, among others.

The framework also promotes sustainable water and wastewater management by demanding that Citicore businesses maintain clean and/or potable water production and implement an effective waste management plan.

As Citicore's Green Financing Framework requires CREIT and our affiliates to focus on these areas of sustainable development, we assure stakeholders that the funds will not be exploited for investments that harm the environment and the people. We are committed to utilizing the proceeds from green bonds or loans within three years of their issuance to finance under-construction and operational assets or projects that deliver positive contributions to a sustainable future.





# 05 A Strong Commitment to Sustainability

As we explore and maintain lands to strengthen our green asset portfolio, CREIT continues to be a staunch advocate for sustainable development. Together with the Citicore Group, we approach environmental, social, and governance (ESG) matters by implementing initiatives aligned with the UN SDGs, particularly by contributing to climate action, biodiversity, well-being, and economic growth. We tread carefully in our business operations and external engagements to keep our surroundings and communities safe and prosperous.



## Five Pillars

Our sustainability commitments are anchored in five pillars to ensure inclusivity in our efforts and impacts. While we provide green investment opportunities to strengthen our financial position, we also strive to create positive change within and beyond our organization. Our vision is to contribute to a more sustainable future for our nation and the planet.



### People

Empowering the workforce and host communities



### Product

Providing a sustainable and reliable investment opportunity to the general public



### Planet

Promoting environmental stewardship and managing environmental impacts



### Profit

Ensuring financial growth through a solid investment strategy and good governance



### Philippines

Contributing to the country's sustainable development



# Materiality Process

CREIT conducted a materiality review to identify the topics most relevant to our operations, stakeholders, and sustainability objectives in 2024. This involved reviewing key references and data sources that outlined our significant actual and potential positive and negative impacts on the economy, environment, and society based on our operations and activities for the year.

The review process considered material topics from our previous reports, industry benchmarks, and alignment with the sustainability priorities of our sponsor, CREC. Furthermore, the corresponding material topics for these impacts were identified in alignment with the Global Reporting Initiative (GRI) Standards and the UN SDGs.

Water and Effluents and Materials were material topics from 2023 that are no longer material to CREIT in 2024 since these topics are deemed more relevant to CREC. Additionally, Tax is a new topic for 2024 that was not covered in the previous report.



## Our 2024 Material Topics



# UN SDG Alignment

CREIT upholds a steadfast commitment to building a sustainable future by actively contributing to the achievement of the UN SDGs. To this end, we align our policies, business operations, and programs with specific SDGs where our company can make the most significant impact.

By supporting these global goals, we reinforce our responsibility to people and the environment and provide confidence to sustainable investors in our meaningful and measurable contributions to a more sustainable world.

|   |   |
|---|---|
| 2 ZERO HUNGER                             | The Citicore Group strengthens food security through its flagship AgroSolar Initiative program. By cultivating and harvesting various crops within our land assets—strategically integrated with solar panel installations—we maximize land use to enhance agricultural production, increase food accessibility, and help improve community nutrition.  |
| 4 QUALITY EDUCATION                       | Recognizing that quality education is a cornerstone of development, Citicore implements programs that enhance learning access in our neighboring communities.<br><br>Through the Usbong Scholarship, we support underserved students by providing financial assistance to help them stay in school. We also run Brigada Basa, a school-based literacy program to improve reading skills among community members who lack access to learning resources.<br><br>We also ensure that schools can accommodate these learners by participating in Brigada Eskwela, where we provide essential supplies and tools to create a more conducive learning environment. Through these initiatives, we foster inclusive education and empower communities with greater opportunities to grow. |
| 6 CLEAN WATER AND SANITATION              | Our operations employ sustainable practices for efficient water resource utilization and proper wastewater management.  |
| 7 AFFORDABLE AND CLEAN ENERGY             | Since our primary business deals with leasing out lands dedicated to green energy developments across the country, CREIT supports extending the reach of renewable resources to more people and enterprises.  |
| 8 DECENT WORK AND ECONOMIC GROWTH         | Citicore understands that good livelihood opportunities are crucial for a thriving workforce and a strong economy. We devise policies and programs to ensure our employees' safety and professional and personal development. Our sustainability programs, such as the AgroSolar Initiative and Training-to-Employment (T2E) campaign, also support our communities' livelihood by sharpening their skills and offering them employment opportunities in our organization.  |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | Our business supports infrastructure development and harnesses innovative technologies to expand renewable energy in the country.   |
| 11 SUSTAINABLE CITIES AND COMMUNITIES     | The Citicore Group has always been committed to empowering communities and cities through renewable energy infrastructure. Our strategic land acquisitions aim to power nearby cities and prospective townships with sustainable energy. Meanwhile, we help enhance the surroundings of our neighborhood communities by providing them with infrastructure through our EcoShed and Pailaw programs.   |
| 13 CLIMATE ACTION                         | The energy sector, which significantly generates GHG emissions, plays a vital role in addressing the climate crisis. As part of this industry, Citicore's renewable energy services strengthen the actions taken to reduce carbon emissions and combat climate change.  |
| 15 LIFE ON LAND                           | CREIT is environmentally conscious of our impact in acquiring and leasing land assets. As such, we preserve and promote biodiversity by securing compliance with environmental regulations and conducting reforestation activities with our employees and communities.  |
| 17 PARTNERSHIPS FOR THE GOALS             | In collaboration with LGUs, government agencies, and private individuals, Citicore conducts educational, tree-planting, and clean-up initiatives. We also participate in constructing row houses to attain sustainable development for communities and the environment.   |





# 06 Sustaining the Environment

Preserving the environment is central to CREIT's business. We understand the criticality of participating in addressing climate change and environmental degradation. Thus, as a landlord, we ensure that our operations, services, and programs comply with environmental laws and help cultivate healthy ecosystems across our properties. We strive to foster a more liveable environment for humanity and wildlife, including those in future generations.

Since our ventures mainly involve expanding and maintaining our land assets to scale up renewable energy developments, we focus on three aspects of environmental sustainability that our business may significantly impact.



## Climate Action

In line with Citicore's Green Financing Framework, we explore and invest in parcels of land suitable for renewable energy projects to function efficiently and benefit more energy consumers. We are currently leasing out our 14 land assets to renewable energy developers and operators with a gross installed capacity of 145 MW, producing an estimated annual net generation of 184 GWh. We expect this to increase as our sponsor has a robust pipeline of projects, with its first GW coming online in 2025.

CREIT currently has one solar plant in the Clark Freeport Zone, Pampanga. The Citicore Clark Solar Power Plant has an installed capacity of 22.3 MW. Working with our lessees has helped reduce estimated carbon emissions of over 130,000 MT annually in powering consumers across the Philippines through clean energy sources.

We remain committed to contributing to the country's climate action by scaling up our green asset portfolio to support a diversified mix of renewable energy developments in the years to come as the Group rolls out 5 GW in its five-year plan.



### Climate Action

We support energy developers that harness renewable resources and technologies to help mitigate risks associated with climate change and accelerate the realization of a net-zero future.



### Ecosystem and Biodiversity

We protect the various flora and fauna throughout our sites so that they can remain healthy and thrive in their natural habitats.



### Resource Management

We utilize resources efficiently by integrating circular economy principles into our business model and activities.





## Biodiversity

As we acquire land parcels to strengthen our green asset portfolio, we also safeguard our impact on the ecosystems across our sites. We ensure that our land acquisitions are far from forest lands and protected areas. Moreover, no species included in the International Union for Conservation of Nature’s Red List have been found within or near our sites or along transmission lines. Moving forward, we plan to strengthen our practice by adopting our sponsor’s Environmental Management Framework.

## Environmental Compliance

CREIT collaborates with lessees to ensure that all power plants developed and operating on our land assets comply with current environmental standards.

Before commencing our business operations, we secure necessary approvals from the government, agencies concerned, and regulatory bodies. To further manage and mitigate the impacts of our sites throughout every phase, we conduct Environmental and Social Impact Assessments (ESIA) based on the implemented Environmental Management Plan and general conditions of the Environmental Compliance Certificate (ECC) from the DENR.

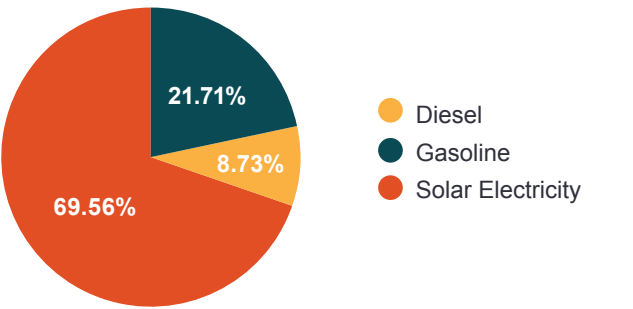
These compliances are continuously monitored to ensure the timely renewal of our environmental permits. In 2024, we improved our Environment, Safety, and Health (ESH) policies to optimize this monitoring.

## Resource and Waste Management

CREIT adopts the practices of our parent company, CREC, for efficient resource utilization and proper waste handling. We grasp the detrimental effects of poor resource and waste management on the climate and ecosystems. As such, we set green revenue streams and circular economic principles as the cornerstone of our business model and coordinate with lessees to reduce negative environmental impacts.

### Energy Usage

In 2024, CREIT’s energy consumption amounted to 389.76 GJ, about 21.71% of which was from gasoline, 8.73% from diesel, and 69.56% electricity from solar. Such energy resources were mainly utilized for operations and maintenance on leasehold lands that we retain control and ownership of, including company vehicle use and backup diesel generators. Energy consumption has decreased compared to the previous year thanks to CREIT’s efforts. CREIT conducts reduction initiatives to offset our energy usage. As for the solar power plants in our land assets, they rely on their own energy generation for power.



Energy Consumption Data (in GJ)

| Source                | 2022*    | 2023*    | 2024   | Rise/Reduction vs. Previous Year (%) |
|-----------------------|----------|----------|--------|--------------------------------------|
| Gasoline              | 42.44    | 293.24   | 84.62  | 71.14% ▼                             |
| Diesel                | 3.44     | 787.03   | 34.01  | 95.67% ▼                             |
| Purchased Electricity | 1,041.33 | 5,253.15 | 271.13 | 94.84% ▼                             |

\*Restated data from 2022 and 2023 reports due to inaccuracies in the original calculations. While the current restated figures reflect corrections based on the best available information, these values may still be subject to further revision in the next reporting cycle as CREIT is doing a comprehensive reassessment of the calculation methodology used during that reporting period.

To demonstrate our commitment to supporting renewable energy expansion and advancing carbon neutrality, we work together with our lessees to actively monitor and reduce greenhouse gas (GHG) emissions across our operations.

Our direct emissions (Scope 1) primarily come from using backup generators and company vehicles at our head office in San Juan City and the Citicore Clark Solar Power Plant. Meanwhile, our indirect emissions (Scope 2) are associated with the electricity we purchase to support our operations.

By tracking these emissions, we continue to take meaningful steps toward minimizing our carbon footprint and aligning our practices with the global drive for sustainability.



Emissions Data (in MTCO<sub>2</sub>e)

| Emissions | 2022*  | 2023*    | 2024  | Rise/Reduction vs. Previous Year (%) |
|-----------|--------|----------|-------|--------------------------------------|
| Scope 1   | 3.21   | 78.91    | 8.41  | 89.34% ▼                             |
| Scope 2   | 200.60 | 1,011.96 | 52.23 | 94.84% ▼                             |

Restated data from 2022 and 2023 ASR incorporating the updated emission factors issued by DOE and the latest GWP values from IPCC’s Sixth Assessment Report (AR6). While the current restated figures reflect corrections based on the best available information, these values may still be subject to further revision in the next reporting cycle as CREIT is doing a comprehensive reassessment of the calculation methodology used during that reporting period.



# Water Efficiency

While water is not material to CREIT’s operations, it is essential for the maintenance of the solar farms we lease. Our lessees utilize water to clean solar panels, which optimizes their capacity to absorb sunlight for maximum energy generation. Solar power operations are inherently less water-consuming. They use minimal water volume for panel cleaning and do not generate wastewater since no chemicals are used as additives. The water is then recycled and drained under the Solar Panel Tables (SPT) for the grass and other vegetation. CREC, our sponsor, owns the solar farms and has comprehensive water management data.

CREIT and our lessees have an existing Sustainable Water and Wastewater Management expansion project to thoroughly monitor, assess, and improve existing sustainable policies and programs. In addition, the Citicore Group implements sustainable water management practices, such as introducing drainage networks to avoid heavy water outflows and landfilling at sites.



# Waste Handling

Since our primary business deals with land acquisition and investments, CREIT does not produce significant waste during operations. Nevertheless, we work closely with our lessees to monitor and implement proper waste disposal.

of through the waste processing units accredited by the Department of Environment and Natural Resources (DENR). We also plan to donate other recyclable waste to barangays to support different projects like infrastructure development and eventually benefit communities.

Our lessees are responsible for the materials used to construct and install solar panels. These panels do not use materials that pose environmental risks during their energy production phase. When the power plants’ operational lifespan ends, Citicore assures that waste left in this phase will be disposed

## Waste Management (in kg)

| Disclosure                   | 2022          | 2023         | 2024       |
|------------------------------|---------------|--------------|------------|
| Waste diverted from disposal | 12,129        | 1,968        | 53         |
| Reusable                     | 79            | 1,786        | 16         |
| Recyclable                   | 12,050        | 183          | 35         |
| Composted                    | 0             | 0            | 3          |
| Waste directed to disposal   | 15            | 0            | 0          |
| <b>Total waste generated</b> | <b>12,144</b> | <b>1,968</b> | <b>53*</b> |

\*The total waste diverted from disposal is 53 kg, which is equal to the total waste generated. No waste materials were directed to disposal since CREIT does not produce significant waste, given that our business operations deal only with land acquisition and investments.





# 07 Investing in People

CREIT draws strength in its pursuit of success and sustainability from its workforce and host communities. In 2024, we deepened our investment in our employees' safety, well-being, and professional growth, empowering them to thrive both within the organization and beyond.

At the same time, we sustained our support for community development, focusing on environmental improvement and creating meaningful opportunities that uplift lives today and for the long term.

Together with our sponsors, CREIT remains committed to strengthening our relationships across our sites and neighboring communities, recognizing that our collective progress is rooted in the well-being of the people we serve and work alongside.



## Employee Engagement

Beyond collaborating on work responsibilities, the Citicore Group engages its employees to connect with host communities by participating in corporate social responsibility (CSR) and sustainability initiatives. This involvement enhances their awareness, enables them to become vital contributors to the Group's goals for sustainable development, and helps address our community's environmental and social issues.

The Citicore Group actively encourages employees to volunteer in the CSR programs organized by the Citicore Foundation.

We empower our employees to become environmental champions through initiatives like our CommuniTree program, where they collaborate with community members across our 18 sites to restore forests. Beyond this program, our site teams—including engineers, technicians, and security personnel—participate in tree-planting activities led by local government units (LGUs) and non-governmental organizations (NGOs). LGUs have invited Citicore to join and support their reforestation efforts, allowing our employees to plant a mix of

native and fruit-bearing trees. These initiatives not only help nurture the environment but also create lasting benefits for local communities.

Our commitment to environmental stewardship includes proactive efforts to help preserve and rehabilitate waterways near our sites. In 2024, Citicore was invited by the LGU of Toledo City, Cebu, to participate in the DENR's Adopt-an-Estero Program. This initiative promotes public-private partnerships for stream and river restoration. Given the proximity of our Cebu Solar Power Plant to a nearby stream, our employees worked closely with the LGU to support this program through quarterly monitoring and cleanup activities. While our operations do not contribute to water pollution, we remain firmly committed to addressing local environmental concerns and contributing to the health and sustainability of our surrounding ecosystems.

By engaging our employees in doing good for the environment, they further their collaboration beyond the workplace and foster relationships with communities and other organizations.



## Training and Development

Citicore is committed to continuous learning and capability building, empowering our workforce through a wide range of professional, technical, and compliance training programs. We also optimize our supervision of employees' training to ensure the effectiveness of their continuous development.

In September 2024, the Citicore Leadership team conducted the Leadership Synergy Workshop. The two-day workshop strengthened our team's cooperation while honing their leadership abilities. Participants accumulated valuable insights from the workshop, priming them to lead the organization toward success.

Throughout the year, Citicore employees participated in sessions and certification courses covering key areas such as data protection, integrated and quality management systems, leadership synergy, and

securities specialization. Notably, CREIT's Investor Relations Officer completed a securities specialist certification course under a joint program by the Philippine Stock Exchange (PSE) and Ateneo de Manila University.

Both female and male employees had access to equal development opportunities, with 116 hours and 176 hours spent in training, respectively. Meanwhile, our leaders also prioritized growth, with middle management completing 228 hours and senior management logging 64 hours of training.

We also began implementing a visual training dashboard in 2024, which enabled us to gain actionable insights and better monitor and report on our employees' development.

### Training Hours Provided to Employees

|  | 2023 | 2024 |
|--|------|------|
| <b>Total training hours</b>                | 73   | 292  |
| Female                                     | 25   | 116  |
| Male                                       | 48   | 176  |
| <b>Average training hours per employee</b> | 14   | 41   |
| Female                                     | 12   | 39   |
| Male                                       | 16   | 44   |

Male Employees  
**176** hours

Female Employees  
**116** hours



## Labor and Human Rights

Decent work conditions are imperative for CREIT and our lessees. We provide our employees with benefits and equal opportunities. As an employer, we guarantee our compliance with labor laws and requirements of the Department of Labor and Employment (DOLE) to uphold the rights of our people, whether they are regular employees, contractors, or project-based hires. We maintain a fair and transparent hiring process even for our prospective talents. Furthermore, we do not tolerate forced labor and child labor. With our Code of Business Conduct and Ethics enforced in our organization, we ensure good practices and condemn human rights violations across our operations and supply chains.

### Hiring and Benefits

The Citicore workforce benefits from a comprehensive range of employment offerings designed to support both personal and professional growth. These include government-mandated benefits, flexible work arrangements, and other initiatives that enhance employee well-being. We aim to attract and retain top talent by prioritizing our employees' work preferences while fostering a motivated and highly competent team.

### Workforce Data

| Disclosure                       | 2023 | 2024 |
|----------------------------------|------|------|
| <b>Total number of employees</b> | 6    | 7    |
| Number of female employees       | 2    | 3    |
| Number of male employees         | 4    | 4    |



### Employee Benefits

- SSS
- PhilHealth
- Pag-IBIG
- Parental leaves
- Vacation leaves
- Sick leaves
- Medical benefits (aside from PhilHealth)
- Disability and invalidity coverage
- Life insurance
- Housing assistance (aside from Pag-IBIG)
- Retirement fund (aside from SSS)
- Further education support
- Company stock options
- Telecommuting
- Flexible-working Hours
- Remote work/Work-from-home (WFH)





# Diversity and Inclusion

At Citicore, we uphold equal opportunities as a fundamental human right. In 2024, CREIT's senior management was equally led by men and women.

We are committed to fostering a diverse, equitable, and inclusive workplace, where all employees—regardless of background, identity, or orientation—have equal access to employment benefits, learning opportunities, and career advancement.

## Senior Management



## Middle Management



Our health maintenance organization (HMO) benefits are designed to be inclusive, ensuring that all employees can access them regardless of sexual orientation. In line with our efforts to support diverse family structures, we are also exploring enhancements to our parental leave policy to ensure more equitable support for all employees.

These initiatives reflect our continued dedication to building a workplace culture that respects individuality, promotes equal opportunity, and supports every employee's personal and professional journey.

## Workforce Diversity by Gender

% of workers in the workforce



● Male  
● Female

# Occupational Health and Safety

Caring for our employees' well-being is central to our business operations. In 2024, we enhanced our management, procedures, and programs to ensure the safety of our workforce in our offices and properties.

## Workplace Health and Safety Data

|                                | 2023   | 2024   |
|--------------------------------|--------|--------|
| Safe Man-Hours                 | 11,616 | 28,112 |
| No. of work-related injuries   | 0      | 0      |
| No. of work-related fatalities | 0      | 0      |
| No. of work-related ill-health | 0      | 0      |
| No. of safety drills           | 12     | 0      |

## Safe Workspaces

After establishing a centralized team for Environment, Safety, and Health (ESH) in 2023, we completed the group the following year to oversee our employees' welfare across our sites. Since then, we have regularly convened the safety officers assigned to our operational sites during our Monthly Safety Officer Alignment Meeting. These online meetings allow our safety officers to streamline their procedures, monitor compliance, and discuss concerns related to Occupational Safety and Health (OSH).

The ESH team is also responsible for securing our organization's compliance with DOLE. To provide a safer work environment for our employees, we are also improving our sites' operational procedures to be on par with International Safety Standards.

Citicore monitors safe man-hours in our plant and project facilities. In 2024, we did not encounter incidents among our employees.



We also prioritize educating employees on the importance of workplace safety and best practices. To reinforce this, our ESH team has installed informational bulletins throughout the company, providing updates on health and safety protocols, environmental issues, and regulatory compliance. These efforts ensure that employees stay informed and engaged in maintaining a safe and sustainable work environment.

## Employee Health

Citicore cares about physical and mental health. Over the past year, we have implemented awareness programs to help employees better understand and care for their well-being. We have also implemented an Occupational Health Policy and engaged employees in holistic wellness programs that address nutritional, physical, and mental health.

Our ESH team also organized a Mental Health Awareness event in November 2024, which promoted well-being management and work-life balance among our employees. The wellness fair featured expert speakers covering relevant topics and provided a designated area with massage chairs, allowing employees to relax and unwind. Moving forward, we remain committed to hosting events in observance of various health awareness months to promote employee well-being.



# Security Practices

We safeguard our assets and facilities by continuously enhancing our security protocols. To protect power plants operated by our lessees, we engage reliable third-party providers as part of our manpower services. These partners deploy trained personnel to help maintain a secure and well-managed environment across our sites.



# Community Relations

Our strong relationship with host communities remained steadfast in 2024. We continued our development programs, expanding our reach to create more growth opportunities and enhance daily living. Anchored in environmental, educational, and economic development, these initiatives are designed to drive meaningful, long-term improvements for communities—both today and in the future.

# Environment

Uplifting communities involves developing the environment where they live. The Citicore Group helps our host communities by cultivating greenery and providing infrastructure to build better surroundings. These programs aim to make the neighborhood safe and in sync with nature.



## FEATURE STORY

# Breaking New Ground in Agricultural and Solar Farms

Expanding land assets to grow renewable energy resources in an agricultural country presents a unique opportunity for CREIT and the Citicore Group. Recognizing the importance of local livelihoods, we are committed to ensuring that our developments do not disrupt the farming communities near our sites. This commitment has driven us to adopt an innovative approach, maximizing our land assets to support both renewable energy and agricultural development. As a result, we pioneered the AgroSolar Initiative, the first of its kind in the Philippines, seamlessly integrating solar farms with agricultural production to create mutually beneficial, sustainable solutions.

Developed in 2019 as the banner program of Citicore Foundation, the AgroSolar Initiative has been a collaborative effort between the Group and our community farmers in planting diverse high-value crops within our solar farms. The program is executed primarily on our assets across Central and North Luzon. It is planned to be stretched out to our other sites as we expand our green asset portfolio and as our sponsor, CREC, rolls out more solar power plants.



The AgroSolar Initiative applies sustainable farming practices to nurture the lands. Since its inception, the program has yielded over 12,700 kgs of crops, including chili, turmeric, eggplants, corn, tomatoes, French beans, arugula, and Chinese cabbage or pechay. We continued cultivating various crops on our farms in 2024 and even introduced new crops, such as watermelons and purple yams or ube, which will be harvested in 2025.

This initiative ensures that farmers are not displaced by the race for renewable energy but are nurtured and supported as they remain integral to the country's economic growth and development. As farmers sustain their livelihoods, they can grow their income by gaining a percentage from these yields. Meanwhile, we allocate the proceeds from the crop sales to our corporate social responsibility (CSR) activities. The crops are procured directly by local off-takers at farm-gate prices.

Through the AgroSolar Initiative, farmers participate further in the economy by growing the country's agricultural production. As the diverse yields from their farms reach the plates of communities, the AgroSolar farmers also contribute to strengthening food security and nutrition in the Philippines.





### Strengthening the CommuniTree

As a strong advocate for biodiversity, Citicore promotes engagement between our employees and members of our host communities to nurture our environment. Hence, they participate in tree-planting activities through Citicore's CommuniTree program.

The CommuniTree initiative has been implemented in Citicore's existing and new plants since its first operationalization in 2022. We have continued to bolster this tree-planting program by sowing 5,500 mangrove and fruit-bearing tree seedlings across our 18 sites in 2024. Since the program's execution, we have expanded forestry in our sites by planting a total of 16,950 various trees, such as narra, banaba, eucalyptus, mangroves, and various fruit-bearing trees, depending on the viability of the area in our host community's vicinity.

While CommuniTree promotes environmental biodiversity, we carefully select tree species that can thrive in our project areas. To ensure sustainability, we collaborate closely with forest rangers and local barangays, who provide expert recommendations on the most suitable seedlings for planting. This approach strengthens both our environmental impact and our community partnerships.



### Lighting up Streets with Solar Energy

Recognizing the dangers of poorly lit streets, Citicore launched the Pailaw Initiative to enhance community safety. This project leverages our expertise in solar energy by installing solar-powered streetlights, which charge during the day and illuminate roads at night, ensuring sustainable and reliable lighting.

Through Pailaw, we have brightened the streets of our host communities in Batangas, Pangasinan, and Pampanga. We have donated a total of 163 solar streetlights since the project's commencement in 2023, with 75 solar streetlights to multiple barangays in Tuy, Batangas. In December 2024, we expanded the initiative by providing 25 units in Mexico, Pampanga, and 10 units in Calasiao, Pangasinan.

In 2024 alone, Pailaw has illuminated 15,292 households, creating safer and more secure communities.



### EcoShed for the Environment

Citicore creates waiting sheds, tables, and canopies by upcycling end-of-life or defective solar panels into eco-infrastructure projects to employ eco-friendly practices in waste management. Citicore works closely with LGUs in the rollout of our EcoShed project, which enables us to reduce environmental waste by setting up eco-friendly infrastructure. As of 2024, we have developed 18 EcoSheds, serving our host communities across the Philippines.



## Education

We consider education a fundamental tool for building a better future, which is why we provide scholarships, learning opportunities, and school supplies to empower the youth in our host communities.

### Empowering the Youth through Scholarship

One key way we strengthen our community relationships is through the Usbong Scholarship, an initiative dedicated to supporting the children in our host communities.

To date, the Usbong Scholarship has supported over 40 students across 11 of Citicore's host communities. The number of scholars per area depends on the size of the solar farm, with funding covering both financial and technical support for students from elementary to college.

As we continue expanding, the Usbong Scholarship will be extended to more sites, reaching even more students once our newly constructed plants are energized.





### Building Up the Education System

In partnership with the Department of Education (DepEd), Citicore supports the Adopt-a-School Program (ASP) to help strengthen the public education system in the Philippines. Through this initiative, we provide essential learning materials for both students and faculty, ensuring they have the resources needed for a more enriching educational experience.

Beyond supplies, we also contribute to improving school facilities by donating construction and cleaning materials to public schools near our sites. Our participation in ASP, particularly through Brigada Eskwela, has positively impacted 50 public schools, helping create a more conducive learning environment while encouraging employee volunteerism.

### Boosting Literacy at Brigada Basa

Since reading competency is the foundation of learning, we seek to strengthen the literacy of the youth of our host communities through the Brigada Basa initiative. The program gathers Citicore employees to teach public school students about literacy fundamentals. While drawn up to be a school-based reading program, Brigada Basa also extends across communities to reach those in need yet are challenged to access such educational opportunities. The program supports 78 beneficiaries.

### Empowering Communities to Learn

Citicore's Balik Eskwela program provides essential school supplies to public school students in its host communities, helping ease the financial burden on families and supporting education. To date, the initiative has benefited 3,330 students, equipping them with notebooks, pens, school bags, and other learning materials.

This initiative reflects Citicore's commitment to social development, ensuring that its impact extends beyond renewable energy to empowering future generations through education.



## Employment

Citicore offers members of our host communities a chance to improve their competencies and advance in their respective careers. By providing them with upskilling and livelihood opportunities, we empower communities to elevate their professional development and actively participate in the country's economic growth.

### Training Ground for Professional Success

We work together with the Technical Education and Skills Development Authority (TESDA) to promote upskilling among our host communities through the Training-to-Employment (T2E) campaign. Trainees can expand their knowledge and capabilities in solar power project operations and maintenance. After earning their certifications, we offer them a chance to be part of our organization.

The T2E campaign has trained 632 people from our host communities across the Philippines.



## FEATURE STORY

### Row Houses for the Neighborhood

While CREIT primarily serves as the landlord to renewable energy developers and operators, the wider Citicore Group also supports housing initiatives in its neighboring communities such as in Tuy, Batangas.

In Barangay Lumbangan, Citicore constructed 27 row houses to accommodate the families who used to reside within our property. This was made possible through a land donation from a private individual and collaboration with the LGU. Meanwhile, in Barangay Bolbok, Citicore donated a parcel of land, enabling the community to build their own homes—benefiting over 100 families.

Understanding our potential impact on host communities, Citicore remains committed to sustainable development and inclusivity. By providing residential spaces and land donations, Citicore helps ensure the safety and well-being of the local communities while minimizing displacement. Through these efforts and our broader development programs, Citicore continues to foster strong, lasting relationships with our communities.





# Investing in Healthcare with Project Malasakit

To promote health and wellness in our host communities, Citicore launched Project Malasakit, a medical mission to improve healthcare accessibility. This initiative provided essential health services to residents in Tuy, Batangas, and Silay, Negros Occidental.

In Batangas, we partnered with local barangays, community volunteers, and Operation Blessing to offer free medical, dental, and optical check-ups and essential medicines, benefiting around 300 residents. Likewise, in Negros Occidental, we collaborated with the Silay City Health Office to extend similar healthcare services to 270 community members.

Through Project Malasakit, we reaffirm our commitment to uplifting communities and ensuring their access to vital healthcare services that enhance their overall well-being.



GRI 2-27, 3-3

# Supply Chain Management

We adhere to the same Supply Chain Policies established by our parent company, CREC. On the other hand, our lessees handle all procurement and supplier relations for development, construction, operation, and maintenance separately. The third-party suppliers of the solar power plants operated by lessees provide workforce services, such as housekeeping and security. Both the Group and our lessees depend on a single third-party supplier.

# Marketing and Labeling

To build and maintain trust among our stakeholders, we ensure that all marketing materials showcasing our green portfolio and sustainability initiatives are both authentic and accurate. We uphold transparency in communicating the value and impact of our business services, ensuring that investors and communities clearly understand the real benefits we deliver.

# Data Privacy

CREIT and our lessees keep the data of stakeholders with the utmost confidentiality to protect the interests of the Group and our stakeholders. Citicore strictly observes the Data Privacy Act 2012 of the National Privacy Commission. Internal systems are also secured to prevent unauthorized access, ensuring the integrity of our digital transactions.







# 08 Upholding Good Governance

CREIT is supported by good corporate governance, led by our Board of Directors and Executive Officers. Their leadership builds solid foundations for our asset portfolio and relationships with shareholders and stakeholders. Their leadership is grounded in strategic principles to maintain the company's stability and growth.

## Board of Directors



**Edgar B. Saavedra,**  
Chairman

Edgar B. Saavedra is the Chairman of CREIT, as well as Citicore Power, Inc. (CPI) and CREC. He is also the Founder of Megawide Construction Corporation (Megawide), where he holds the positions of Director, Chairman of the Board, Chairman of the Executive Committee, and Member of the Board Risk Oversight Committee.

Additionally, he is the Chairman of the Board of MWM Terminals, Inc. (MWM TI), Megawide Terminals, Inc. (MTI), Altria East Land Inc. (Altria), PH1 World Developers, Inc. (PH1), Cebu2World Development, Inc. (Cebu2World), Citicore Infrastructure Holdings, Inc. (CIHI), Citicore Megawide Consortium, Inc. (CMCI), Megawide Land, Inc. (MLI), and Wide-Horizons Inc. (Wide-Horizons). Moreover, he is a Director and President of Citicore Holdings Investment Inc. (CHII); a Trustee and Vice President of Megawide Corporate Foundation, Inc. (MCFI); and a Director of GMR Megawide Cebu Airport Corporation (GMCAC) and Globe Merchants, Inc. (GMI).

Mr. Saavedra has over 20 years of engineering experience. He received his bachelor's degree in engineering from De La Salle University. After obtaining his license as a civil engineer, he pursued special studies in Foundation Formworks in Germany through the Philippine Institute of Civil Engineers.



**Oliver Y. Tan,**  
President and Chief Executive Officer

Oliver Y. Tan is a Director, President, and Chief Executive Officer of the company and CREC. Mr. Tan also serves as Director, Vice Chairman of the Finance Committee, and Member of the Executive Committee and Audit and Compliance Committee of Megawide. He is also a Director and President of CIHI and CMCI; a Director, Vice President, and Treasurer of CHII; a Director and Treasurer of MTI and MLI; and a Director of Megawide World Citi Consortium, Inc.

A visionary executive who has a formidable track record in finance. Mr. Tan's leadership paved the way for the company to diversify and expand toward becoming an emerging utility holding company, which has interests in sustainable business ventures with like-minded partners and stakeholders.

Mr. Tan holds a degree in Business Administration from the Philippine School of Business Administration.





**Manuel Louie B. Ferrer,**  
Director

Manuel Louie B. Ferrer is a Director of the company. He is also the Treasurer of CPI. Mr. Ferrer also holds the positions of Director, Executive Director, Infrastructure Development, Vice Chairman of the Executive Committee, and Member of the Governance, Nominations, and Compensation Committee of Megawide. Mr. Ferrer has acted as Megawide's Chief Corporate Affairs and Branding Officer since 2011. He is the Chairman of the Board of Trustees and President of MCFI and the Vice Chairman of the Board of PH1. He is also a Director and President of GMCAC, MWMTI, MTI, Altria, Cebu2World, and Wide-Horizons, as well as a Director of Citicore, MLI, and GMI. He previously served as a Managing Director at MagicWorx Licensing Inc.

Mr. Ferrer obtained his degree in Industrial Design from De La Salle University in 1996.



**Elizabeth Anne C. Uychaco,**  
Director

Elizabeth Anne C. Uychaco is an Independent Director of CFMI. She has also been the Senior Vice President of SM Investment Corporation (SMIC) and a Director and the Vice Chairperson of Belle Corporation since 2009. She has served as the Chairman of the NEO Group since 2020 and holds other directorship positions in Republic Glass Corporation, Goldilocks, and PULS.

Ms. Uychaco holds a Doctor of Business Administration with 18 units in Corporate Finance from Walden University, a Master of Business Administration from the Ateneo Graduate School of Business, and a Master of Business Economics from the University of Asia and the Pacific.



**Ian Jason R. Aguirre,**  
Director

Ian Jason R. Aguirre is a Director at CREC. He is also the Vice President for Portfolio at SMIC, CEO and President at APC Group Inc. (APC), and CFO and Treasurer at the Philippine Geothermal Production Company (PGPC). He has over 22 years of senior management experience in investment banking, corporate finance, mergers and acquisitions, business development, and strategic planning across the energy, telecommunications, infrastructure, and real estate industries.

Mr. Aguirre graduated with a degree in Industrial Engineering from the University of the Philippines in 1996 and obtained a Master's in Business Management specializing in Management and Finance from the Asian Institute of Management in 2000.



**Pacita U. Juan,**  
Independent Director

Pacita U. Juan is an Independent Director of the company. Ms. Juan has been the President of MD Juan Enterprises Inc. since 1978 and has also held the positions of Vice President for Finance and Treasurer at Centro Mfg. Corporation since 1997. She also served as the Treasurer of Peace and Equity Holdings Inc. from 2016 to 2019.

Ms. Juan obtained her degree in Bachelor of Science in Hotel and Restaurant Administration from the University of the Philippines Diliman.





**Jose M. Layug, Jr.,**  
Independent Director

Jose M. Layug Jr. is an Independent Director of the company and the Chairman and an independent Director of the Property Manager. Mr. Layug has been a senior partner at Puno and Puno Law Offices since 2013. He has also been the Dean at the University of Makati School of Law since 2018. Mr. Layug has been the President of the Developers of Renewable Energy for Advancement, Inc. since 2019. He was the Chairman of the Department of Energy's National Renewable Energy Board from 2016 to 2018. He also served as the Undersecretary for the Department of Energy from 2010 to 2012.

Mr. Layug has a Master of Laws from Cornell University, as well as a Bachelor of Laws and a Bachelor of Science in Business Economics from the University of the Philippines.



**Emmanuel G. Herbosa,**  
Independent Director

Emmanuel G. Herbosa is an Independent Director at CREC. He has held various top management functions for different financial institutions, including a 28-year career in one of the country's top banks. Upon his retirement, he still served top-level functions in the Philippine Export-Import Credit Agency and the Development Bank of the Philippines.

Mr. Herbosa graduated with a Bachelor of Science degree in Industrial Management Engineering from De La Salle University in 1975 and earned his Master's in Business Administration from Wharton, University of Pennsylvania in 1979.



# Board Matters

## Board Committees

Our Board of Directors takes a strategic approach to governing CREIT by functioning in committees. Every committee presides over the key aspects of our organization to administer effective and responsible business practices in these areas. The committees' establishment is anchored in improving the organization's risk management and sustainability.

| Executive Committee                     | Audit and Risk Oversight Committee         | Related Party Transaction Review and Compliance Committee | Nomination, Compensation, and Personnel Committee | Environmental, Social, Governance Committee |
|---|--|---|---|---|
| <b>Edgar B. Saavedra</b><br>Chairman    | <b>Emmanuel G. Herbosa</b><br>Chairman     | <b>Jose M. Layug Jr.</b><br>Chairman                      | <b>Manuel Louie B. Ferrer</b><br>Chairman         | <b>Pacita U. Juan</b><br>Chairman           |
| <b>Oliver Y. Tan</b><br>Vice Chairman   | <b>Jose M. Layug, Jr.</b><br>Member        | <b>Emmanuel G. Herbosa</b><br>Member                      | <b>Pacita U. Juan</b><br>Member                   | <b>Jose M. Layug Jr.</b><br>Member          |
| <b>Manuel Louie B. Ferrer</b><br>Member | <b>Elizabeth Anne C. Uychaco</b><br>Member | <b>Pacita U. Juan</b><br>Member                           | <b>Emmanuel G. Herbosa</b><br>Member              | <b>Emmanuel G. Herbosa</b><br>Member        |
|   | <b>Oliver Y. Tan</b><br>Member             | <b>Ian Jason R. Aguirre</b><br>Member                     | <b>Jose M. Layug Jr.</b><br>Member                |   |
|   | <b>Pacita U. Juan</b><br>Member            | <b>Oliver Y. Tan</b><br>Member                            |   |   |



# Board Meetings and Attendance

The tables below set forth the attendance of CREIT’s Directors to Board and Board Committee meetings held from January 1, 2024 to December 31, 2024:

## Board of Directors Meetings

| Name  | Date of Election / Reelection | No. of Meetings Held (Regular and Special) | No. of Meetings Attended | %   |
|---|-------------------------------|--|--------------------------|-----|
| Edgar B. Saavedra <i>Chairman</i>               | June 21, 2024                 | 8  | 8                        | 100 |
| Oliver Y. Tan <i>Member</i>                     | June 21, 2024                 | 8  | 8                        | 100 |
| Manuel Louie B. Ferrer <i>Member</i>            | June 21, 2024                 | 8  | 8                        | 100 |
| Ian Jason R. Aguirre <i>Member</i>              | June 21, 2024                 | 8  | 8                        | 100 |
| Elizabeth Anne C. Uychaco <i>Member</i>         | June 21, 2024                 | 8  | 8                        | 100 |
| Jose M. Layug, Jr. <i>Member (Independent)</i>  | June 21, 2024                 | 8  | 8                        | 100 |
| Pacita U. Juan <i>Member (Independent)</i>      | June 21, 2024                 | 8  | 8                        | 100 |
| Emmanuel G. Herbosa <i>Member (Independent)</i> | June 21, 2024                 | 8  | 8                        | 100 |

## Executive Committee

| Name                                 | Date of Election / Reelection | No. of Meetings Held (Regular and Special) | No. of Meetings Attended | %   |
|--------------------------------------|-------------------------------|--|--------------------------|-----|
| Edgar B. Saavedra <i>Chairman</i>    | June 21, 2024                 | 3  | 3                        | 100 |
| Oliver Y. Tan <i>Vice Chairman</i>   | June 21, 2024                 | 3  | 3                        | 100 |
| Manuel Louie B. Ferrer <i>Member</i> | June 21, 2024                 | 3  | 3                        | 100 |

## Audit and Risk Oversight Committee Meetings

| Name                                    | Date of Election / Reelection | No. of Meetings Held (Regular and Special) | No. of Meetings Attended | %   |
|---|-------------------------------|--|--------------------------|-----|
| Emmanuel G. Herbosa <i>Chairman</i>     | June 21, 2024                 | 4  | 4                        | 100 |
| Jose M. Layug, Jr. <i>Member</i>        | June 21, 2024                 | 4  | 4                        | 100 |
| Pacita U. Juan <i>Member</i>            | June 21, 2024                 | 4  | 4                        | 100 |
| Oliver Y. Tan <i>Member</i>             | June 21, 2024                 | 4  | 4                        | 100 |
| Elizabeth Anne C. Uychaco <i>Member</i> | June 21, 2024                 | 4  | 4                        | 100 |

## Related Party Transaction Review & Compliance Committee Meetings

| Name                               | Date of Election / Reelection | No. of Meetings Held (Regular and Special) | No. of Meetings Attended | %   |
|------------------------------------|-------------------------------|--|--------------------------|-----|
| Jose M. Layug, Jr. <i>Chairman</i> | June 21, 2024                 | 2  | 2                        | 100 |
| Emmanuel G. Herbosa <i>Member</i>  | June 21, 2024                 | 2  | 2                        | 100 |
| Pacita U. Juan <i>Member</i>       | June 21, 2024                 | 2  | 2                        | 100 |
| Ian Jason R. Aguirre <i>Member</i> | June 21, 2024                 | 2  | 2                        | 100 |
| Oliver Y. Tan <i>Member</i>        | June 21, 2024                 | 2  | 2                        | 100 |

## Nominations, Compensation, and Personnel Committee Meetings

| Name                                   | Date of Election / Reelection | No. of Meetings Held (Regular and Special) | No. of Meetings Attended | %   |
|--|-------------------------------|--|--------------------------|-----|
| Manuel Louie B. Ferrer <i>Chairman</i> | June 21, 2024                 | 1  | 1                        | 100 |
| Pacita U. Juan <i>Member</i>           | June 21, 2024                 | 1  | 1                        | 100 |
| Emmanuel G. Herbosa <i>Member</i>      | June 21, 2024                 | 1  | 1                        | 100 |
| Jose M. Layug, Jr. <i>Member</i>       | June 21, 2024                 | 1  | 1                        | 100 |

## Environmental, Social, and Governance Committee Meetings

| Name                              | Date of Election / Reelection | No. of Meetings Held (Regular and Special) | No. of Meetings Attended | %   |
|-----------------------------------|-------------------------------|--|--------------------------|-----|
| Pacita U. Juan <i>Chairman</i>    | June 21, 2024                 | 2  | 2                        | 100 |
| Emmanuel G. Herbosa <i>Member</i> | June 21, 2024                 | 2  | 2                        | 100 |
| Jose M. Layug, Jr. <i>Member</i>  | June 21, 2024                 | 2  | 2                        | 100 |



# Key Officers



**Michelle Magdato,**  
Treasurer, Chief Financial Officer,  
and Chief Risk Officer

Michelle Magdato is the Chief Financial Officer and Treasurer. She was formerly an Investor Relations Officer of Megawide Construction Corporation (Megawide) from 2019 to 2021 and CREIT in 2021. Ms. Magdato served as Financial Reporting Manager of Megawide from 2016 to 2018 and handled various positions, including Accounting Supervisor and Financial Analyst since she joined Megawide in 2012.

Before joining Megawide, Ms. Magdato was in public practice for audit and accounting in Balicas, Lamboso and Co., CPAs for two years. She is a Certified Public Accountant and passed her CPA Licensure Examination in 2010. She also obtained her Bachelor of Science in Accountancy from the University of Negros Occidental-Recoletos.



**Abigail Joan R. Cosico,**  
Chief Investor Relations, Corporate Communications  
and Branding Officer

Abigail Joan R. Cosico serves as the Chief Investor Relations, Corporate Communications and Branding Officer of CREIT. She was previously the Head of Investor Relations at Megawide, but is now focused on the Citicore Group, including CHII, CPI and CREC. She also serves as a Director and Chief Investor Relations, Corporate Communications and Branding at CREC. She is also a Director and the Treasurer of Citicore Fund Managers, Inc.; President and Director of Citicore Property Managers, Inc. Prior to these roles, she held various senior executive positions and key commercial and finance functions during her 15-year stint at one of the country’s largest diversified conglomerates in the Philippines.

Ms. Cosico holds a Bachelor of Science degree in Management from the Ateneo de Manila University and an MBA in Business Management, Major in Finance from the Asian Institute of Management.



**Atty. Raymund Jay S. Gomez,**  
Chief Compliance Officer

Raymund Jay S. Gomez is the Compliance Officer of the company. Mr. Gomez is also concurrently the Chief Legal Counsel, Compliance Officer, and Data Protection Officer of Megawide. He is also a Director of Altria, CIHI, CMCI, MLI, MTI, and MWMTI. Before joining Megawide, Mr. Gomez was the Vice President of the Human Resources, Legal, and Regulatory Affairs Department of Beneficial Life Insurance Company, Inc. He also served as Assistant Vice President of the Legal and Corporate Services Department of Aboitiz Equity Ventures, Inc.; Director of the Corporate Legal Affairs and Litigation Department at JG Summit Holdings, Inc.; Legal Counsel for Cebu Air, Inc. (Cebu Pacific Air); and Associate Lawyer of Ledesma, Saludo, and Agpalo Law Offices.

Mr. Gomez obtained his Bachelor of Laws degree from San Beda University.



**Freniel Mikko P. Austria,**  
Chief Audit Executive

Freniel Mikko P. Austria brings over a decade of experience in assurance and advisory services, having worked with two of the Big Four accounting and consulting firms globally, as well as one of the largest conglomerates in the country. His expertise covers diverse industries, including financial services, transportation and logistics, construction, and real estate. He is a Certified Analytics Professional and a Certified Public Accountant.





**Atty. Danica C. Evangelista,**  
Corporate Secretary

Danica C. Evangelista is the company's Corporate Secretary and Data Protection Officer. She previously worked as a Supervising Legislative Staff Officer in the Senate of the Philippines and was an associate at Picazo Buyco Tan Fider and Santos Law Offices.

Ms. Evangelista obtained her Juris Doctor degree from the Ateneo de Manila University School of Law and holds a Bachelor of Science in Statistics from the University of the Philippines Diliman. She is a member of the Integrated Bar of the Philippines.



**Atty. Steven C. Sy,**  
Corporate Information Officer  
and Assistant Corporate Secretary

Steven C. Sy has been practicing corporate law since passing the bar in 2019, handling different corporate entities during his tenure at two of the country's well-known law firms. Prior to CREC, he took experience from one of the country's biggest commercial banking corporations. Mr. Sy is also a part time lecturer at the Ateneo de Manila University, teaching Obligations and Contracts, Business Organizations, and Taxation. His experience covers corporate law, banking and finance law, commercial law, corporate governance, and compliance and regulatory affairs.

## Affiliates



### Citicore Renewable Energy Corporation

**Edgar B. Saavedra**  
Chairman

**Oliver Y. Tan**  
President and  
Chief Executive Officer

**Manuel Louie B. Ferrer**  
Director

**Abigail Joan R. Cosico**  
Director and  
Chief Investor Relations,  
Corporate Communications and  
Branding Officer

**Leonilo G. Coronel**  
Lead Independent Director

**Ephyro Luis B. Amatong**  
Independent Director

**Roy A. Cimat**  
Independent Director

**Danica C. Evangelista**  
Corporate Secretary

**Lucia L. Roderos**  
Chief Risk Officer /  
Chief Financial Officer

**Freniel Mikko P. Austria**  
Chief Audit Executive

**Michelle A. Magdato**  
Treasurer



### Citicore Fund Managers, Inc.

**Leonilo G. Coronel**  
Chairman

**Elizabeth Anne C. Uychaco**  
Director

**Rhoel Alberto Nolido**  
Independent Director

**Christopher A. Nadayag**  
Director and President

**Abigail Joan R. Cosico**  
Director and Treasurer

**Danica C. Evangelista**  
Corporate Secretary

**Raymund Jay S. Gomez**  
Compliance Officer



### Citicore Property Managers, Inc.

**Jose M. Layug, Jr.**  
Chairman

**Elizabeth Anne C. Uychaco**  
Director

**Rhoel Alberto Nolido**  
Independent Director

**Emmanuel G. Herbosa**  
Independent Director

**Abigail Joan R. Cosico**  
Director and President

**Michelle A. Magdato**  
Treasurer

**Danica C. Evangelista**  
Corporate Secretary



## Business Ethics and Integrity

In every aspect of our business, CREIT and our affiliates at CPI employ responsible practices by following our Code of Business Conduct and Ethics. These regulations serve as a moral guide for our entire workforce in fulfilling their duties in our daily operations. In enforcing these principles, we also encourage internal reporting to appropriate individuals about any violations and uphold accountability.

While we abide by the Code in conducting our business, we maintain compliance with applicable laws, rules, and regulations, which should prevail in case of conflicts between these laws and the Code.

### Protecting the Business

We protect our business by setting rules and regulations to prevent conflicts of interest concerning personal and professional relationships. Should actual or apparent disputes arise, we will ethically resolve them. The Code also obliges us to safeguard corporate information, assets, and opportunities and ensure fair dealings between our organization and stakeholders. We also do not tolerate any act of bribery or corruption of any kind in our business operations.

### Safety as Priority

People's safety is crucial in ensuring ethical business practices. The Code requires us to develop a work environment free from discrimination, harassment, and violence. We also inform employees of safety issues and policies affecting their jobs, fellow workers, and the community. Our employees should also notify their superiors about dangers and injuries afflicting them, their co-workers, and the community so they can be addressed.

### Responsibility for Communities

CPI's Code also covers the environment and communities. As we do our business, we maintain our ethical practices by protecting the environment, respecting the communities and cultures surrounding our sites, and encouraging our employees to be role models of social responsibility.

## Company Policies

CREIT enacts comprehensive policies anchored in transparency and wellness to ingrain ethics in our business and governance. These policies consider the company and stakeholders' interests to ensure our decisions, practices, and enterprises are responsibly formulated and undertaken and to impose accountability.

### Conflict of Interest

We prevent the clash of personal interests and business decisions by mandating that our directors and associates adhere to our policy on conflict of interest, which details prohibited transactions and requires disclosures of possible disputes.

### Insider Trading

We practice ethical trading by entrusting our associates not to trade on non-public information, imposing a trading blackout, and stipulating that our directors and officers report on beneficial ownership.

### Related Party Transactions

We promote transparency and fairness in conducting business activities with related parties at arm's length, in accordance with REIT regulations and terms and conditions, and subject to the appropriate approval process.

### Health and Safety Welfare

We prioritize our employees' well-being by stipulating for constant improvement of our occupational health and safety management.

### Whistle Blowing

To ensure transparency and accountability, we protect individuals who voice serious concerns about our business activities.

### Acquisitions

We procure assets in compliance with the REIT Rules and the criteria set in our investment strategy. These criteria consider an asset's prospects for competitive return, renewable energy installation, and future township development, even if its locality is currently underdeveloped.

## Enterprise Risk Management

Our Board of Directors supervises the Enterprise Risk Management (ERM) program to ensure the establishment of organizational and procedural controls underpinned by an effective risk management system. Since our business deals with investments, CREIT may encounter and address financial-related risks. The ERM program entails continuous monitoring and managing different risks affecting our business. Implementing these mitigation practices secures the company's shareholder value and competitive advantage.

### Market Risk

CREIT may be susceptible to market risks, such as fluctuations in interest rates and foreign exchange rates. We manage these risks by controlling exposures to these market changes within acceptable parameters while ensuring to maximize returns.

Risks related to interest rate concern loans payable, cash in banks, short-term placements, and lease liabilities. Nevertheless, we assess this risk as relatively low since the aforesaid financial instruments are associated with fixed interest rates. Interest rate fluctuations may be minimal throughout the duration of cash in banks and short-term placements. As for lease liabilities, since our leases are usually long-term, the impact of such fluctuations may be diminished over time.

Likewise, we also see foreign exchange risk as a minor concern. Such risk primarily involves the US dollar and emerges from commercial transactions and recognized assets and liabilities denominated in currencies other than our functional currency. Since we do not have material transactions and balances in different currencies, we do not consider foreign exchange risk insignificant.

### Credit Risk

CREIT may encounter credit risks from cash and cash equivalents, trade and other receivables, electric utility deposits, security deposits, and restricted cash. To mitigate these risks, we actively evaluate the quality of our financial assets through internal ratings. All of our financial assets are deemed to be high-grade, excluding those with full provision.

### Liquidity Risk

We balance funding continuity and flexibility by utilizing credit lines from related parties and local banks to handle the risk of inability to fulfill financial obligations. Initially, we should use credit lines from related parties before local banks. We can also leverage readily collectible dues from associated parties. To further prepare for meeting our financial obligations, we constantly assess projected and actual cash flows and financial market conditions.



# Shareholders' Rights

CREIT's shareholders have several rights that enable them to have relevant information and control over decisions concerning their investments. We uphold these rights to strengthen their trust in the company as we conduct our business and deliver the yields.

### Pre-emptive Right

We detail our shareholders' rights and powers in the company's articles of incorporation, which will be safeguarded by and should not be in dispute with the Corporate Code. We also allow shareholders to subscribe to the company's capital stock unless denied in the articles of incorporation, any amendment, or as may be required by the Securities and Exchange Commission (SEC), and in documents signed by shareholders.

### Right to Vote

We preserve shareholders' right to elect, remove, and replace directors and vote on certain corporate acts consistent with the Revised Corporation Code.

### Right to Inspect

We permit shareholders to inspect our corporate books and records, such as annual reports, financial statements, stock registries, and minutes of Board meetings, contingent on reasonable restrictions according to jurisprudence and the Corporation Code.

### Right to Information

We provide periodic reports upon request of shareholders. These reports also include directors' and officers' personal and professional information. Shareholders may also be informed about their shareholdings and dealings with the company, as well as the aggregate compensation and relationships among the directors and officers. Likewise, we allow minority shareholders to access information for which

the management is accountable. They can also propose holding a meeting, including the items to be covered in the meeting agenda. If certain information has been excluded, minority shareholders can propose to add these matters to the meeting agenda, provided that such a proposal has "legitimate purposes."

### Right to Dividends

We ensure that our shareholders receive their income and other distributions depending on their shares, as well as audited accounts and annual reports. While the REIT Law entitles shareholders to receive at least 90% of the distributable income annually, we intend to give at least 95% as dividends. We declare dividends when our retained earnings surpass 100% of the paid-in capital stock. This, however, has some exceptions concerning definite corporate expansion projects or programs approved by the Board, the prohibition imposed by the financial institution or creditor under a loan agreement, and special circumstances deeming the need for earning retention in the company.

### Appraisal Right

We empower shareholders to dissent and demand fair payment of their shares according to the provisions in the Corporation Code.

# Appendices

## Performance Index

### ECONOMIC & GOVERNANCE PERFORMANCE

#### Direct Economic Value Generated and Distributed (in PhP)

| Disclosure   | 2022          | 2023          | 2024                 |
|--|---------------|---------------|----------------------|
| <b>Direct economic value generated (revenue)</b>                           | 1,374,529,631 | 1,798,186,976 | <b>1,887,665,265</b> |
| <b>Direct economic value distributed:</b>                                  |               |               |                      |
| a. Operating costs   | 99,710,122    | 103,045,990   | <b>104,305,887</b>   |
| b. Employee wages and benefits*  | -             | -             | -                    |
| c. Payments to suppliers, other operating costs                            | 7,701,307     | 6,741,842     | <b>11,362,939</b>    |
| d. Dividends given to stockholders and interest payments to loan providers | 805,090,842   | 1,488,264,339 | <b>1,633,079,760</b> |
| e. Taxes given to government   | 24,992,929    | 85,497,192    | <b>42,895,073</b>    |
| f. Investments to community (e.g. donations, CSR)                          | 100,000       | 100,000       | <b>100,000</b>       |

\*Employee wages and benefits of core employees (CEO, CFO, IRO, Compliance Officer, Corporate Secretary, and Asst. Corporate Secretary) of CREIT are charged and reported by its parent company Citicore Renewable Energy Corporation (CREC).

#### Proportion of Spending on Local Suppliers\* (in %)

| Location                    | 2022 | 2023 | 2024        |
|-----------------------------|------|------|-------------|
| <b>CS Tarlac 1</b>          | 2.0  | 91.0 | <b>1.0</b>  |
| <b>CS Tarlac 2</b>          | 1.2  | 87.0 | <b>1.0</b>  |
| <b>CS South Cotabato</b>    | 5.3  | 71.0 | <b>70.0</b> |
| <b>CS Negros Occidental</b> | 7.1  | 67.0 | <b>10.0</b> |
| <b>CS Bulacan</b>           | 13.5 | 49.0 | <b>51.0</b> |
| <b>CS Cebu</b>              | 34.2 | 45.0 | <b>13.0</b> |
| <b>CS Clark</b>             | 36.7 | 26.0 | <b>23.0</b> |

\*For procurement expenses reporting, the scope includes the lessees on the properties leased out by CREIT to present a full picture of the usage of properties. Note, however, that ownership of most plants belongs to the lessees, except for CS Clark.



Training on Anti-corruption Policies and Procedures (in %)

| Disclosure   | 2022 | 2023 | 2024 |
|--|------|------|------|
| Employees to whom the organization's anticorruption policies and procedures have been communicated to          | 100  | 100  | 100  |
| Business partners to whom the organization's anti-corruption policies and procedures have been communicated to | 100  | 100  | 100  |
| Directors and management that have received anti-corruption training   | 100  | 100  | 100  |
| Employees that have received anti-corruption training  | 100  | 100  | 100  |

Incidents of Corruption (in #)

| Disclosure   | 2022 | 2023 | 2024 |
|--|------|------|------|
| Incidents in which directors were removed or disciplined for corruption                        | 0    | 0    | 0    |
| Incidents in which employees were dismissed or disciplined for corruption                      | 0    | 0    | 0    |
| Incidents when contracts with business partners were terminated due to incidents of corruption | 0    | 0    | 0    |

ENVIRONMENTAL PERFORMANCE

Energy Consumption Data (in GJ)

| Source                | 2022*    | 2023*    | 2024   |
|-----------------------|----------|----------|--------|
| Gasoline              | 42.44    | 293.24   | 84.62  |
| Diesel                | 3.44     | 787.03   | 34.01  |
| Purchased Electricity | 1,041.33 | 5,253.15 | 271.13 |

\*Restated data from 2022 and 2023 reports due to inaccuracies in the original calculations. While the current restated figures reflect corrections based on the best available information, these values may still be subject to further revision in the next reporting cycle as CREIT is doing a comprehensive reassessment of the calculation methodology used during that reporting period.

Emissions Data (in MTCO<sub>2</sub>e)

| Emissions | 2022*  | 2023*    | 2024  |
|-----------|--------|----------|-------|
| Scope 1   | 3.21   | 78.91    | 8.41  |
| Scope 2   | 200.60 | 1,011.96 | 52.23 |

\*Restated data from 2022 and 2023 reports incorporating the updated emission factors issued by DOE and the latest GWP values from IPCC's Sixth Assessment Report (AR6). While the current restated figures reflect corrections based on the best available information, these values may still be subject to further revision in the next reporting cycle as CREIT is doing a comprehensive reassessment of the calculation methodology used during that reporting period.

Waste Management (in kg)\*

| Disclosure                   | 2022   | 2023  | 2024 |
|------------------------------|--------|-------|------|
| Waste diverted from disposal | 12,129 | 1,968 | 53   |
| Reusable                     | 79     | 1,786 | 16   |
| Recyclable                   | 12,050 | 183   | 35   |
| Composted                    | 0      | 0     | 3    |
| Waste directed to disposal   | 15     | 0     | 0    |
| Total waste generated        | 12,144 | 1,968 | 53   |

\*Waste data coverage varies by year based on CREIT's level of operational control. 2022 data includes all of the Citicore group's solar plants as part of baseline reporting. 2023 data covers facilities operating on CREIT's land assets. While 2024 data includes only the Clark Solar Plant, which is fully owned by CREIT, both the land and the facility. This variation is due to the company's ongoing efforts to strengthen its sustainability data management. CREIT is continuously improving its reporting process to ensure greater consistency and accuracy.

Non-compliance with Environmental Laws and Regulations (in #)

| Disclosure   | 2022 | 2023 | 2024 |
|--|------|------|------|
| Total amount of monetary fines for non-compliance with environmental laws and/or regulations | 0    | 0    | 0    |
| No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations  | 0    | 0    | 0    |
| No. of cases resolved through dispute resolution mechanism                                   | 0    | 0    | 0    |



SOCIAL PERFORMANCE

Employee Data (in #)

| Disclosure                | 2023 | 2024 |
|---------------------------|------|------|
| Total number of employees | 6    | 7    |
| Female employees          | 2    | 3    |
| Male employees            | 4    | 4    |

Employee Benefits

| List of Benefits                         | % of female employees who availed for the year | % of male employees who availed for the year |
|--|--|--|
| SSS                                      | 100  | 100  |
| PhilHealth                               | 100  | 100  |
| Pag-ibig                                 | 100  | 100  |
| Parental leaves                          | 100  | 100  |
| Vacation leaves                          | 100  | 100  |
| Sick leaves                              | 100  | 100  |
| Medical benefits (aside from PhilHealth) | 100  | 100  |
| Disability and invalidity coverage       | -  | -  |
| Life insurance                           | 100  | 100  |
| Housing assistance (aside from Pag-ibig) | -  | -  |
| Retirement fund (aside from SSS)         | 100  | 100  |
| Further education support                | -  | -  |
| Company stock options                    | -  | -  |
| Telecommuting                            | 100  | 100  |
| Flexible-working Hours                   | 100  | 100  |
| Remote work/Work-from-home (WFH)         | 100  | 100  |

Training hours provided to employees (in hrs)

| Disclosure           | 2023 | 2024 |
|----------------------|------|------|
| Total training hours | 73   | 292  |
| Female               | 25   | 116  |
| Male                 | 48   | 176  |
| Total training hours | 14   | 41   |
| Female               | 12   | 39   |
| Male                 | 16   | 44   |

Labor-Management Relations

| Disclosure  | 2023 | 2024 |
|---|------|------|
| Employees covered with Collective Bargaining Agreements (%)                     | 0    | 0    |
| Consultations conducted with employees concerning employee-related policies (#) | N/A  | N/A  |

Workplace Health and Safety Data (in #)

| Disclosure              | 2023   | 2024   |
|-------------------------|--------|--------|
| Safe Man-Hours          | 11,616 | 28,112 |
| Work-related injuries   | 0      | 0      |
| Work-related fatalities | 0      | 0      |
| Work-related ill-health | 0      | 0      |
| Safety drills           | 12     | 0      |

Workforce Diversity by Gender (in #)

| Disclosure        | 2023   |      | 2024   |      |
|-------------------|--------|------|--------|------|
|                   | Female | Male | Female | Male |
| Senior Management | 3      | 3    | 3      | 3    |
| Middle Management | 0      | 0    | 0      | 1    |
| Rank and File     | 0      | 0    | 0      | 0    |

Workforce Diversity by Age (in #)

| Disclosure        | 2023     |       |          | 2024     |       |          |
|-------------------|----------|-------|----------|----------|-------|----------|
|                   | Under 30 | 30-50 | Above 50 | Under 30 | 30-50 | Above 50 |
| Senior Management | 0        | 4     | 2        | 0        | 4     | 2        |
| Middle Management | 0        | 0     | 0        | 1        | 0     | 0        |
| Rank and File     | 0        | 0     | 0        | 0        | 0     | 0        |

Marketing and labelling (in #)

| Disclosure   | 2023 | 2024 |
|--|------|------|
| No. of substantiated complaints on marketing and labelling | 0    | 0    |
| No. of complaints addressed                                | 0    | 0    |

Customer privacy and Data Security (in #)

| Disclosure   | 2023 | 2024 |
|--|------|------|
| Substantiated complaints on customer privacy   | 0    | 0    |
| Complaints addressed   | 0    | 0    |
| Customers, users, and account holders whose information is used for secondary purposes | 0    | 0    |
| Data breaches, including leaks, thefts, and losses of data                             | 0    | 0    |



# GRI Content Index

## Statement of Use

Citicore Energy REIT Corp. has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.

GRI 1 used: **GRI 1 Foundation 2021**

| GRI Standard                    | Disclosure   | Location            | Direct answer / Reason for omission   |
|---------------------------------|--|---------------------|---|
| General Disclosures             |  |                     |   |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details   | 4                   |   |
|                                 | 2-2 Entities included in the organization's sustainability reporting             |                     | All the entities covered in the organization's financial reporting are also included in its sustainability reporting.   |
|                                 | 2-3 Reporting period, frequency and contact point                                |                     |   |
|                                 | 2-4 Restatements of information  | 2                   | Energy and emissions data were restated from previous reports due to identified inaccuracies in the original calculations. These inaccuracies stemmed from methodological inconsistencies and the use of outdated reference values. The revised figures also incorporate the updated EFs issued by the DOE and the latest GWP values from IPCC AR6, ensuring alignment with current standards and improved accuracy in reporting. |
|                                 | 2-5 External assurance   | 29                  | This report has not undergone external assurance. While CREIT does not currently engage third-party assurance, we continue to enhance our reporting practices and may consider assurance in the future to strengthen transparency.  |
|                                 | 2-6 Activities, value chain and other business relationships                     | 4, 6, 8, 12, 18, 20 |   |
|                                 | 2-7 Employees  | 32, 33, 35, 36      |   |
|                                 | 2-8 Workers who are not employees  | 6, 8, 46            | Not applicable to CREIT, as we do not engage workers who are not classified as employees. All individuals performing work for the company are employed directly under formal employment contracts.  |
|                                 | 2-9 Governance structure and composition   | 46                  |   |
|                                 | 2-10 Nomination and selection of the highest governance body                     |                     | Board members are elected annually during the regular stockholders' meeting and serve a one-year term until their successors are duly elected and qualified.  |
|                                 | 2-11 Chair of the highest governance body  |                     | The chair of the highest governance body is not a senior executive in the organization.   |
|                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | 6, 8                | The Board of Directors sets the Company's purpose, vision, mission, values, and strategies; oversees and approves business objectives and strategy, and monitors implementation to ensure long-term viability and strength.   |

| GRI Standard                    | Disclosure   | Location | Direct answer / Reason for omission  |
|---------------------------------|--|----------|--|
| General Disclosures             |  |          |  |
| GRI 2: General Disclosures 2021 | 2-13 Delegation of responsibility for managing impacts               | 46       | The Board of Directors appoints qualified, motivated management officers and directly oversees leadership succession, particularly for the CEO and key senior management positions. It also ensures effective processes to prevent leadership gaps. These appointed officers are responsible for managing the organization's goals and impacts.                  |
|                                 | 2-14 Role of the highest governance body in sustainability reporting | 46       | Sustainability reporting information is compiled by the Investor Relations Department and reviewed by the President and CEO, a trusted officer appointed by the Board of Directors.  |
|                                 | 2-15 Conflicts of interest   | 58       | The Company's Conflict of Interest Policy requires Board members, officers, and employees to disclose any relationships or transactions that may give rise to conflicts, particularly with clients or suppliers. The policy outlines prohibited activities, disclosure requirements, and corresponding penalties to ensure proper mitigation and accountability. |
|                                 | 2-16 Communication of critical concerns                              |          | The Board of Directors holds quarterly meetings to address organizational concerns, with the option to convene special meetings as needed to discuss urgent matters.   |
|                                 | 2-17 Collective knowledge of the highest governance body             |          | The Board of Directors participates in annual corporate governance seminars and training to strengthen their knowledge and competencies in upholding good governance practices.  |
|                                 | 2-18 Evaluation of the performance of the highest governance body    |          | The Board conducts an annual self-assessment covering its overall performance, including that of the Chairman, individual Directors, and Board committees. Every three years, this process may be supported by an external facilitator. A defined system and criteria are in place to evaluate performance, with mechanisms that allow shareholder feedback.     |
|                                 |  |          |  |



| GRI Standard                    | Disclosure  | Location                | Direct answer / Reason for omission  |
|---------------------------------|---|-------------------------|--|
| General Disclosures             |   |                         |  |
| GRI 2: General Disclosures 2021 | 2-19 Remuneration policies                              |                         | Directors receive a reasonable per diem for attending Board and committee meetings. As compensation, the Board allocates up to 10% of the company's pre-tax net income from the previous year, with the allocation subject to stockholder approval at a regular or special meeting. The percentage received by each director may increase depending on the performance of the board and the Company. |
|                                 | 2-20 Process to determine remuneration                  |                         |  |
|                                 | 2-21 Annual total compensation ratio                    |                         |  |
|                                 | 2-22 Statement on sustainable development strategy      | 4, 6, 8, 21, 22, 23, 25 | Data not available (confidentiality constraints)   |
|                                 | 2-23 Policy commitments                                 | 23, 25, 58              |  |
|                                 | 2-24 Embedding policy commitments                       | 23, 58                  |  |
|                                 | 2-25 Processes to remediate negative impacts            | 59                      |  |
|                                 | 2-26 Mechanisms for seeking advice and raising concerns | 58, 59, 60              |  |
|                                 | 2-27 Compliance with laws and regulations               | 28, 32, 35, 44          |  |
|                                 | 2-28 Membership associations                            |                         | CREIT is not formally affiliated with any industry associations, local or international advocacy organizations, or any other membership associations. While CREIT is actively engaged in promoting renewable energy and sustainable real estate practices in the Philippines, it has not adopted a formal policy on membership associations.   |
|                                 | 2-29 Approach to stakeholder engagement                 | 22, 24                  | CREIT ensures a consultative, proactive, and collaborative approach with stakeholders through timely coordination meetings and progress updates. Our engagement is needs-based and evidence-driven, grounded in research and factual data.   |
|                                 | 2-30 Collective bargaining agreements                   |                         | No employees of CREIT are covered by a collective bargaining agreement. While no formal labor union or CBA exists within the organization, CREIT is committed to upholding fair labor practices, ensuring compliance with all applicable labor laws, and fostering a work environment that promotes dialogue, well-being, and mutual respect.  |
| Material topics                 |   |                         |  |
| GRI 3: Material Topics 2021     | 3-1 Process to determine material topics                | 24                      |  |
|                                 | 3-2 List of material topics                             | 24                      |  |

| GRI Standard                                    | Disclosure   | Location              | Direct answer / Reason for omission   |
|---|--|-----------------------|---|
| Economic topics                                 |  |                       |   |
| Economic Performance and Profitability          |  |                       |   |
| GRI 3: Material Topics 2021                     | 3-3 Management of material topics  | 14, 15, 17            |   |
| GRI 201: Economic Performance 2016              | 201-1 Direct economic value generated and distributed                                | 9, 10, 15, 61         |   |
|   | 201-2 Financial implications and other risks and opportunities due to climate change | 9, 10, 16, 18, 21     |   |
|   | 201-3 Defined benefit plan obligations and other retirement plans                    |                       | CREIT does not maintain defined benefit retirement plans. Employees are covered under the mandatory government retirement scheme provided by the Social Security System (SSS) in accordance with Philippine labor laws. No additional defined benefit obligations are in place beyond statutory requirements. |
|   | 201-4 Financial assistance received from government                                  |                       | CREIT did not receive any significant financial assistance from the government during this reporting period. This includes subsidies, grants, tax relief, or other forms of financial support.  |
| Market presence                                 |  |                       |   |
| GRI 3: Material Topics 2021                     | 3-3 Management of material topics  | 17                    |   |
| GRI 202: Market Presence 2016                   | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage   |                       | CREIT creates direct and indirect employment opportunities in the construction, operations, and maintenance of solar farms in host communities, boosting local economies. CREIT ensures that all entry-level positions receive compensation equal to or above the prescribed local minimum wage.              |
|   | 202-2 Proportion of senior management hired from the local community                 |                       | Not applicable to CREIT, as the company currently does not have senior management hired from the local community at its principal place of operation.   |
| Indirect Economic Impacts and Investor Interest |  |                       |   |
| GRI 3: Material Topics 2021                     | 3-3 Management of material topics  | 17                    |   |
| GRI 203: Indirect Economic Impacts 2016         | 203-1 Infrastructure investments and services supported                              | 16, 18, 27, 38, 44    |   |
|   | 203-2 Significant indirect economic impacts  | 9, 10, 16, 25, 39, 43 |   |
| Procurement practices                           |  |                       |   |
| GRI 3: Material Topics 2021                     | 3-3 Management of material topics  | 17, 44                |   |
| GRI 204: Procurement Practices 2016             | 204-1 Proportion of spending on local suppliers                                      | 61                    |   |



| GRI Standard  | Disclosure  | Location       | Direct answer / Reason for omission   |
|---|---|----------------|---|
| <b>Economic topics</b>  |   |                |   |
| Anti-corruption, Business Ethics and Integrity, and Regulatory Compliance |   |                |   |
| <b>GRI 3:</b> Material Topics 2021  | 3-3 Management of material topics   | 35, 46, 58, 60 |   |
| <b>GRI 205:</b> Anti-corruption 2016                                      | 205-1 Operations assessed for risks related to corruption                             |                | CREIT has not conducted formal risk assessments specifically focused on corruption risks.   |
|   | 205-2 Communication and training about anti-corruption policies and procedures        |                |   |
|   | 205-3 Confirmed incidents of corruption and actions taken                             | 61             | No confirmed incidents of corruption  |
| <b>GRI 3:</b> Material Topics 2021  | 3-3 Management of material topics   | 61             |   |
| <b>GRI 206:</b> Anti-competitive Behavior 2016                            | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 35, 46, 58, 60 | CREIT was not subject to any legal actions for anti-competitive behavior, anti-trust, or monopoly practices. The company remains committed to fair business practices and full compliance with applicable competition laws and regulations.   |
| Tax   |   |                |   |
| <b>GRI 3:</b> Material Topics 2021  | 3-3 Management of material topics   | 17             |   |
| <b>GRI 207:</b> Tax 2019  | 207-1 Approach to tax   |                | CREIT complies with all national and local tax laws in the Philippines, including REIT regulations under RA 9856 and relevant BIR rules. Tax matters are managed by the Finance team, with annual reviews conducted by independent auditors as part of its corporate governance.                                      |
|   | 207-2 Tax governance, control, and risk management                                    |                | Tax compliance and risk management are integrated into CREIT's overall governance and internal control systems. Tax-related risks are monitored as part of the company's ERM framework. Independent external auditors and tax advisors are engaged to validate tax filings and ensure adherence to current regulation |
|   | 207-3 Stakeholder engagement and management of concerns related to tax                |                | CREIT primarily engages with regulatory bodies like the BIR and SEC on tax matters. It ensures transparency through financial disclosures, with concerns addressed via its whistleblowing or internal audit channels. No significant stakeholder concerns on tax have been recorded.                                  |
|   | 207-4 Country-by-country reporting  |                | CREIT operates exclusively within the country and does not have foreign operations. All revenues, profits, taxes paid, and economic activities occur within the Philippines.  |

| GRI Standard                       | Disclosure   | Location   | Direct answer / Reason for omission   |
|------------------------------------|--|------------|---|
| <b>Environmental topics</b>        |  |            |   |
| Energy                             |  |            |   |
| <b>GRI 3:</b> Material Topics 2021 | 3-3 Management of material topics                                | 26, 29     |   |
| <b>GRI 302:</b> Energy 2016        | 302-1 Energy consumption within the organization                 | 29         |   |
|                                    | 302-2 Energy consumption outside of the organization             | 29         |   |
|                                    | 302-3 Energy intensity   |            | CREIT's business model as a real estate investment trust does not involve energy-intensive operations, and energy intensity metrics have not yet been established. The company is evaluating the relevance of this indicator and may consider tracking energy intensity in future reports as data becomes more available.                 |
|                                    | 302-4 Reduction of energy consumption                            |            | CREIT has not reported reductions in energy consumption during the reporting period, as data related to energy-saving initiatives is not yet systematically tracked. The company is currently working toward improving data availability and methodologies to monitor energy reduction efforts within its operational control.            |
|                                    | 302-5 Reductions in energy requirements of products and services |            | Not applicable to CREIT, as the company does not produce or manufacture physical products or services with quantifiable energy requirements.  |
| Biodiversity                       |  |            |   |
| <b>GRI 3:</b> Material Topics 2021 | 3-3 Management of material topics                                | 26, 27, 28 |   |
| <b>GRI 101:</b> Biodiversity 2024  | 101-1 Policies to halt and reverse biodiversity loss             | 28         |   |
|                                    | 101-2 Management of biodiversity impacts                         | 28         |   |
|                                    | 101-3 Access and benefit-sharing                                 |            |   |
|                                    | 101-4 Identification of biodiversity impacts                     |            | While CREIT's current operations have minimal direct interaction with natural ecosystems or biodiversity, the company acknowledges the increasing relevance of biodiversity in global sustainability frameworks. CREIT remains committed to evaluating emerging risks and opportunities in this area as part of its ongoing ESG strategy. |
|                                    | 101-5 Locations with biodiversity impacts                        |            |   |
|                                    | 101-6 Direct drivers of biodiversity loss                        |            |   |
|                                    | 101-7 Changes to the state of biodiversity                       |            |   |
|                                    | 101-8 Ecosystem services   |            |   |



| GRI Standard                                | Disclosure  | Location       | Direct answer / Reason for omission   |
|---|---|----------------|---|
| GHG Emissions                               |   |                |   |
| <b>GRI 3:</b><br>Material Topics 2021       | 3-3 Management of material topics   | 26, 29         |   |
| <b>GRI 305:</b><br>Emissions 2016           | 305-1 Direct (Scope 1) GHG emissions  | 29             |   |
|   | 305-2 Energy indirect (Scope 2) GHG emissions   | 29             |   |
|   | 305-3 Other indirect (Scope 3) GHG emissions  |                | CREIT has not yet quantified Scope 3 GHG emissions due to limited value chain data and the complexity of attribution under its REIT model. The company is reviewing methodologies and may disclose in future reporting cycles.                  |
|   | 305-4 GHG emissions intensity   |                | CREIT has not yet reported GHG emissions intensity due to the lack of established metrics and tracking systems. As its operations are not energy-intensive, intensity calculations are still being developed and may be reported in the future. |
|   | 305-5 Reduction of GHG emissions  |                | Data not available. CREIT is working to improve data collection and define a baseline for future tracking of emissions performance and reduction efforts.   |
|   | 305-6 Emissions of ozone-depleting substances (ODS)                                   |                | Not applicable to CREIT, as the company does not produce, import, or use ozone-depleting substances in its operations.  |
|   | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions |                | CREIT does not currently track NOx, SOx, or other significant air emissions but will evaluate the need for future monitoring as its sustainability efforts progress.  |
| Waste Management                            |   |                |   |
| <b>GRI 3:</b><br>Material Topics 2021       | 3-3 Management of material topics   | 26, 27, 29, 31 |   |
| <b>GRI 306:</b><br>Waste 2020               | 306-1 Waste generation and significant waste-related impacts                          | 29, 31         |   |
|   | 306-2 Management of significant waste-related impacts                                 | 29, 31         |   |
|   | 306-3 Waste generated   | 31             |   |
|   | 306-4 Waste diverted from disposal  | 31             |   |
|   | 306-5 Waste directed to disposal  | 31             |   |
| <b>GRI 306:</b><br>Effluents and Waste 2016 | 306-3 Significant spills  |                | No significant spills have been recorded, and there is no data indicating any material risk of such incidents within CREIT's operational scope.   |

| GRI Standard   | Disclosure  | Location | Direct answer / Reason for omission   |
|--|---|----------|---|
| Social topics  |   |          |   |
| Employee Engagement, Compensation and Benefits         |   |          |   |
| <b>GRI 3:</b><br>Material Topics 2021                  | 3-3 Management of material topics   | 32, 33   |   |
| <b>GRI 401:</b><br>Employment 2016                     | 401-1 New employee hires and employee turnover  | 35       |   |
|  | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees            | 35       |   |
|  | 401-3 Parental leave  |          | As of the reporting period, no employees have taken parental leave, and therefore no return-to-work or retention rates are reported. This will be monitored and disclosed in future reports as applicable.                            |
| Labor-Management                                       |   |          |   |
| <b>GRI 3:</b><br>Material Topics 2021                  | 3-3 Management of material topics   | 35       |   |
| <b>GRI 402:</b><br>Labor/Management Relations 2016     | 402-1 Minimum notice periods regarding operational changes  |          | 30 days minimum notice period   |
| Occupational Health and Safety                         |   |          |   |
| <b>GRI 3:</b><br>Material Topics 2021                  | 3-3 Management of material topics   | 32, 37   |   |
| <b>GRI 403:</b><br>Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system  | 37       | CREIT is covered by the OSH policies of CREC  |
|  | 403-2 Hazard identification, risk assessment, and incident investigation  |          | CREIT follows a Hazard Aspect Impact Risk Assessment and Control Procedure to identify work-related hazards and assess risks.   |
|  | 403-3 Occupational health services  |          | Employees have access to standard health benefits and government-mandated services such as those under SSS, PhilHealth, and HMO coverage. Occupational health services are limited due to the non-hazardous nature of work performed. |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety                       |          | Employees may raise health and safety concerns directly with management or through internal HR channels. While participation data is not yet tracked, CREIT will assess the need for more structured engagement as operations grow.   |
|  | 403-5 Worker training on occupational health and safety   | 37       |   |
|  | 403-6 Promotion of worker health  | 37       |   |
|  | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 37       |   |
|  | 403-8 Workers covered by an occupational health and safety management system  |          | All workers are covered by an occupational health and safety management system.   |
|  | 403-9 Work-related injuries   |          | No work-related injuries occurred and reported.   |
|  | 403-10 Work-related ill health  | 37       | No work-related ill health reported.  |

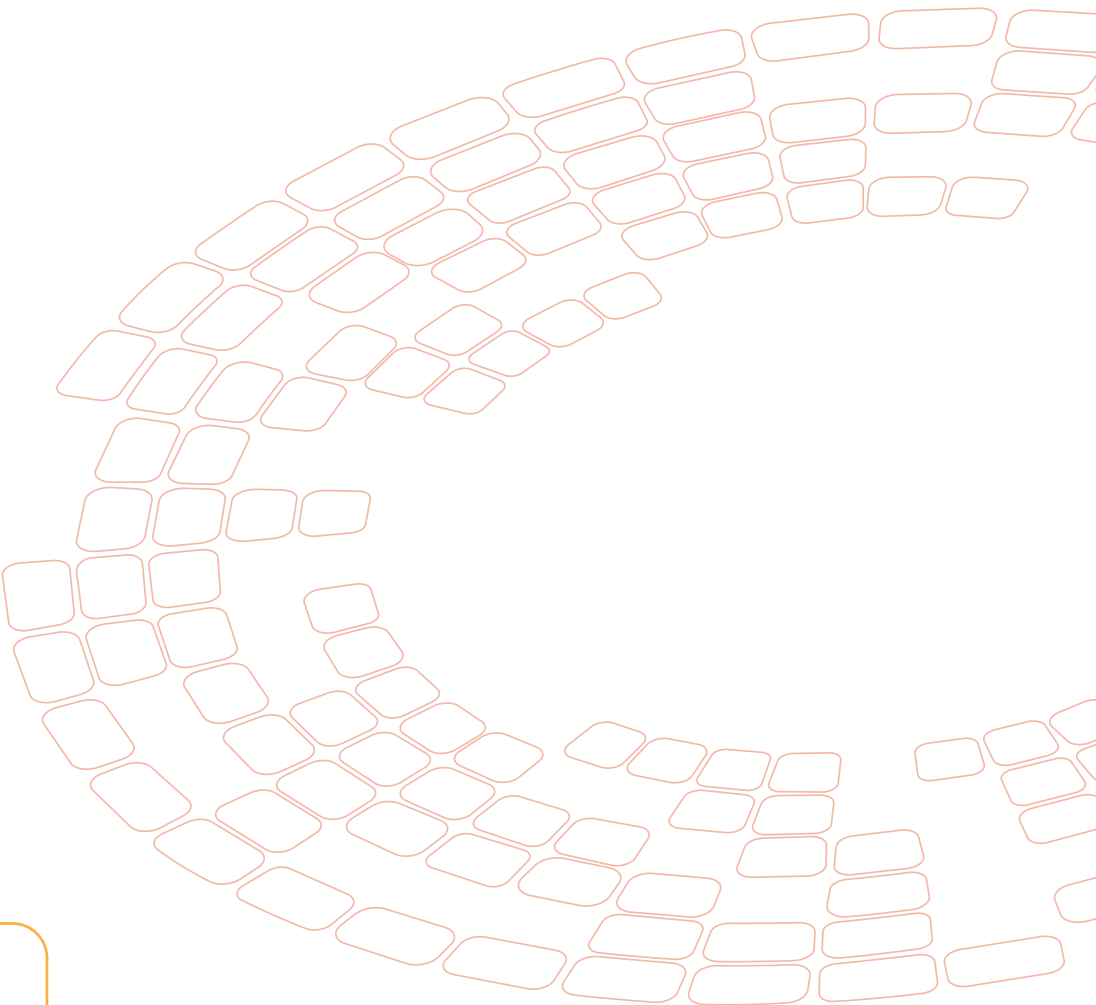


| GRI Standard   | Disclosure   | Location | Direct answer / Reason for omission  |
|--|--|----------|--|
| Training and Development   |  |          |  |
| <b>GRI 3:</b><br>Material Topics 2021  | 3-3 Management of material topics  | 34       |  |
| <b>GRI 404:</b><br>Training and Education 2016   | 404-1 Average hours of training per year per employee  | 34       |  |
|  | 404-2 Programs for upgrading employee skills and transition assistance programs                | 34       |  |
|  | 404-3 Percentage of employees receiving regular performance and career development reviews     |          | As of the reporting period, CREIT does not yet systematically track data on performance and career development reviews. The company is assessing the need for a more structured performance review process and aims to improve data availability for future reporting. |
| Diversity and Equal Opportunity  |  |          |  |
| <b>GRI 3:</b><br>Material Topics 2021  | 3-3 Management of material topics  | 36       |  |
| <b>GRI 405:</b><br>Diversity and Equal Opportunity 2016                                      | 405-1 Diversity of governance bodies and employees   | 36, 63   |  |
|  | 405-2 Ratio of basic salary and remuneration of women to men                                   |          | Data not available (confidentiality constraints)   |
| Human Rights, Non-discrimination, Child Labor, Forced Labor, and Rights of Indigenous People |  |          |  |
| <b>GRI 3:</b> Material Topics 2021   | 3-3 Management of material topics  | 35, 58   |  |
| <b>GRI 406:</b> Non-discrimination 2016  | 406-1 Incidents of discrimination and corrective actions taken                                 |          | No incidents of discrimination reported and corrective actions taken.  |
| <b>GRI 3:</b> Material Topics 2021   | 3-3 Management of material topics  |          |  |
| <b>GRI 408:</b> Child Labor 2016   | 408-1 Operations and suppliers at significant risk for incidents of child labor                | 35, 58   | CREIT has its Code of Business Conduct and Ethics and its Supplier Code of Conduct/ Supplier Accreditation and Evaluation that bans child labor.   |
| <b>GRI 3:</b> Material Topics 2021   | 3-3 Management of material topics  |          |  |
| <b>GRI 409:</b> Forced or Compulsory Labor 2016  | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor |          | CREIT has its Code of Business Conduct and Ethics and its Supplier Code of Conduct/ Supplier Accreditation and Evaluation that bans forced labor.  |
| <b>GRI 3:</b> Material Topics 2021   | 3-3 Management of material topics  | 35, 58   |  |
| <b>GRI 411:</b> Rights of Indigenous Peoples 2016  | 411-1 Incidents of violations involving rights of indigenous peoples                           |          | No incidents of violations involving rights of indigenous peoples were reported.   |

| GRI Standard  | Disclosure   | Location | Direct answer / Reason for omission  |
|---|--|----------|--|
| Security Practices  |  |          |  |
| <b>GRI 3:</b><br>Material Topics 2021   | 3-3 Management of material topics  | 38       |  |
| <b>GRI 410:</b><br>Security Practices 2016                                      | 410-1 Security personnel trained in human rights policies or procedures                        |          | As of this period, CREIT lacks data on human rights training for security personnel. Security is outsourced, and CREIT is reviewing vendor compliance, aiming to include this in future contractor oversight and reporting.  |
| Community Relations, Community Development, and Corporate Social Responsibility |  |          |  |
| <b>GRI 3:</b> Material Topics 2021  | 3-3 Management of material topics  | 32, 38   |  |
| <b>GRI 413:</b> Local Communities 2016  | 413-1 Operations with local community engagement, impact assessments, and development programs | 38-44    |  |
|   | 413-2 Operations with significant actual and potential negative impacts on local communities   | 38-44    |  |
| Supply Chain Management   |  |          |  |
| <b>GRI 3:</b> Material Topics 2021  | 3-3 Management of material topics  | 44       |  |
| <b>GRI 308:</b> Supplier Environmental Assessment 2016                          | 308-1 New suppliers that were screened using environmental criteria                            |          | CREIT has its Supplier Code of Conduct and requires suppliers and contractors to comply with environmental standards outlined in its Supplier Accreditation and Evaluation process. While direct impact assessments are limited by the REIT business model, CREIT actively engages vendors to promote responsible environmental practices. |
|   | 308-2 Negative environmental impacts in the supply chain and actions taken                     |          |  |
| <b>GRI 3:</b> Material Topics 2021  | 3-3 Management of material topics  | 44       |  |
| <b>GRI 414:</b> Supplier Social Assessment 2016                                 | 414-1 New suppliers that were screened using social criteria                                   |          | CREIT has its Supplier Code of Conduct and requires suppliers and contractors to comply with social standards outlined in its Supplier Accreditation and Evaluation process. While direct impact assessments are limited by the REIT business model, CREIT actively engages vendors to promote responsible social practices.               |
|   | 414-2 Negative social impacts in the supply chain and actions taken                            |          |  |



| GRI Standard                                | Disclosure   | Location | Direct answer / Reason for omission  |
|---|--|----------|--|
| Marketing and Labeling                      |  |          |  |
| <b>GRI 3:</b> Material Topics 2021          | 3-3 Management of material topics  | 44       |  |
| <b>GRI 417:</b> Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling                                |          | CREIT maintains transparent and accurate communication with clients and stakeholders, clearly disclosing information on leased assets and their environmental attributes. The company is committed to regulatory compliance and will monitor evolving disclosure standards related to service information. |
|   | 417-2 Incidents of non-compliance concerning product and service information and labeling          |          | No incidents of non-compliance concerning product and service information and labeling.  |
|   | 417-3 Incidents of non-compliance concerning marketing communications                              |          | No incidents of non-compliance concerning marketing communications.  |
| Data Privacy                                |  |          |  |
| <b>GRI 3:</b> Material Topics 2021          | 3-3 Management of material topics  | 44       |  |
| <b>GRI 418:</b> Customer Privacy 2016       | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 44       | No issues or complaints were raised concerning breaches of customer privacy and losses of customer data. CREIT adheres to the Data Privacy Act of 2012.  |



View the full report

# Financial Statements





25 March 2025

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Citicore Energy REIT Corp. (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

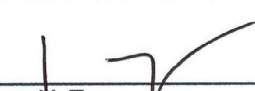
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditors appointed by the stockholders for the periods ended December 31, 2024, 2023 and 2022 have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

  
Edgar B. Saavedra  
Chairman of the Board

  
Oliver Y. Tan  
President and Chief Executive Officer

  
Michelle A. Magdato  
Treasurer

11F Rockwell Santolan Town Plaza, 276 Col. Bonny Serrano Ave., San Juan City, Metro Manila  
+63 8255 4600 | investorrelations@creit.com.ph | www.creit.com.ph



## Independent Auditor's Report

To the Board of Directors and Shareholders of  
**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)  
11F Rockwell Santolan Town Plaza  
276 Col. Bonny Serrano Avenue  
San Juan City, Metro Manila

### Report on the Audits of the Financial Statements

#### Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Citicore Energy REIT Corp. (the "Company") as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### What we have audited

The financial statements of the Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of total comprehensive income for each of the three years in the period ended December 31, 2024;
- the statements of changes in equity for each of the three years in the period ended December 31, 2024;
- the statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

#### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines  
T: +63 (2) 8845 2728, www.pwc.com/ph

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Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Citicore Energy REIT Corp.  
(A subsidiary of Citicore Renewable Energy Corporation)  
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### Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarized as follows:

| Key audit matters  | How our audit addressed the key audit matters  |
|--|--|
| <b>Fair value of investment properties</b><br><br>The Company leases ten (10) freehold land and subleases three (3) leasehold land to its related parties. All freehold and leasehold land assets are classified as investment properties which are accounted for using the cost model. The Company discloses the fair value of investment properties as required by PAS 40, "Investment Property". The carrying value and fair value of investment properties amounted to P7.24 billion and P16.91 billion, respectively, as at December 31, 2024. Management determined the fair value of the investment properties based on the report issued by an accredited appraiser. The appraiser used the discounted cash flow model based on the lessor's interest in the land. | We obtained understanding of the nature, scope and objective of the appraiser's work. We evaluated the competence and capabilities of the accredited appraiser and objectivity by considering the accredited appraiser's qualifications, experience and reporting responsibilities. We also evaluated the data used, assumptions and calculation methods and assessed the relevance and reasonableness of the accredited appraiser's findings and conclusions and consistency with other audit evidence we obtained. Data and assumptions used were validated as follows:<br><br>a. Lease rates and unexpired lease term were traced to the lease agreements with related parties; and<br><br>b. We compared the parameters used for discount rate and terminal values of the land against market data.<br><br>We also assessed the adequacy of the fair value disclosures based on the requirements of PFRS 13, "Fair Value Measurement". |



Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Citicore Energy REIT Corp.  
(A subsidiary of Citicore Renewable Energy Corporation)  
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| Key audit matters  | How our audit addressed the key audit matters |
|--|---|
| The determination of the fair values of these properties involved significant assumption and estimations and complex calculations.<br><br>These assumptions include discount rates which are influenced by the prevailing market rates and comparable market transactions. Discount rates are subject to higher level of estimation uncertainty due to the current economic conditions. The disclosures on the fair value of investment properties are included in Note 8 to the financial statements. |   |

### Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





Independent Auditor's Report  
To the Board of Directors and Shareholders of  
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Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Citicore Energy REIT Corp.  
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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 25 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Pocholo C. Domondon.

Isla Lipana & Co.

Pocholo C. Domondon  
Partner  
CPA Cert. No. 108839  
P.T.R. No. 0011401; issued on January 3, 2025 at Makati City  
T.I.N. 213-227-235  
BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027  
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City  
March 25, 2025





## Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of  
**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)  
11F Rockwell Santolan Town Plaza  
276 Col. Bonny Serrano Avenue  
San Juan City, Metro Manila

We have audited the financial statements of Citicore Energy REIT Corp. (the "Company") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, on which we have rendered the attached report dated March 25, 2025. The supplementary information shown in Schedules A, B, C, D, E, F, and G, Reconciliation of Retained Earnings Available for Dividend Declaration and the Map showing the relationships between and among the Company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates, as additional components required by Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to auditing procedures applied in the audits of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Revised Rule 68 of the SRC.

**Isla Lipana & Co.**



Pocholo C. Domondon  
Partner

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Makati City  
March 25, 2025

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T: +63 (2) 8845 2728, [www.pwc.com/ph](http://www.pwc.com/ph)

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## Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of  
**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)  
11F Rockwell Santolan Town Plaza  
276 Col. Bonny Serrano Avenue  
San Juan City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing the financial statements of Citicore Energy REIT Corp. (the "Company") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and have issued our report thereon dated March 25, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculations, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Rule 68 of the SRC issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

**Isla Lipana & Co.**



Pocholo C. Domondon  
Partner

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**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)

Statements of Financial Position  
As at December 31, 2024 and 2023  
(All amounts in Philippine Peso)

|   | Notes | 2024                 | 2023                 |
|---|-------|----------------------|----------------------|
| <b>Assets</b>                                       |       |                      |                      |
| <b>Current assets</b>                               |       |                      |                      |
| Cash  | 3     | 597,582,293          | 616,861,821          |
| Trade and other receivables, net                    | 4     | 207,865,787          | 64,504,503           |
| Prepayments and other current assets                | 5     | 100,988,887          | 201,513,919          |
| Total current assets                                |       | 906,436,967          | 882,880,243          |
| <b>Non-current assets</b>                           |       |                      |                      |
| Trade and other receivables, net of current portion | 4     | 519,334,455          | 369,976,872          |
| Property, plant and equipment, net                  | 6     | 1,153,818,036        | 1,212,929,526        |
| Investment properties, net                          | 8     | 7,239,119,531        | 7,182,437,936        |
| Right-of-use assets, net                            | 19    | 31,157,023           | 33,292,501           |
| Other non-current assets                            | 7     | 41,450,164           | 41,450,164           |
| Total non-current assets                            |       | 8,984,879,209        | 8,840,086,999        |
| <b>Total assets</b>                                 |       | <b>9,891,316,176</b> | <b>9,722,967,242</b> |
| <b>Liabilities and Equity</b>                       |       |                      |                      |
| <b>Current liabilities</b>                          |       |                      |                      |
| Trade payables and other liabilities                | 9     | 115,741,759          | 107,437,383          |
| Dividends payable                                   | 9, 14 | 312,888,626          | 312,332,383          |
| Lease liabilities                                   | 19    | 3,267,523            | 5,863,776            |
| Total current liabilities                           |       | 431,897,908          | 425,633,542          |
| <b>Non-current liabilities</b>                      |       |                      |                      |
| Lease liabilities, net of current portion           | 19    | 218,421,080          | 226,982,998          |
| Security deposits and deferred rent income          | 11    | 189,135,416          | 140,914,842          |
| Bonds payable                                       | 10    | 4,468,567,198        | 4,459,876,787        |
| Retirement benefit obligation                       | 13    | 314,672              | 314,672              |
| Total non-current liabilities                       |       | 4,876,438,366        | 4,828,089,299        |
| Total liabilities                                   |       | 5,308,336,274        | 5,253,722,841        |
| <b>Equity</b>                                       |       |                      |                      |
| Share capital                                       | 13    | 1,636,363,501        | 1,636,363,501        |
| Additional paid-in-capital                          | 13    | 2,307,335,739        | 2,307,335,739        |
| Remeasurement on retirement benefits                | 12    | 50,894               | 50,894               |
| Retained earnings                                   |       | 639,229,768          | 525,494,267          |
| Total equity  |       | 4,582,979,902        | 4,469,244,401        |
| <b>Total liabilities and equity</b>                 |       | <b>9,891,316,176</b> | <b>9,722,967,242</b> |

The notes on pages 1 to 49 are integral part of these financial statements.

**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)

Statements of Total Comprehensive Income  
For each of the three years in the period ended December 31, 2024  
(All amounts in Philippine Peso)

|  | Notes | 2024                 | 2023                 | 2022                 |
|--|-------|----------------------|----------------------|----------------------|
| Rental income                                  | 1, 14 | 1,887,665,265        | 1,798,186,978        | 1,374,529,631        |
| Cost of services                               | 15    | (104,305,887)        | (103,045,990)        | (91,269,041)         |
| <b>Gross profit</b>                            |       | <b>1,783,359,378</b> | <b>1,695,140,988</b> | <b>1,283,260,590</b> |
| Operating expenses                             | 16    | (11,462,939)         | (6,841,842)          | (8,440,959)          |
| <b>Income from operations</b>                  |       | <b>1,771,896,439</b> | <b>1,688,299,146</b> | <b>1,274,819,631</b> |
| Finance costs                                  | 17    | (346,162,465)        | (309,448,027)        | (17,584,040)         |
| Other income, net                              | 17    | 3,637,781            | 19,245,257           | 3,377,749            |
| <b>Income before income tax</b>                |       | <b>1,429,371,755</b> | <b>1,398,096,376</b> | <b>1,260,613,340</b> |
| Income tax expense                             | 18    | -                    | -                    | (8,200,316)          |
| <b>Net income for the year</b>                 |       | <b>1,429,371,755</b> | <b>1,398,096,376</b> | <b>1,252,413,024</b> |
| <b>Other comprehensive income</b>              |       | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>Total comprehensive income for the year</b> |       | <b>1,429,371,755</b> | <b>1,398,096,376</b> | <b>1,252,413,024</b> |
| <b>Earnings per share</b>                      |       |                      |                      |                      |
| Basic and diluted                              | 20    | 0.22                 | 0.21                 | 0.20                 |

The notes on pages 1 to 49 are integral part of these financial statements.



**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)

Statements of Changes in Equity  
For each of the three years in the period ended December 31, 2024  
(All amounts in Philippine Peso)

|   | Share capital<br>(Note 13) | Additional<br>paid-in-capital<br>(Note 13) | Remeasurement<br>on retirement<br>benefits | Retained<br>earnings | Total           |
|---|----------------------------|--|--|----------------------|-----------------|
| <b>Balances at January 1, 2022</b>      | 1,374,545,501              | 2,465,066                                  | 50,894                                     | 250,984,668          | 1,628,046,129   |
| <b>Comprehensive income</b>             |                            |  |  |                      |                 |
| Net income for the year                 | -                          | -  | -  | 1,252,413,024        | 1,252,413,024   |
| Other comprehensive income for the year | -                          | -  | -  | -                    | -               |
| Total comprehensive income for the year | -                          | -  | -  | 1,252,413,024        | 1,252,413,024   |
| <b>Transactions with owners</b>         |                            |  |  |                      |                 |
| Issuance of shares                      | 261,818,000                | 2,408,725,600                              | -  | -                    | 2,670,543,600   |
| Share issuance costs                    | -                          | (103,854,927)                              | -  | -                    | (103,854,927)   |
| Cash dividends                          | -                          | -  | -  | (1,093,090,818)      | (1,093,090,818) |
| Total transactions with owners          | 261,818,000                | 2,304,870,673                              | -  | (1,093,090,818)      | 1,473,597,855   |
| <b>Balances at December 31, 2022</b>    | 1,636,363,501              | 2,307,335,739                              | 50,894                                     | 410,306,874          | 4,354,057,008   |
| <b>Comprehensive income</b>             |                            |  |  |                      |                 |
| Net income for the year                 | -                          | -  | -  | 1,398,096,376        | 1,398,096,376   |
| Other comprehensive income for the year | -                          | -  | -  | -                    | -               |
| Total comprehensive income for the year | -                          | -  | -  | 1,398,096,376        | 1,398,096,376   |
| <b>Transactions with owners</b>         |                            |  |  |                      |                 |
| Cash dividends                          | -                          | -  | -  | (1,282,908,983)      | (1,282,908,983) |
| Total transactions with owners          | -                          | -  | -  | (1,282,908,983)      | (1,282,908,983) |
| <b>Balances at December 31, 2023</b>    | 1,636,363,501              | 2,307,335,739                              | 50,894                                     | 525,494,267          | 4,469,244,401   |
| <b>Comprehensive income</b>             |                            |  |  |                      |                 |
| Net income for the year                 | -                          | -  | -  | 1,429,371,755        | 1,429,371,755   |
| Other comprehensive income for the year | -                          | -  | -  | -                    | -               |
| Total comprehensive income for the year | -                          | -  | -  | 1,429,371,755        | 1,429,371,755   |
| <b>Transactions with owners</b>         |                            |  |  |                      |                 |
| Cash dividends                          | -                          | -  | -  | (1,315,636,254)      | (1,315,636,254) |
| Total transactions with owners          | -                          | -  | -  | (1,315,636,254)      | (1,315,636,254) |
| <b>Balances at December 31, 2024</b>    | 1,636,363,501              | 2,307,335,739                              | 50,894                                     | 639,229,768          | 4,582,979,902   |

The notes on pages 1 to 49 are integral part of these financial statements.

**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)

Statements of Cash Flows  
For each of the three years in the period ended December 31, 2024  
(All amounts in Philippine Peso)

|   | Notes    | 2024            | 2023            | 2022            |
|---|----------|-----------------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>         |          |                 |                 |                 |
| Income before income tax                            |          | 1,429,371,755   | 1,398,096,376   | 1,260,613,340   |
| Adjustments for:                                    |          |                 |                 |                 |
| Depreciation and amortization                       | 6, 19    | 71,347,776      | 71,360,501      | 71,363,428      |
| Finance costs                                       | 17       | 346,162,465     | 309,448,027     | 17,584,040      |
| Unrealized foreign exchange (gain) losses, net      | 21       | 47,456          | (10,960)        | 113,799         |
| Interest income                                     | 3, 4, 17 | (3,762,414)     | (19,234,297)    | (3,070,975)     |
| Operating income before working capital changes     |          | 1,843,167,038   | 1,759,659,647   | 1,346,603,632   |
| Changes in working capital:                         |          |                 |                 |                 |
| Trade and other receivables                         |          | (166,949,657)   | (168,063,993)   | (136,326,810)   |
| Prepayments and other current assets                |          | (25,244,178)    | (171,718,274)   | (17,586,521)    |
| Other non-current assets                            |          | -               | (36,170,854)    | 7,486,370       |
| Trade payables and other liabilities                |          | 8,860,619       | 11,352,965      | (7,701,307)     |
| Due to a related party                              |          | -               | (53,223,717)    | (71,442,959)    |
| Security deposits                                   |          | 43,789,681      | (6,126,256)     | 141,239,078     |
| Net cash generated from operations                  |          | 1,703,623,503   | 1,335,709,518   | 1,262,271,483   |
| Interest received                                   |          | 3,762,414       | 5,147,697       | 855,202         |
| Net cash provided by operating activities           |          | 1,707,385,917   | 1,340,857,215   | 1,263,126,685   |
| <b>Cash flows from investing activities</b>         |          |                 |                 |                 |
| Additions to investment properties                  | 8        | (66,782,403)    | (4,267,241,500) | (2,507,918,610) |
| Interest received from short-term placements        |          | -               | 14,086,600      | -               |
| Net cash used in investing activities               |          | (66,782,403)    | (4,253,154,900) | (2,507,918,610) |
| <b>Cash flows from financing activities</b>         |          |                 |                 |                 |
| Proceeds from issuance of shares                    | 13       | -               | -               | 2,670,543,600   |
| Principal payment of lease liabilities              | 19       | (16,398,878)    | (2,406,115)     | (20,109,933)    |
| Interest payment on lease liabilities               | 19       | (10,404,404)    | (10,589,344)    | (9,951,228)     |
| Payments of share issuance costs                    | 5, 13    | -               | -               | (68,190,556)    |
| Payments of dividends                               | 13       | (1,315,636,254) | (1,250,181,713) | (805,090,842)   |
| Interest payment on bonds                           | 10       | (317,443,506)   | (238,082,626)   | -               |
| Proceeds from bonds issuance                        | 10       | -               | 4,500,000,000   | -               |
| Payments of bond issuance costs                     | 10       | -               | (41,004,160)    | -               |
| Net cash provided by (used in) financing activities |          | (1,659,883,042) | 2,957,736,042   | 1,767,201,041   |
| <b>Net increase (decrease) in cash</b>              |          | (19,279,528)    | 45,438,357      | 522,409,116     |
| Cash at January 1                                   | 3        | 616,861,821     | 571,423,464     | 49,014,348      |
| <b>Cash at December 31</b>                          | 3        | 597,582,293     | 616,861,821     | 571,423,464     |

The notes on pages 1 to 49 are integral part of these financial statements.



**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)

Notes to the Financial Statements  
As at December 31, 2024 and 2023 and  
for each of the three years in the period ended December 31, 2024  
(All amounts are shown in Philippine Peso unless otherwise stated)

**1 General information**

*(a) Corporate information*

Citicore Energy REIT Corp. (formerly Enfinity Philippines Renewable Resources Inc.) (the “Company”) was registered with the Philippine Securities and Exchange Commission (SEC) on July 15, 2010.

Prior to May 25, 2021, the Company’s primary objective is to explore, develop and utilize renewable resources with particular focus on solar and wind energy generation; to design, construct, erect, assemble, commission and operate power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution; and to perform other ancillary and incidental activities as may be provided by and under contract with the Government of the Republic of the Philippines, or any subdivision, instrumentality or agency thereof, or any government-owned and controlled corporation, or other entity engaged in the development, supply and distribution of renewable energy.

The amended primary purpose of the Company is to engage in the business of owning income-generating real estate assets, including renewable energy generating real estate assets, under a real estate investment trust (REIT) by virtue of Republic Act (RA) No. 9856, otherwise known as the “*Real Estate Investment Trust Act of 2009*” and its implementing rules and regulations.

The Company’s 22.33-megawatt (MW) Clark Solar Power Project in Clark, Freeport Zone, Pampanga was successfully commissioned on March 12, 2016 through the confirmation of the Department of Energy (DOE) covering its Solar Energy Service Contract (SESC) No. 2014-07-086 and Amended Certificate of Commerciality No. SCC-2015-03-014-B with validity of 25 years. On October 13, 2021, the Company assigned the SESC to Citicore Renewable Energy Corp. (the “Parent Company” or CREC), making the latter the operator of the Clark Solar Power Plant. The assignment was approved by the DOE on December 24, 2021.

On May 25, 2021, the Company’s Board of Directors (BOD) and shareholders approved, among others, the following amendments to the Company’s Articles of Incorporation (AOI): (i) change of corporate name from Enfinity Philippines Renewable Resources Inc. to Citicore Energy REIT Corp.; (ii) amendment of the primary purpose to that of a real estate investment trust; (iii) change of principal office address from Prince Balagtas Avenue Extension, Clark Freeport Zone, Pampanga to 11F, Rockwell Santolan Town Plaza, 276 Col. Bonny Serrano Avenue, San Juan City, Metro Manila; and (iv) increase of authorized share capital to P3.84 billion divided into 15.36 billion common shares with par value of P0.25 per share.

On May 26, 2021, as part of the increase in authorized share capital, the Parent Company subscribed to 2.4 billion shares as consideration for the assignment by Parent Company of its advances to the Company amounting to P602,465,066. In addition, Parent Company and Citicore Solar Tarlac 1, Inc. (CST1) (formerly nv vogt Philippine Solar Energy Three, Inc.) subscribed to 19,461,142 shares and 918,720,864 shares, respectively, or a total of 938,182,006 shares, as consideration for the assignment of parcels of land, with an aggregate area of 138,164 sq.m., located in Brgy. Armenia, Tarlac (Note 13).

The Company’s submission to the SEC for the foregoing amendments was approved on October 12, 2021. Upon issuance of the shares during 2021, the Company’s shareholding structure was 16.7% and 83.3% owned by CST1 and Parent Company, respectively. Prior to October 12, 2021, the Parent Company owns 100% of the Company.

The Company’s ultimate parent company is Citicore Holdings Investment, Inc., a company incorporated in the Philippines as a holding company engaged in buying and holding shares of other companies.

On November 4, 2021, the Company’s BOD and shareholders approved, among others, to amend its AOI and delete one of the secondary purposes reflected in the amended AOI as approved by BOD on May 25, 2021 as follows: “to invest in or otherwise engage in the exploitation, development, and utilization of renewable energy resources with particular focus on solar and wind energy generation; to design, construct, erect, assemble, commission and operate power-generating plants and related facilities for the conversion of renewable energy into usable form fit for electricity generation and distribution; and to perform other ancillary and incidental activities as may be provided by and under contract with the Government of the Republic of the Philippines, or any subdivision, instrumentality or agency thereof, or any government-owned and controlled corporation, or other entity engaged in the development, supply and distribution of renewable energy”. The Company’s submission to the SEC for the foregoing amendment was approved on November 17, 2021.

On January 14, 2022 and February 2, 2022, the Philippine Stock Exchange (“PSE”) issued notice of acceptance and the Philippine SEC issued permit to sell, respectively, in relation to the Company’s application for initial public offering. The Company attained its status as “public company” on February 22, 2022 when it listed its shares as a REIT in the main board of the PSE. As a public company, it is covered by the Part II of Securities Regulation Code (“SRC”) Rule 68.

On March 15, 2024, the Parent Company and CST1 sold a total of 1,884,374,000 common shares in the Company at P2.6534 per share to SM Investments Corporation (SMIC) raising approximately P5.0 billion. The Parent Company will continue to be the single largest shareholder in the Company with a 32.88% effective ownership post-transaction (excluding shares in trust held by directors and officers). Proceeds from the sale will be used by the Parent Company to fund further development of solar construction projects across different locations nationwide. The Parent Company believes that it maintains control mainly because it is still in-charge of managing the relevant business activities including day-to-day operations.

As at December 31, 2023, the Company has 137 shareholders, each owning one hundred (100) or more shares. As at December 31, 2024, the Company has 136 shareholders, each owning one hundred (100) or more shares.

The total shares outstanding are held by the following shareholders as at December 31:

|        | 2024    | 2023    |
|--------|---------|---------|
| CREC   | 32.99%  | 47.76%  |
| SMIC   | 28.79%  | -       |
| Public | 38.22%  | 38.21%  |
| CST1   | -       | 14.04%  |
|        | 100.00% | 100.00% |

On June 8, 2022, the Company’s stockholders approved the issuance of fixed-rate bonds not exceeding thirty five percent (35%) of the value of the deposited property of the Company or up to the allowable leverage under the REIT Act of 2009 and its implementing rules and regulations. 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 (Note 10). In 2022, the Company received PRS AA+ rating with stable outlook from PhilRatings for both the Company and its proposed bond issuance. The rating, which is considered as an investment grade, allowed the Company to increase its leverage limit from the minimum 35% of the deposited property to a maximum of 70% as prescribed in the REIT IRR. PRS AA+ rating is continuously monitored as long as the rated bond issuance is outstanding.

*(b) Approval and authorization for the issuance of financial statements*

These financial statements have been approved and authorized for issuance by the Company’s BOD on March 25, 2025.



## 2 Segment reporting

The Company's operating businesses are organized and managed according to the nature of the products and services that are being marketed. Each segment represents a strategic business unit that offers different products and serves different markets. The Company has operations only in the Philippines.

The Company derives revenues from two (2) main segments as follows:

### (a) Sale of solar energy

This business segment pertains to the generation of electricity from solar power energy through its Clark Solar Power Project. National Transmission Corporation (TransCo) is the Company's sole customer for its sale of solar energy. As a result of assignment of SESC of the Clark Solar Plant to its Parent Company, the sale of solar energy business was terminated with the approval of the DOE on December 24, 2021 effective December 25, 2021 (Note 15). The assignment entailed the transfer of rights as a service contractor with the Philippine government but did not convey ownership over the assets. This was a change in the revenue model using the same solar plant and equipment. The Company still generates cash flows from these assets in the form of lease income instead of sale of solar energy before the assignment. Notwithstanding the change in revenue model, the cash-generating unit remains intact and owned by the Company.

### (b) Leasing

This business segment pertains to the rental operations of the Company with related parties (Note 15).

All amounts reported in the financial statements of the Company as at and for the years ended December 31, 2024 and 2023 are attributable to this segment except for trade receivables from TransCo amounting to P62.78 million (2023 - P80.23 million) and interest income arising from amortization of discount on trade receivables amounting to P3.60 million (2023 - P4.42 million; 2022 - P2.69 million) (Note 4), which are attributable to sale of solar energy segment.

The results of operations of the reportable segments of the Company for each of the three years in the period ended December 31, 2024 are as follows:

| December 31, 2024        |               |                      |               |
|--------------------------|---------------|----------------------|---------------|
|                          | Leasing       | Sale of solar energy | Total         |
| Revenue                  | 1,887,665,265 | -                    | 1,887,665,265 |
| Cost of services         | (104,305,887) | -                    | (104,305,887) |
| Gross profit             | 1,783,359,378 | -                    | 1,783,359,378 |
| Operating expense        | (11,462,939)  | -                    | (11,462,939)  |
| Finance costs            | (346,162,465) | -                    | (346,162,465) |
| Other income, net        | 41,728        | 3,596,053            | 3,637,781     |
| Income before income tax | 1,425,775,702 | 3,596,053            | 1,429,371,755 |
| Income tax expense       | -             | -                    | -             |
| Net income for the year  | 1,425,775,702 | 3,596,053            | 1,429,371,755 |

| December 31, 2023        |               |                      |               |
|--------------------------|---------------|----------------------|---------------|
|                          | Leasing       | Sale of solar energy | Total         |
| Revenue                  | 1,798,186,978 | -                    | 1,798,186,978 |
| Cost of services         | (103,045,990) | -                    | (103,045,990) |
| Gross profit             | 1,695,140,988 | -                    | 1,695,140,988 |
| Operating expense        | (6,841,842)   | -                    | (6,841,842)   |
| Finance costs            | (309,448,027) | -                    | (309,448,027) |
| Other income, net        | 14,828,979    | 4,416,278            | 19,245,257    |
| Income before income tax | 1,393,680,098 | 4,416,278            | 1,398,096,376 |
| Income tax expense       | -             | -                    | -             |
| Net income for the year  | 1,393,680,098 | 4,416,278            | 1,398,096,376 |

| December 31, 2022        |               |                      |               |
|--------------------------|---------------|----------------------|---------------|
|                          | Leasing       | Sale of solar energy | Total         |
| Revenue                  | 1,374,529,631 | -                    | 1,374,529,631 |
| Cost of services         | (91,269,041)  | -                    | (91,269,041)  |
| Gross profit             | 1,283,260,590 | -                    | 1,283,260,590 |
| Operating expense        | (8,440,959)   | -                    | (8,440,959)   |
| Finance costs            | (17,584,040)  | -                    | (17,584,040)  |
| Other income, net        | 690,020       | 2,687,729            | 3,377,749     |
| Income before income tax | 1,257,925,611 | 2,687,729            | 1,260,613,340 |
| Income tax expense       | -             | (8,200,316)          | (8,200,316)   |
| Net income for the year  | 1,257,925,611 | (5,512,587)          | 1,252,413,024 |

The segment assets and liabilities of the reportable segments of the Company as at December 31 are as follows:

|                     | 2024          |                      |               | 2023          |                      |               |
|---------------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
|                     | Leasing       | Sale of solar energy | Total         | Leasing       | Sale of solar energy | Total         |
| Segment assets      |               |                      |               |               |                      |               |
| Current             | 873,925,220   | 32,511,747           | 906,436,967   | 865,429,026   | 17,451,217           | 882,880,243   |
| Non-current         | 8,954,610,256 | 30,268,953           | 8,984,879,209 | 8,777,306,298 | 62,780,701           | 8,840,086,999 |
|                     | 9,828,535,476 | 62,780,700           | 9,891,316,176 | 9,642,735,324 | 80,231,918           | 9,722,967,242 |
| Segment liabilities |               |                      |               |               |                      |               |
| Current             | 431,897,908   | -                    | 431,897,908   | 425,633,542   | -                    | 425,633,542   |
| Non-current         | 4,876,438,366 | -                    | 4,876,438,366 | 4,828,089,299 | -                    | 4,828,089,299 |
|                     | 5,308,336,274 | -                    | 5,308,336,274 | 5,253,722,841 | -                    | 5,253,722,841 |

All revenues of the Company are from domestic entities incorporated in the Philippines, hence, the Company did not present geographical information required by Philippine Financial Reporting Standards (PFRS) 8, "Operating Segments".

## 3 Cash

Cash as at December 31 consist of:

|               | 2024        | 2023        |
|---------------|-------------|-------------|
| Cash on hand  | 50,000      | 115,000     |
| Cash in banks | 597,532,293 | 616,746,821 |
|               | 597,582,293 | 616,861,821 |

Cash in banks earn interest at the prevailing bank deposit rates.

Total interest income earned from cash in banks and short-term placements for the years ended December 31 is as follows:

|                 | Note | 2024    | 2023       | 2022    |
|-----------------|------|---------|------------|---------|
| Interest income | 17   | 166,360 | 14,818,019 | 383,246 |



#### 4 Trade and other receivables, net

Trade and other receivables, net as at December 31 consist of:

|  | Notes | 2024        | 2023        |
|--|-------|-------------|-------------|
| Current  |       |             |             |
| Trade receivables from TransCo                     |       | 32,511,747  | 17,451,217  |
| Lease receivables                                  | 11    | 49,584,830  | 45,258,258  |
| Receivable arising from VAT refunds                | 5     | 125,769,210 | -           |
| Other receivable                                   |       | 1,944,096   | 3,739,124   |
| Allowance for doubtful account of other receivable |       | (1,944,096) | (1,944,096) |
|  |       | -           | 1,795,028   |
|  |       | 207,865,787 | 64,504,503  |
| Non-current  |       |             |             |
| Trade  |       |             |             |
| Receivables from TransCo                           |       | 30,268,953  | 62,780,701  |
| Lease receivables                                  | 11    | 489,065,502 | 307,196,171 |
|  |       | 519,334,455 | 369,976,872 |

Trade receivables are generally collectible within a 60-day period. In accordance with the Renewable Energy Payment Agreement (REPA), in the event that TransCo fails to pay any amount stated in the feed-in tariff (FIT) statement of account upon the lapse of one billing period from the relevant payment date, TransCo shall pay to the Company such unpaid amount plus interest thereon, calculated from the relevant payment date to the day such amount is actually paid. Interest rate is the rate prevailing for a 91-day treasury bill plus 3%. There are no interest income arising from late payments of TransCo for the years ended December 31, 2024, 2023 and 2022.

Details of trade receivables from TransCo as at reporting periods are as follows:

|                         | Current     | Non-current | Total       |
|-------------------------|-------------|-------------|-------------|
| December 31, 2024       |             |             |             |
| Trade receivables       | 34,504,111  | 30,899,821  | 65,403,932  |
| Discount on receivables | (1,992,364) | (630,868)   | (2,623,232) |
|                         | 32,511,747  | 30,268,953  | 62,780,700  |
| December 31, 2023       |             |             |             |
| Trade receivables       | 20,465,885  | 65,403,932  | 85,869,817  |
| Discount on receivables | (3,014,668) | (2,623,231) | (5,637,899) |
|                         | 17,451,217  | 62,780,701  | 80,231,918  |

In 2020, the ERC issued Resolution No. 06, Series of 2020, which was further clarified in February 2021, to confirm that the actual recovery of the arrears FIT rate adjustment shall be for a period of 5 years whereas those from January 2016 generation shall start billing in December 2020 and payment schedule starts in January 2021. As a result, additional revenue was recognized during December 2021 amounting to P83.53 million to be recovered within the next 5 years after December 31, 2021 (Note 14).

Discount on trade receivables from TransCo arising from this amounted to P2.62 million as at December 31, 2024 (December 31, 2023 - P5.64 million). Interest income arising from amortization of discount on trade receivables from TransCo for the year ended December 31, 2024 amounted to P3.60 million (2023 - P4.42 million; 2022 - P2.68 million) (Note 17).

Lease receivables pertain to accrued rent resulting from the straight-line method of recognizing rental income.

Other receivable mainly pertains to a refund for overpaid insurance. During 2020, the Company provided an allowance for doubtful accounts for this receivable amounting to P1.94 million due to the changes in its credit quality. The provision was recognized as part of operating expenses in the statements of total comprehensive income.

The Company does not hold any collateral as security. Management believes that an allowance for doubtful accounts as at December 31, 2024 and 2023, except for other receivable which has been fully provided for, is not necessary since these account balances are deemed fully collectible. Trade receivables are all current in nature except from non-current portion of receivable from TransCo related to FIT-rate adjustments. All previous billings of the Company were collected in full.

None of the trade and other receivables that are fully performing have been renegotiated.

#### 5 Prepayments and other current assets

Prepayments and other current assets as at December 31 consist of:

|                             | 2024        | 2023        |
|-----------------------------|-------------|-------------|
| Input value-added tax (VAT) | 57,739,794  | 175,627,184 |
| Prepaid taxes               | 43,249,093  | 25,886,735  |
|                             | 100,988,887 | 201,513,919 |

Input VAT represents VAT on purchases of goods and services which can be recovered either as tax credit against future output VAT or through refund.

Prepaid taxes include creditable withholding tax, overpayment of withholding taxes and income taxes.

During 2024, the Company claimed for an input VAT amounting to P125,769,210 related to the taxable year 2023. The related receivable from the BIR was recognized as part of trade and other receivables, net which is expected to refunded within one (1) year from the BIR (Note 3). There are no VAT refunds for the year ended December 31, 2023.

#### 6 Property, plant and equipment, net

Details and movements of property, plant and equipment, net as at and for the years ended December 31 are as follows:

|                          | Solar plant and equipment | Substation and transmission lines | Computer equipment | Service vehicle | Total         |
|--------------------------|---------------------------|-----------------------------------|--------------------|-----------------|---------------|
| Cost                     |                           |                                   |                    |                 |               |
| January 1, 2023,         |                           |                                   |                    |                 |               |
| December 31,             |                           |                                   |                    |                 |               |
| 2023 and 2024            | 1,664,296,964             | 44,477,618                        | 40,000             | 135,500         | 1,708,950,082 |
| Accumulated depreciation |                           |                                   |                    |                 |               |
| January 1, 2023          | 418,715,895               | 18,041,731                        | 40,000             | 97,108          | 436,894,734   |
| Depreciation             | 55,894,292                | 3,204,430                         | -                  | 27,100          | 59,125,822    |
| December 31, 2023        | 474,610,187               | 21,246,161                        | 40,000             | 124,208         | 496,020,556   |
| Depreciation             | 55,895,767                | 3,204,431                         | -                  | 11,292          | 59,111,490    |
| December 31, 2024        | 530,505,954               | 24,450,592                        | 40,000             | 135,500         | 555,132,046   |
| Net book values          |                           |                                   |                    |                 |               |
| December 31, 2024        | 1,133,791,010             | 20,027,026                        | -                  | -               | 1,153,818,036 |
| December 31, 2023        | 1,189,686,777             | 23,231,457                        | -                  | 11,292          | 1,212,929,526 |



#### 4 Trade and other receivables, net

Trade and other receivables, net as at December 31 consist of:

|  | Notes | 2024        | 2023        |
|--|-------|-------------|-------------|
| Current  |       |             |             |
| Trade receivables from TransCo                     |       | 32,511,747  | 17,451,217  |
| Lease receivables                                  | 11    | 49,584,830  | 45,258,258  |
| Receivable arising from VAT refunds                | 5     | 125,769,210 | -           |
| Other receivable                                   |       | 1,944,096   | 3,739,124   |
| Allowance for doubtful account of other receivable |       | (1,944,096) | (1,944,096) |
|  |       | -           | 1,795,028   |
|  |       | 207,865,787 | 64,504,503  |
| Non-current  |       |             |             |
| Trade  |       |             |             |
| Receivables from TransCo                           |       | 30,268,953  | 62,780,701  |
| Lease receivables                                  | 11    | 489,065,502 | 307,196,171 |
|  |       | 519,334,455 | 369,976,872 |

Trade receivables are generally collectible within a 60-day period. In accordance with the Renewable Energy Payment Agreement (REPA), in the event that TransCo fails to pay any amount stated in the feed-in tariff (FIT) statement of account upon the lapse of one billing period from the relevant payment date, TransCo shall pay to the Company such unpaid amount plus interest thereon, calculated from the relevant payment date to the day such amount is actually paid. Interest rate is the rate prevailing for a 91-day treasury bill plus 3%. There are no interest income arising from late payments of TransCo for the years ended December 31, 2024, 2023 and 2022.

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|                         | Current     | Non-current | Total       |
|-------------------------|-------------|-------------|-------------|
| December 31, 2024       |             |             |             |
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| Discount on receivables | (1,992,364) | (630,868)   | (2,623,232) |
|                         | 32,511,747  | 30,268,953  | 62,780,700  |
| December 31, 2023       |             |             |             |
| Trade receivables       | 20,465,885  | 65,403,932  | 85,869,817  |
| Discount on receivables | (3,014,668) | (2,623,231) | (5,637,899) |
|                         | 17,451,217  | 62,780,701  | 80,231,918  |

In 2020, the ERC issued Resolution No. 06, Series of 2020, which was further clarified in February 2021, to confirm that the actual recovery of the arrears FIT rate adjustment shall be for a period of 5 years whereas those from January 2016 generation shall start billing in December 2020 and payment schedule starts in January 2021. As a result, additional revenue was recognized during December 2021 amounting to P83.53 million to be recovered within the next 5 years after December 31, 2021 (Note 14).

Discount on trade receivables from TransCo arising from this amounted to P2.62 million as at December 31, 2024 (December 31, 2023 - P5.64 million). Interest income arising from amortization of discount on trade receivables from TransCo for the year ended December 31, 2024 amounted to P3.60 million (2023 - P4.42 million; 2022 - P2.68 million) (Note 17).

Lease receivables pertain to accrued rent resulting from the straight-line method of recognizing rental income.

Other receivable mainly pertains to a refund for overpaid insurance. During 2020, the Company provided an allowance for doubtful accounts for this receivable amounting to P1.94 million due to the changes in its credit quality. The provision was recognized as part of operating expenses in the statements of total comprehensive income.

The Company does not hold any collateral as security. Management believes that an allowance for doubtful accounts as at December 31, 2024 and 2023, except for other receivable which has been fully provided for, is not necessary since these account balances are deemed fully collectible. Trade receivables are all current in nature except from non-current portion of receivable from TransCo related to FIT-rate adjustments. All previous billings of the Company were collected in full.

None of the trade and other receivables that are fully performing have been renegotiated.

#### 5 Prepayments and other current assets

Prepayments and other current assets as at December 31 consist of:

|                             | 2024        | 2023        |
|-----------------------------|-------------|-------------|
| Input value-added tax (VAT) | 57,739,794  | 175,627,184 |
| Prepaid taxes               | 43,249,093  | 25,886,735  |
|                             | 100,988,887 | 201,513,919 |

Input VAT represents VAT on purchases of goods and services which can be recovered either as tax credit against future output VAT or through refund.

Prepaid taxes include creditable withholding tax, overpayment of withholding taxes and income taxes.

During 2024, the Company claimed for an input VAT amounting to P125,769,210 related to the taxable year 2023. The related receivable from the BIR was recognized as part of trade and other receivables, net which is expected to refunded within one (1) year from the BIR (Note 3). There are no VAT refunds for the year ended December 31, 2023.

#### 6 Property, plant and equipment, net

Details and movements of property, plant and equipment, net as at and for the years ended December 31 are as follows:

|                          | Solar plant and equipment | Substation and transmission lines | Computer equipment | Service vehicle | Total         |
|--------------------------|---------------------------|-----------------------------------|--------------------|-----------------|---------------|
| Cost                     |                           |                                   |                    |                 |               |
| January 1, 2023,         |                           |                                   |                    |                 |               |
| December 31,             |                           |                                   |                    |                 |               |
| 2023 and 2024            | 1,664,296,964             | 44,477,618                        | 40,000             | 135,500         | 1,708,950,082 |
| Accumulated depreciation |                           |                                   |                    |                 |               |
| January 1, 2023          | 418,715,895               | 18,041,731                        | 40,000             | 97,108          | 436,894,734   |
| Depreciation             | 55,894,292                | 3,204,430                         | -                  | 27,100          | 59,125,822    |
| December 31, 2023        | 474,610,187               | 21,246,161                        | 40,000             | 124,208         | 496,020,556   |
| Depreciation             | 55,895,767                | 3,204,431                         | -                  | 11,292          | 59,111,490    |
| December 31, 2024        | 530,505,954               | 24,450,592                        | 40,000             | 135,500         | 555,132,046   |
| Net book values          |                           |                                   |                    |                 |               |
| December 31, 2024        | 1,133,791,010             | 20,027,026                        | -                  | -               | 1,153,818,036 |
| December 31, 2023        | 1,189,686,777             | 23,231,457                        | -                  | 11,292          | 1,212,929,526 |



The Clark Solar Power Project was funded through a Term Loan Facility Agreement with Development Bank of the Philippines (DBP). The solar plant and equipment include capitalized borrowing costs amounting to P13.69 million. The Company's solar plant and equipment is pledged as collateral under the chattel mortgage agreement entered into in relation to this agreement. On May 4, 2021, the Parent Company assumed the Company's outstanding loan with DBP. As a result, the chattel mortgage agreement was rescinded by DBP on November 3, 2021.

There were no additions for the years ended December 31, 2024 and 2023.

Depreciation expenses for the years ended December 31 are recognized as follows:

|                    | Notes | 2024       | 2023       | 2022       |
|--------------------|-------|------------|------------|------------|
| Cost of services   | 15    | 59,100,198 | 59,098,722 | 59,099,431 |
| Operating expenses | 16    | 11,292     | 27,100     | 30,433     |
|                    |       | 59,111,490 | 59,125,822 | 59,129,864 |

Following the approval of the DOE on the assignment of SESC No. 2014-07-086 of the Clark Solar Plant to its Parent Company effective December 25, 2021, the Company leased out the Clark Solar Plant to its Parent Company in exchange of fixed and variable lease rental (Note 11). The Parent Company became the Clark Solar Plant operator.

Based on the results of management assessment, the Company believes that there were no indicators of impairment as at December 31, 2024 and 2023.

## 7 Other non-current assets

Other non-current assets as at December 31 consist of:

|                   | Note | 2024       | 2023       |
|-------------------|------|------------|------------|
| Security deposits | 19   | 5,279,310  | 5,279,310  |
| Cash bond         |      | 36,170,854 | 36,170,854 |
|                   |      | 41,450,164 | 41,450,164 |

Cash bonds pertain to deposits to Department of Agrarian Reform (DAR) for the land conversion from agricultural to industrial use which are refundable after 12 to 24 months.

## 8 Investment properties, net

Details and movements of investment properties as at December 31 are as follows:

|                          | Freehold land assets | Leasehold land assets | Total         |
|--------------------------|----------------------|-----------------------|---------------|
| Cost                     |                      |                       |               |
| January 1, 2023          | 2,742,464,112        | 193,407,106           | 2,935,871,218 |
| Additions                | 4,267,241,500        | -                     | 4,267,241,500 |
| December 31, 2023        | 7,009,705,612        | 193,407,106           | 7,203,112,718 |
| Additions                | 66,782,403           | -                     | 66,782,403    |
| December 31, 2024        | 7,076,488,015        | 193,407,106           | 7,269,895,121 |
| Accumulated amortization |                      |                       |               |
| January 1, 2023          | -                    | 10,573,974            | 10,573,974    |
| Amortization             | -                    | 10,100,808            | 10,100,808    |
| December 31, 2023        | -                    | 20,674,782            | 20,674,782    |
| Amortization             | -                    | 10,100,808            | 10,100,808    |
| December 31, 2024        | -                    | 30,775,590            | 30,775,590    |
| Net book values          |                      |                       |               |
| December 31, 2024        | 7,076,488,015        | 162,631,516           | 7,239,119,531 |
| December 31, 2023        | 7,009,705,612        | 172,732,324           | 7,182,437,936 |

The amounts recognized in the statements of total comprehensive income for the years ended December 31 related to the investment properties are as follows:

|   | Notes | Freehold land assets | Leasehold land assets | Total         |
|---|-------|----------------------|-----------------------|---------------|
| 2024                                      |       |                      |                       |               |
| Rental income                             |       | 860,730,081          | 736,902,777           | 1,597,632,858 |
| Amortization of deferred rent income      |       | 3,624,240            | 2,583,646             | 6,207,886     |
| Total revenue                             | 14    | 864,354,321          | 739,486,423           | 1,603,840,744 |
| Cost of services                          | 15    |                      |                       |               |
| Depreciation                              |       |                      | (10,100,808)          | (10,100,808)  |
| Property management fee                   |       | (10,280,403)         | (10,403,728)          | (20,684,131)  |
| Fund management fee                       |       | (3,426,802)          | (3,467,909)           | (6,894,711)   |
| Finance costs                             | 17    | (327,747,583)        | (13,657,770)          | (341,405,353) |
| Profit arising from investment properties |       | 522,899,533          | 701,856,208           | 1,224,755,741 |
| 2023                                      |       |                      |                       |               |
| Rental income                             |       | 789,806,177          | 719,860,717           | 1,509,666,894 |
| Amortization of deferred rent income      |       | 2,441,220            | 2,583,646             | 5,024,866     |
| Total revenue                             | 14    | 792,247,397          | 722,444,363           | 1,514,691,760 |
| Cost of services                          | 15    |                      |                       |               |
| Depreciation                              |       | -                    | (10,100,808)          | (10,100,808)  |
| Property management fee                   |       | (9,412,952)          | (10,394,836)          | (19,807,788)  |
| Fund management fee                       |       | (3,137,651)          | (3,464,945)           | (6,602,596)   |
| Finance costs                             | 17    | (289,292,003)        | (12,277,764)          | (301,569,767) |
| Profit arising from investment properties |       | 490,404,791          | 686,206,010           | 1,176,610,801 |

### (a) Freehold land asset

On May 25, 2021, the Company and Parent Company, executed a deed of assignment whereas the latter hereby assigns, transfers, and conveys a parcel of land located in Brgy. Armenia, Tarlac City, Tarlac to the former, absolutely, and free from all liens and/or encumbrances, valued at P4.87 million in consideration for the issuance of Company's shares upon approval of the SEC of the Company's application for the increase in authorized share capital. On the same date, the Company and CST1 executed a deed of assignment whereas the latter hereby assigns, transfers, and conveys several parcels of land located in Brgy. Armenia, Tarlac City, Tarlac to the former, absolutely, and free from all liens and/or encumbrances valued at P229.68 million in consideration for the issuance of Company's shares upon approval of the SEC of the Company's application for the increase in authorized share capital (Note 14). These parcels of land are recognized with reference to its fair value. The approval of the increase in the authorized share capital was obtained from the SEC on October 12, 2021. The actual transfer and registration of the parcels of land to the Company's name were finalized on October 27, 2021.

In 2022, the Company executed a deed of absolute sale with Citicore Solar Bulacan, Inc. (CSBI) and Citicore Solar South Cotabato, Inc. (CSSCI), 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 (Note 11).

The proceeds from the P4.5 billion bonds which the Company raised in February 2023 (Note 10) were used to acquire parcels of land from multiple land-owners spread across the three barangays in Tuy, Batangas, namely: Brgy. Lumbangan, Brgy. Luntal, and Brgy. Bolbok. Additional acquisitions were also made in Arayat, Pampanga, Mexico, Pampanga and Pangasinan. These parcels of land are ideal for utility scale solar power plants due to proximity to the National Grid Corporation of the Philippines (NGCP) substation and proven solar irradiance resources. The cost of acquisition, taxes and other land related expenses were capitalized as part of investment properties. These parcels of land were subsequently leased out to its related parties (Note 11).



The aggregate fair value of these parcels of land as determined by an independent appraiser as at December 31, 2024 amounted to P10.23 billion (2023 - P10.15 billion). The fair value of the parcels of land was estimated by the independent appraiser using the discounted cash flow analysis grounded on the principle that the value of an economic entity is the present worth of the economic benefits it will generate in the future (i.e., economic benefits come in the form of lease of the solar power plant). This approach requires a forecast of the economic entity's stream of net income based on lease contract. These net income or rents are then summed up and discounted back to present value by an appropriate discount rate, then add the terminal value of the property. The valuation process consists of estimation of the current market value of the leased property and present value of the unexpired contract rentals. The discounted cash flow analysis falls under the income approach which is a method in which the appraiser derives an indication of value for income-producing property by converting anticipated future benefits into current property value. This approach falls under Level 3 of the fair value hierarchy. As required by the REIT Implementing Rules and Regulations (REIT IRR), a full valuation of the Company's assets shall be conducted by an independent property valuer at least once a year. Management assessed that there are no significant changes in the business environment from the date of last valuation up to reporting date which would impact the fair value of the properties.

The fair value is sensitive to the following unobservable inputs: (1) lease income growth rates (fixed and variable lease) which were based on the signed lease contracts and (2) discount rate using the weighted average cost of capital based on the average capital structure of the companies in the solar energy sector as of the valuation date.

The current use of the parcels of land is its highest and best use.

*(b) Leasehold land assets*

The Company, as a lessee, entered on the following lease agreements:

- On July 26, 2021, the Company entered into a contract of sublease and contract of lease with the owners of parcels of land with a total aggregate area of approximately 4.8 hectares and 5.6 hectares, respectively, which are located in Brgy. Dalayap, Tarlac City, Tarlac. Each of these land properties are covered by an existing lease contract with an original term from November 1, 2015 to October 31, 2040 with Citicore Solar Tarlac 2, Inc. (CST2), an entity under common control. The Company subleased the land back to CST2 effective November 1, 2021 (Note 11). These lease agreements are effective for 19 years commencing on November 1, 2021 until October 31, 2040 which may be extended at the option of the Company for another 25 years upon the acceptance by and consent of the lessor.
- On July 26, 2021, the Company entered into a deed of assignment with Citicore Solar Cebu, Inc. (CSCI) (assignor), an entity under common control, and a third-party lessor, to transfer, assign, and convey unto the Company (assignee) all of the assignor's rights and obligations under the contract of lease dated November 12, 2015 for the lease of parcel of land with total aggregated area of approximately 73 hectares located in Brgy. Talavera, Toledo City, Cebu. The third-party lessor consented to the assignment of the contract of lease in favor of the Company and the sublease of the leased area by the Company in favor of the assignor. CSCI operates a 60 MW installed capacity solar power plant in the leased area that was successfully commissioned on June 30, 2016. The Company shall pay an advance rental every two years, subject to escalation rate of 12% every five years, for a period of 25 years, reckoned from the effective date stipulated in the Renewable Energy Payment Agreement but not later than May 31, 2016, subject to renewal. The agreement took effect on January 1, 2022. On July 26, 2021, the Company entered into sublease agreement with CSCI (sublessee) related to the identified leased area effective January 1, 2022 (Note 11).

- On July 28, 2021, the Company entered into a lease agreement with an owner of several parcels of land located in Brgy. Rizal, Silay City, Negros Occidental. These land properties are covered by an existing lease contract that commenced on June 1, 2016 with Citicore Solar Negros Occidental, Inc. (CSNO), an entity under common control. The new lease agreement commenced on January 1, 2022 until October 31, 2040 which may be extended for additional five (5) years unless the parties agreed to terminate the lease agreement at the end of the initial term. The lease payment is subject to annual escalation rate of 2% beginning in the third year of the lease. CSNO operates a 25 MW installed capacity solar power plant in the leased area that was successfully commissioned on March 8, 2016. On July 28, 2021, the Company entered into sublease agreement with CSNO (sublessee) to sublease the identified leased area effective January 1, 2022 (Note 11).

The aggregate fair value of these parcels of land classified as leasehold land assets as determined by an independent appraiser as at December 31, 2024 amounted to P6.68 billion (2023 - P6.88 billion). The same valuation technique was used in measuring the fair value as that of the freehold land assets.

Right-of-use assets arising from these leasing arrangements are presented under leasehold land assets. Land is the underlying asset to which the right-of-use assets would be grouped if these were owned by the Company.

## 9 Trade payables and other liabilities

Trade payables and other liabilities as at December 31 consist of:

|                                       | Notes | 2024        | 2023        |
|---------------------------------------|-------|-------------|-------------|
| Trade payables                        |       | 936,302     | 480,488     |
| Due to government agencies            |       | 64,685,674  | 56,837,111  |
| Interest payable                      | 10    | 43,993,528  | 43,993,528  |
| Deferred rent income, current portion | 11    | 6,126,255   | 6,126,256   |
|                                       |       | 115,741,759 | 107,437,383 |

Trade payables to third parties are normally due within a 30-day period.

On May 6, 2021, the Company settled a portion of its due to government agencies with a local government unit amounting to P51.86 million by paying P22.17 million through compromise settlement. The difference of the obligation settled and the actual payment, including professional fees, amounting to P25.2 million was recognized as part of other income, net in the statements of total comprehensive income. The remaining balance of due to government agencies pertains to unpaid real property taxes and business taxes to a local government unit, withholding taxes and mandatory government contributions. Withholding taxes include final withholding tax amounting to P7.84 million for cash dividends declared on November 12, 2024 and paid on January 13, 2025 (2023 - P8.39 million final withholding tax for cash dividends declared on November 9, 2023 and paid on January 22, 2024) (Note 13).

## 10 Bonds payable

From 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. Interest is payable quarterly in arrears on May 10, August 10, November 10, and February 10 of each year. Prior to the maturity date, the Company has the right, but not the obligation, to redeem (in whole but not in part) the outstanding ASEAN Green Bonds on early redemption option dates as follows:

| Early redemption option dates  | Early redemption option price |
|--|-------------------------------|
| On the 3rd anniversary of the issue date and every interest payment date preceding the 4th anniversary of the issue date | 101%                          |
| On the 4th anniversary of the issue date and every interest payment date thereafter                                      | 100.5%                        |



The ASEAN Green Bonds shall have the benefit of a negative pledge on all present and future assets and revenues of CREIT, subject to certain permitted liens. The Company shall remain, for as long as any of the ASEAN Green Bonds remain outstanding, compliant with the aggregate leverage limit imposed by the REIT Law. Under the REIT Law, the total borrowings and deferred payments of a REIT should not exceed thirty-five percent (35%) of its deposited property, provided, however, that the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed thirty-five percent (35%) but not more than seventy percent (70%) of its deposited property and provided further that in no case shall its fund manager borrow for the REIT from any of the funds under its management. The ASEAN Green Bonds are rated Aa+ with stable outlook by PhilRatings. The rating is subject to regular annual reviews, or more frequently as market developments may dictate, while the ASEAN Green Bonds are outstanding. As at December 31, 2024 and 2023, the Company is compliant with this covenant.

The Company incurred total bond issuance cost for the year ended December 31, 2023 amounting to P47.34 million which includes P6.33 million incurred during 2022 (Note 5).

The amortized cost of the ASEAN Green Bonds as at December 31, 2024 follows:

|                    | 2024          | 2023          |
|--------------------|---------------|---------------|
| Principal          | 4,500,000,000 | 4,500,000,000 |
| Bond issuance cost |               |               |
| January 1          | (40,123,213)  | (47,339,062)  |
| Amortization       | 8,690,411     | 7,215,849     |
| December 31        | (31,432,802)  | (40,123,213)  |
|                    | 4,468,567,198 | 4,459,876,787 |

Total finance costs recognized in the statements of total comprehensive income for the year ended December 31, 2024 amounted to P326.13 million (2023 - P289.29 million). Finance costs include amortization of bond issuance cost amounting to P8.69 million (2023 - P7.22 million). Movements in interest payable for the years ended December 31 follow:

|                                    | Note | 2024          | 2023          |
|------------------------------------|------|---------------|---------------|
| Beginning                          |      | 43,993,528    | -             |
| Interest expense                   |      | 326,133,917   | 289,292,003   |
| Amortization of bond issuance cost |      | (8,690,411)   | (7,215,849)   |
| Interest payments                  |      | (317,443,506) | (238,082,626) |
|                                    | 9    | 43,993,528    | 43,993,528    |

On February 10, 2023, the Parent Company subscribed to P500.00 million of the Company's ASEAN Green Bonds with coupon rate of 7.0543% at face value.

## 11 Related party transactions

In the normal course of business, the Company transacts with companies which are considered related parties under Philippine Accounting Standards (PAS) 24, "Related Party Disclosures".

The transactions and outstanding balances of the Company as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 with related parties are as follows:

| Related parties               | Transactions  |               |               | Outstanding balance<br>Receivables (Payables) |               | Terms and conditions             |
|-------------------------------|---------------|---------------|---------------|---|---------------|----------------------------------|
|                               | 2024          | 2023          | 2022          | 2024  | 2023          |                                  |
| Parent Company                |               |               |               |   |               |                                  |
| Lease income                  | 290,494,271   | 285,769,013   | 282,393,829   | 48,805,632                                    | 34,770,872    | Refer to (c) and Notes 4 and 14. |
| Advances to (from)            | -             | 53,223,717    | 71,442,959    | -   | -             | Refer to (a).                    |
| Security deposits             |               |               |               |   |               |                                  |
| Additions                     | -             | -             | (22,180,645)  | (22,180,645)                                  | (22,180,645)  | Refer to (c).                    |
| Accretion of interest expense | 842,017       | 842,017       | 406,868       | 8,382,844                                     | 9,224,860     |                                  |
|                               | 842,017       | 842,017       | (21,773,777)  | (13,797,801)                                  | (12,955,785)  |                                  |
| Deferred rent income          |               |               |               |   |               |                                  |
| Additions                     | -             | -             | (10,473,745)  | (10,473,745)                                  | (10,473,745)  | Refer to (c).                    |
| Amortization                  | 1,101,388     | 1,101,390     | 550,694       | 2,753,469                                     | 1,652,084     |                                  |
|                               | 1,101,388     | 1,101,390     | (9,923,051)   | (7,720,276)                                   | (8,821,661)   |                                  |
| Entities under common control |               |               |               |   |               |                                  |
| Lease income                  | 1,589,861,720 | 1,506,291,710 | 1,089,072,676 | 489,518,688                                   | 317,683,557   | Refer to (c) and Notes 4 and 14. |
| Acquisition of properties     | -             | -             | 2,507,918,610 | -   | -             | Refer to Note 8.                 |
| Property management fee       | 24,727,052    | 23,784,441    | 14,942,644    | -   | -             | Refer to (d).                    |
| Fund management fee           | 8,242,351     | 7,928,148     | 4,980,881     | -   | -             | Refer to (e).                    |
| Security deposits             |               |               |               |   |               |                                  |
| Additions                     | 51,098,952    | -             | 128,247,815   | (179,346,767)                                 | (128,247,815) | Refer to (c).                    |
| Accretion of interest expense | 3,588,876     | 3,068,975     | 1,484,160     | 116,264,511                                   | 79,876,332    |                                  |
|                               |               |               |               | (63,082,256)                                  | (48,371,483)  |                                  |
| Deferred rent income          |               |               |               |   |               |                                  |
| Additions                     | 39,977,056    | -             | 84,429,467    | (124,406,523)                                 | (84,429,467)  | Refer to (c).                    |
| Amortization                  | 6,207,886     | 5,024,866     | 2,512,432     | 13,745,186                                    | 7,537,298     |                                  |
|                               |               |               |               | (110,661,337)                                 | (76,892,169)  |                                  |

### (a) Advances

Advances to (from) related parties are made to finance working capital requirements or to assume receivables and payables to (from) related parties and/or third parties. Advances to (from) related parties are unsecured, with no guarantee, non-interest bearing, collectible (payable) in cash both on demand and after more than 12 months and are expected to be collected (settled) in cash or offset with outstanding liability (receivable).

There was no offsetting as at and for the years ended December 31, 2024 and 2023.

These are non-interest bearing and not covered by guarantees or collaterals.

### (b) Key management compensation

Except for the directors' fees that the Company pays to each of the independent directors, there are no other arrangements for the payment of compensation or remuneration to the directors of the Company in their capacity as such. Directors' fees during the year ended December 31, 2024 amounted to P1.16 million (2023 - P1.00 million and 2022 - P1.98 million) (Note 16).

The Company's management functions are being handled by the Parent Company and another related party at no cost. No other short-term or long-term compensation was paid to key management personnel for each of the three years in the period ended December 31, 2024.



(c) Lease agreements

During 2021, the Company entered into various lease contracts, as a lessor, with related parties as follows:

- Sublease agreement of below land properties to related parties:
  - Land property located in Brgy. Dalayap, Tarlac City, Tarlac with CST2

The agreement is effective for 19 years commencing on November 1, 2021 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the sublessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P56.60 million (2023 - P58.01 million; 2022 - P61.76 million) (Note 14).
  - Land property located in Brgy. Rizal, Silay City, Negros Occidental with CSNO

The agreement is effective for 19 years commencing on January 1, 2022 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the sublessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P279.55 million (2023 - P294.63 million; 2022 - P279.05 million) (Note 14).
  - Land property located in Brgy. Talavera, Toledo City, Cebu with CSCI

The agreement is effective for 19 years commencing on January 1, 2022 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the sublessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P403.49 million (2023 - P369.80 million; 2022 - P369.10 million) (Note 14).
- Lease agreement of below land properties to related parties:
  - Land property located in Brgy. Armenia, Tarlac City, Tarlac with CST1

The agreement is effective for 25 years commencing on November 1, 2021 until October 31, 2046 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the lessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P66.96 million (2023 - P68.01 million; 2022 - P72.38 million) (Note 14).
  - Land property located in San Ildefonso, Bulacan with CSBI

In 2021, the Company entered into a memorandum of agreement with CSBI for the future sale of land properties owned by CSBI to the Company. In 2022, the Company executed a deed of absolute sale for the purchase of several parcels of land located in San Ildefonso, Bulacan from CSBI for a total consideration of P1.75 billion (Note 8). The purchase price was fully paid as at December 31, 2022. The land properties were recognized as part of investment properties as at December 31, 2022. Subsequently, the Company and CSBI entered into a lease agreement for the same land properties.

The lease agreement is effective for 25 years commencing on January 1, 2022 until December 31, 2046 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the lessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to these land properties for the year ended December 31, 2024 amounting to P203.94 million (2023 - P203.94 million; 2022 - P215.46 million) (Note 14).

- Land property located in Brgy. Centrala, Suralla, South Cotabato with CSSCI

In 2021, the Company entered into a memorandum of agreement with CSSCI for the future sale of land properties located in Brgy. Centrala, Suralla, South Cotabato to the Company. In 2022, the Company entered into a contract to sell with CSSCI related to the acquisition of said property, on which CSSCI committed that from the signing of the contract until the signing of deed of absolute sale, CSSCI shall not make any offer, or entertain or discuss any offer, for the sale, mortgage, lease of said property with any person other than the Company. This has resulted in addition to the Company's investment properties. On June 6, 2022, the Company executed a deed of absolute sale for the purchase of said properties for a total consideration of P753.80 million. The purchase price was fully paid as at December 31, 2022. Subsequently, the Company and CSSCI entered into a lease agreement for the same property.

The lease agreement is effective for 25 years commencing on January 1, 2022 until December 31, 2046 with the Company's right to reevaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the lessee vis-a-vis the three-year historical plant generation and market prices. The Company recognized lease income related to these properties for the year ended December 31, 2024 amounting to P89.70 million (2023 - P89.70 million; P93.84 million) (Note 14).

- Land properties located in Brgy. Lumbangan and Brgy. Luntal, Tuy, Batangas with Citicore Solar Batangas 1, Inc. (CS Batangas 1) (formerly Greencore Power Solutions 4, Inc.)

In 2023, the Company entered into a contract of lease with CS Batangas 1 for the lease of land properties located in Brgy. Luntal and Brgy. Lumbangan, Municipality of Tuy, Batangas, respectively. The lease agreement is effective for 25 years commencing on January 1, 2023 to December 31, 2047. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to Brgy. Luntal properties for the year ended December 31, 2024 amounting to P84.05 million (2023 - P83.79 million). The Company recognized lease income related to Brgy. Lumbangan properties for the year ended December 31, 2024 amounting to P105.03 million (2023 - P94.25 million) (Note 14).

- Land property located in Bolbok Phase 1 and Phase 2, Tuy, Batangas with Citicore Solar Batangas 2, Inc. (CS Batangas 2) (formerly Greencore Power Solutions 2, Inc.)

The Company entered into a contract of lease with CS Batangas 2 for the lease of land properties (Bolbok Phase 1 and Phase 2) located in Brgy. Bolbok, Municipality of Tuy, Batangas. The lease agreement is effective for 25 years commencing on February 1, 2023 to January 31, 2048 with an extendible period of additional 50 years at the option of the lessor. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to Bolbok Phase 1 properties for the period ended December 31, 2024 amounting to P75.18 million (2023 - P68.73 million) The Company recognized lease income related to Bolbok Phase 2 properties for the period ended December 31, 2024 amounting to P92.34 million (2023 - P84.43 million) (Note 14).

- Land property located in Arayat Phase 3, Arayat, Pampanga with CS Pampanga 1, Inc., (CS Pampanga 1)

In 2023, the Company entered into a contract of lease with CS Pampanga 1 for the lease of land properties located in Municipality of Arayat, Pampanga. The lease agreement is effective for 25 years commencing on February 1, 2023 to January 31, 2048 with an extendible period of additional 50 years at the option of the lessor. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to these properties for the period ended December 31, 2024 amounting to P63.66 million (2023 - P58.28 million) (Note 14).



- Land property located in San Manuel, Pangasinan with CS Pangasinan 2, Inc. (CS Pangasinan 2)

In 2023, the Company entered into a contract of lease with CS Pangasinan 2 for the lease of land properties located in San Manuel, Pangasinan. The lease agreement is effective for 25 years commencing on July 1, 2023 until June 30, 2048 with an extendible period of additional 50 years at the option of the lessor. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to these properties for the period ended December 31, 2024 amounting to P75.57 million (2023 - P37.74 million) (Note 14).

- Land property located in Mexico, Pampanga with Parent Company

In 2023, the Company entered into a contract of lease with its Parent Company for the lease of land properties located in Mexico, Pampanga. The lease agreement is effective for 25 years commencing on August 1, 2023 until July 31, 2043 with an extendible period of additional 50 years at the option of the lessor. The lease payment is subject to an annual escalation rate of 2.5%. The Company recognized lease income related to these properties for the period ended December 31, 2024 amounting to P8.10 million (2023 - P3.38 million) (Note 14).

- Assignment of SESC of the Clark Solar Plant and the subsequent lease of the plant to the Parent Company

On October 13, 2021, the Company assigned SESC No. 2014-07-086 of the Clark Solar Plant to its Parent Company, thereby establishing the Parent Company as the operator of such plant. On the same date, the Company, as a lessor, and its Parent Company, as lessee, executed a lease contract for latter's use of the Clark Solar Plant in line with the assignment of SESC. The assignment was approved by the DOE on December 25, 2021 (Note 2). The lease agreement is effective for almost 18 years commencing on November 1, 2021 and ending on September 3, 2039 with the Company's right to re-evaluate the lease payments at the end of the 10th year to consider changes in circumstances either economic conditions or actual performance of the Parent Company vis-a-vis the three-year historical plant generation and market prices. No rental income was recognized from this lease agreement during 2021 considering that the DOE only approved the assignment on December 24, 2021 effective December 25, 2021. Hence, commencement date of the contract was moved to January 1, 2022. The Company recognized lease income related to this property for the year ended December 31, 2024 amounting to P283.50 million (2023 - P283.50 million; 2022 - P282.94 million) (Note 14).

In addition to the clauses discussed above, subject also to the Company's right over the leasehold properties, the Company and related party-lessees can continue and may further extend the lease period in a way that is beneficial to both parties. The lease payment for the lease agreements above is equivalent to the sum of fixed and variable lease rates.

The recognized lease receivables from related parties as at December 31, 2024 and 2023 pertain to accrued rent resulting from the straight-line method of recognizing rental income.

During 2024, the Company received security deposits from its lessees amounting to P51.10 million, which is equivalent to one-month to two-month lease payments for freehold land properties.

During 2023, the Company received security deposits from its lessees amounting to P29.80 million, which is equivalent to one-month to two-month lease payments for freehold land properties. During 2022, the Company received security deposits from its lessees amounting to P150.43 million, which is equivalent to three-month lease payments for freehold land properties and one-month lease payment for solar property and leasehold land properties. The security deposits shall remain valid until expiration of the lease agreements and shall serve as guarantee for the lessees' faithful compliance with the terms, conditions, and obligations of lease agreements. The security deposits shall be adjusted annually and the lessees shall provide the necessary amount to keep the security deposits equivalent to the number of months' rent. Upon termination of the lease agreements, the security deposits will be refunded without interest by the Company less payment of all remaining monetary obligations of the lessees to the Company. The security deposits, or the balance thereof, whichever is applicable shall be refunded to the lessees within 60 days from the return of the leased properties to the Company. In case of failure by the lessee to pay any monetary obligation under the lease agreements when the same becomes due, the lessor shall have the option to apply the security deposits to said monetary obligations and the lessee shall be notified of such application. The lessee shall restore the security deposits to its original amount before the succeeding due date for the payment of the lease payment. Should the lessor exercise this right to application, the lessee shall be considered in default unless and until it complies with the said restoration of the original amount of the security deposit within the specified period and the interest and penalty for default provided under the lease agreements shall be applied on any shortfall on the security deposit. These security deposits were presented as non-current liabilities in the statements of financial position as at December 31, 2024. During 2023, the Company has applied security deposits on the contractual lease for certain lessees amounting to P29.80 million. There is no similar transaction for the year ended December 31, 2024.

Details of security deposits and deferred rent income as at December 31 are as follows:

|   | Notes | 2024          | 2023         |
|---|-------|---------------|--------------|
| Security deposits                               |       |               |              |
| Gross amount                                    |       |               |              |
| Beginning                                       |       | 150,428,460   | 150,428,460  |
| Additions                                       |       | 51,098,952    | 29,799,544   |
| Applications                                    |       | -             | (29,799,544) |
|   |       | 201,527,412   | 150,428,460  |
| Allowance for amortization of security deposits |       |               |              |
| Beginning                                       |       | (89,101,192)  | (93,012,184) |
| Additions                                       |       | (39,977,056)  | -            |
| Accretion of interest expense                   | 17    | 4,430,893     | 3,910,992    |
|   |       | (124,647,355) | (89,101,192) |
|   |       | 76,880,057    | 61,327,268   |
| Deferred rent income                            |       |               |              |
| Beginning                                       |       | 85,713,830    | 91,840,086   |
| Additions                                       |       | 39,977,056    | -            |
| Amortization                                    | 14    | (7,309,272)   | (6,126,256)  |
|   |       | 118,381,614   | 85,713,830   |
| Current portion                                 | 9     | (6,126,255)   | (6,126,256)  |
| Non-current portion                             |       | 112,255,359   | 79,587,574   |

Accretion of interest expense for the year ended December 31, 2024 amounted to P4.4 million (2023 - P3.9 million; 2022 - P1.89 million) (Note 17).



Deferred rent income pertains to the difference between the nominal values of the deposits and their fair values. These are initially measured at fair value and subsequently amortized using the straight-line method. Amortization of deferred rent income for the year ended December 31, 2024 amounted to P7.31 million (2023 - P6.13 million; 2022 - P3.06 million) which was recognized as part of rental income in the statements of total comprehensive income (Note 14).

*(d) Property management fee*

On August 9, 2021, the Company entered into a property management agreement with Citicore Property Managers, Inc. (CPMI), an entity under common control. CPMI will receive a management fee based on certain percentage of the Company's guaranteed base lease. Payment in cash is due and payable 10 days from receipt of billing statement. Property management commenced in 2022 in line with the date of Company's listing to PSE. Property management fee amounted to P24.73 million for the year ended December 31, 2024 (2023 - P23.78 million; 2022 - P14.94 million) (Note 15).

*(e) Fund management fee*

On July 26, 2021, the Company entered into a fund management agreement with Citicore Fund Managers, Inc. (CFMI), an entity under common control. CFMI will receive a management fee equivalent to a certain percentage of the Company's guaranteed base lease, plus a certain percentage of the acquisition price for every acquisition made by it on behalf of the Company and plus a certain percentage of the sales price for every property divested by it on behalf of the Company. Payment in cash is due and payable 10 days from receipt of billing statement. Fund management agreement commenced in 2022 in line with the date of Company's listing to PSE. Fund management fee amounted to P8.24 million for the year ended December 31, 2024 (2023 - P7.93 million; 2022 - P4.98 million) (Note 15).

On July 26, 2021, the BOD approved the Company's material related party transaction policy to adhere with SEC Memorandum Circular No. 10, Series of 2019 which include: the identification of related parties, coverage of material related party transactions, adjusted thresholds, identification and prevention or management of potential or actual conflicts of interests arising out of or in connection with the material related party transactions, guidelines in ensuring arm's length terms, approval of material related party transactions, self-assessment and periodic review of policy, disclosure requirements, whistleblowing mechanisms, and remedies for abusive material related party transactions. The BOD, with the assistance of the Related Party Transaction Review and Compliance Committee ("RPTRCC"), shall oversee, review, and approve all related party transactions to ensure that these are conducted in the regular course of business and on an arm's length basis and not undertaken on more favorable economic terms to the related parties than with non-related or independent parties under similar circumstances. The RPTRCC shall be granted the sole authority to review related party transactions. Those falling within the materiality thresholds set by the Company's BOD shall require the approval of the Chief Executive Officer and/or President or the BOD, as the case may be.

## 12 Retirement benefits

The Company provides for the estimated retirement benefits based on the requirements of RA No. 7641, otherwise known as the "Retirement Pay Law". Under the Retirement Pay Law, the retirement benefit obligation is computed as one-half of monthly salary for every year of service, a fraction of six months being considered as one whole year. The term one-half of monthly salary shall mean 15 days plus the one-twelfth of the 13th month, and the cash equivalent of not more than five days service incentive leaves.

The retirement benefit obligation is determined using the "Projected Unit Credit" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined as the amount necessary to provide for the portion of the retirement benefit accruing during the year. The latest actuarial valuation was sought from an independent actuary last June 30, 2021. Management has assessed that there are no significant changes in the data and assumptions used in computing the present value of defined benefit obligation as at December 31, 2024 from the date of last actuarial valuation.

The retirement benefit obligation recognized in the statement of financial position as at December 31, 2024 and 2023 amounted to P0.31 million.

## 13 Share capital

The details and movements of the Company's share capital as at December 31 are as follows:

|                                 | 2024             |               | 2023             |               | 2022             |               |
|---------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
|                                 | Number of shares | Amount        | Number of shares | Amount        | Number of shares | Amount        |
| Authorized share capital        |                  |               |                  |               |                  |               |
| Common shares - P0.25 par value | 15,360,000,000   | 3,840,000,000 | 15,360,000,000   | 3,840,000,000 | 15,360,000,000   | 3,840,000,000 |
| Issued and outstanding          |                  |               |                  |               |                  |               |
| Common shares - P0.25 par value |                  |               |                  |               |                  |               |
| January 1                       | 6,545,454,004    | 1,636,363,501 | 6,545,454,004    | 1,636,363,501 | 5,498,182,004    | 1,374,545,501 |
| Issuances                       | -                | -             | -                | -             | 1,047,272,000    | 261,818,000   |
| December 31                     | 6,545,454,004    | 1,636,363,501 | 6,545,454,004    | 1,636,363,501 | 6,545,454,004    | 1,636,363,501 |

*(a) Share reclassifications and increase in authorized share capital*

On March 12, 2021, the Company's BOD and shareholder approved that the redeemable preferred shares and other classes of common shares previously authorized and issued are and shall be convertible to one class common share and reduced the par value of all previously issued shares to P0.25 per share.

Consequently, the Company amended its AOI to reflect the change and converted all its previously issued shares to one class common share. The Company's authorized share capital and issued and outstanding shares amounted to P539,999,999 divided into 2,159,999,994 shares at P0.25 par value per share. The related certificate of filing of amended AOI was approved by the SEC on May 31, 2021.

On May 26, 2021, the Company's BOD and shareholder approved the increase in the authorized share capital of the Company from P539,999,999 (composed of 2,159,999,994 shares at P0.25 par value per share) to P3,840,000,000 (composed of 15,360,000,000 shares at P0.25 par value per share). The approval of the increase in the authorized share capital was obtained from the SEC on October 12, 2021 (Note 1).

*(b) Share subscriptions*

*(i) Advances from Parent Company to share conversion subscription*

On May 26, 2021, the Parent Company entered into a subscription agreement with the Company to subscribe 2,400,000,000 common shares to be taken from the increase in authorized share capital, upon approval by the SEC for a total consideration of P602,465,066. Total consideration in excess of par value of shares issued amounting to P2,465,066 was credited as additional paid in capital. The Parent Company assigned P602,465,066 of its advances to fully pay the subscription price. This is considered as a non-cash transaction.

*(ii) Land properties for share subscription*

On May 26, 2021, the Parent Company entered into a subscription agreement with the Company to subscribe 19,461,142 common shares to be taken from the increase in authorized share capital, upon approval by the SEC, for a total consideration of P4.87 million. The Parent Company assigned a parcel of land located in Brgy. Armenia, Tarlac in favor of the Company to fully pay the subscription price (Notes 8). This is considered as a non-cash transaction.

On the same date, CST1 entered into a subscription agreement with the Company to subscribe 918,720,864 common shares to be taken from the increase in authorized share capital, upon approval by the SEC, for a total consideration of P229.68 million. CST1 hereby assigns several parcels of land located in Brgy. Armenia, Tarlac in favor of the Company to fully pay the subscription price (Notes 8). This is considered as a non-cash transaction.

These parcels of land were recognized as investment properties (Note 8).



The application for the proposed increase in authorized share capital was filed with the SEC on May 25, 2021 and was approved on October 12, 2021, which resulted in the subsequent issuance of shares to the Parent Company and CST1 (Note 1).

During 2024, the Parent Company and CST1 sold a total of 1,884,374,000 common shares in the Company at P2.6534 per share to SMIC (Note 1).

*(c) Sale to the public*

On February 22, 2022, the Company successfully listed its shares with the PSE via the offer of (i) 1,047,272,000 new common shares with a par value of P0.25 per share issued and offered by the Company as "Primary Offer Shares", and (ii) 1,134,547,000 existing shares offered by the Parent Company, selling shareholder, pursuant to a "Secondary Offer Shares" with an over-allotment option of up to 327,273,000 shares which were exercised at such date. All the shares offered by the Company and the Parent Company were sold at an offer price of P2.55 per share. The Company recognized additional paid-up capital (APIC) arising from this transaction amounting to P2.4 billion in 2022. Transaction costs attributable to Primary Offer Shares which were treated as deduction to APIC amounted to P103.85 million. Total transaction costs comprised of deferred share issuance costs amounting to P35.66 million as at December 31, 2021 which was subsequently applied against APIC and additional share issuance costs for the year ended December 31, 2022 amounting to P68.19 million.

*(d) Dividends*

Details of dividends declarations and payments for the years ended December 31, 2024 and 2023 are as follows:

| Date of BOD declaration            | Record date        | Actual payment date | Dividends per share | Amount        |
|------------------------------------|--------------------|---------------------|---------------------|---------------|
| <b>2024</b>                        |                    |                     |                     |               |
| March 19, 2024                     | April 18, 2024     | May 15, 2024        | P0.054              | 353,454,516   |
| 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   |
| November 12, 2024                  | December 12, 2024  | January 13, 2025    | P0.049              | 320,727,244   |
| Total declarations during the year |                    |                     |                     | 1,315,636,252 |
| <b>2023</b>                        |                    |                     |                     |               |
| March 22, 2023                     | April 21, 2023     | May 15, 2023        | P0.051              | 333,818,153   |
| 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    | P0.049              | 320,727,246   |
| Total declarations during the year |                    |                     |                     | 1,282,908,983 |
| <b>2022</b>                        |                    |                     |                     |               |
| March 9, 2022                      | March 28, 2022     | March 31, 2022      | P0.035              | 229,090,890   |
| 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   |
| Total declarations during the year |                    |                     |                     | 1,093,090,818 |

The Company has adopted a dividend policy in accordance with the provisions of the REIT law, pursuant to which the Company's shareholders are entitled to receive at least 90% of annual distributable income for the current year. For the period ended December 31, 2024, the Company distributed total dividends amounting to P1.32 billion (2023 - P1.30 billion; 2022 - P1.20 billion) representing 105% (2023 - 106%; 2022 - 107%) of the distributable income.

*Distributable income under the IRR of REIT Act of 2009*

Under the Revised Implementing Rules and Regulations (IRR) of REIT Act of 2009, section 4c, the Company shall present a computation of its distributable dividend taking into consideration requirements under the provisions of the Act and the Rule. Distributable income is not a measure of performance under PFRS Accounting Standards.

Details of distributable income for the years ended December 31 are as follows:

|  | 2024          | 2023          | 2022          |
|--|---------------|---------------|---------------|
| Net income   | 1,429,371,755 | 1,398,096,376 | 1,252,413,024 |
| Unrealized gains - Straight-line lease adjustments | (181,869,331) | (172,560,117) | (132,179,057) |
| Distributable income                               | 1,247,502,424 | 1,225,536,259 | 1,120,233,967 |

Details of percentage of dividends to distributable income for the period ended December 31, 2024 are as follows:

| Declaration date                       | Record date        | Payment date      | Dividends per share | Amount        |
|--|--------------------|-------------------|---------------------|---------------|
| 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   |
| November 12, 2024                      | December 12, 2024  | January 13, 2025* | P0.049              | 320,727,246   |
| March 25, 2025                         | April 24, 2025     | May 21, 2025*     | P0.055              | 359,999,970   |
| Total amount of dividends distributed  |                    |                   |                     | 1,322,181,708 |
| Distributable income                   |                    |                   |                     | 1,247,502,424 |
| % of dividends to distributable income |                    |                   |                     | 106%          |

Details of percentage of dividends to distributable income for the period ended December 31, 2023 are as follows:

| Declaration date                       | Record date        | Payment date      | Dividends per share | Amount        |
|--|--------------------|-------------------|---------------------|---------------|
| 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* | P0.049              | 320,727,246   |
| March 19, 2024                         | April 18, 2024     | May 15, 2024*     | P0.054              | 353,454,516   |
| Total amount of dividends distributed  |                    |                   |                     | 1,302,545,346 |
| Distributable income                   |                    |                   |                     | 1,225,536,259 |
| % of dividends to distributable income |                    |                   |                     | 106%          |

Details of percentage of dividends to distributable income for the period ended December 31, 2022 are as follows:

| Declaration date                       | Record date      | Payment date       | Dividends per share | Amount        |
|--|------------------|--------------------|---------------------|---------------|
| 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*      | P0.044              | 287,999,976   |
| March 22, 2023                         | April 21, 2023   | May 15, 2023*      | P0.007              | 45,818,178    |
| Total amount of dividends distributed  |                  |                    |                     | 1,197,818,082 |
| Distributable income                   |                  |                    |                     | 1,120,233,967 |
| % of Dividends to distributable income |                  |                    |                     | 107%          |

\*As per Section of Revenue Regulation No 13-2011, as amended, dividends distributed by REIT from its distributable income at any time after the close but not later than the last day of the 5th month from close of the taxable year shall be considered as paid on the last day of such taxable year.

Events after the reporting period

On March 25, 2025, the BOD ratified and approved the declaration of cash dividends of P0.055 per outstanding common share or an aggregate amount of P360.00 million for the fourth quarter of 2024. The cash dividends are payable on May 21, 2025 to shareholders on record as at April 24, 2025. The management has determined that this is a non-adjusting event.



14 Revenue

(a) Sale of solar energy

On March 11, 2016, the DOE confirmed the declaration of commerciality of the Company's Clark Solar Power Project under SESC No. 2014-07-086 (Note 1). The DOE confirmation affirms the conversion of said SESC from pre-development to commercial stage.

On March 12, 2016, the Clark Solar Power Project started delivering power to the grid following its commissioning. On June 3, 2016, the Clark Solar Power Project was issued a Certificate of Endorsement (COE) for FIT Eligibility under COE-FIT No. S-2016-04-020 by the DOE. By virtue of the endorsement, the Clark Solar Power Project is qualified to avail of the FIT system, upon the issuance by the ERC of the Certificate of Compliance (COC). On November 22, 2016, the ERC issued the COC to the Company. As a result, the Company was entitled to the FIT rate per kilowatt hour of energy output for a period of 20 years from March 12, 2016.

On May 26, 2020, the ERC issued Resolution No. 06, Series of 2020, which pertains to the approval of the adjustment of the FIT rate for 2016 entrants published on November 17, 2020 and shall take effect on December 2, 2020. Notwithstanding that the ERC Resolution was dated 2020, the Company has assessed that there was still uncertainty particularly absence of acceptance confirmation from TransCo on the implementation of the resolution including the approach to recover, capacity to settle or pay and the credit period as at December 31, 2020. Consequently, the said uncertainty resulted in the reversal of billings issued in November and December 2020 using the adjusted FIT rates (Note 4). During 2021, additional revenue amounting to P83.53 million was recognized related to FIT-rate adjustments for the generation from 2016 to be recovered in five years starting in December 2021 based on latest discussions with TransCo.

TransCo is the regulating body of all the FIT-rate eligible energy providers. Outstanding receivables under the FIT system due from TransCo amounted to P62.78 million as at December 31, 2024 (2023 - P80.23 million) (Note 4).

As a result of assignment of SESC of the Clark Solar Plant to its Parent Company, the sale of solar energy business has been terminated on December 25, 2021 as approved by DOE (Note 1).

(b) Leasing

Subsequent lease and sublease agreements with related parties that were accounted as operating leases resulted in the recognition of rental income for the years ended December 31 are as follows:

|  |      | 2024          |                                      |               | 2023          |                                      |               | 2022          |                                      |               |
|--|------|---------------|--------------------------------------|---------------|---------------|--------------------------------------|---------------|---------------|--------------------------------------|---------------|
| Land properties                                | Note | Rental income | Amortization of deferred rent income | Total         | Rental income | Amortization of deferred rent income | Total         | Rental income | Amortization of deferred rent income | Total         |
| Leasehold land assets                          |      |               |                                      |               |               |                                      |               |               |                                      |               |
| Brgy. Talavera, Toledo City, Cebu              |      | 402,086,748   | 1,400,711                            | 403,487,459   | 368,402,585   | 1,400,711                            | 369,803,296   | 368,402,585   | 700,356                              | 369,102,941   |
| Brgy. Rizal, Silay City, Negros Occidental     |      | 278,546,822   | 1,000,311                            | 279,547,133   | 293,633,817   | 1,000,311                            | 294,634,128   | 278,546,822   | 500,155                              | 279,046,977   |
| Brgy. Dalayap, Tarlac City, Tarlac             |      | 56,422,270    | 182,624                              | 56,604,894    | 57,824,315    | 182,623                              | 58,006,938    | 61,672,184    | 91,312                               | 61,763,496    |
|  |      | 737,055,840   | 2,583,646                            | 739,639,486   | 719,860,717   | 2,583,645                            | 722,444,362   | 708,621,591   | 1,291,823                            | 709,913,414   |
| Freehold land assets                           |      |               |                                      |               |               |                                      |               |               |                                      |               |
| Brgy. San Ildefonso, Bulacan                   |      | 202,524,479   | 1,413,849                            | 203,938,328   | 202,524,478   | 1,413,851                            | 203,938,329   | 214,748,789   | 706,926                              | 215,455,715   |
| Brgy. Lumbangan, Tuy, Batangas                 |      | 104,721,195   | 311,394                              | 105,032,589   | 94,254,907    | -                                    | 94,254,907    | -             | -                                    | -             |
| Bolbok Phase 2, Tuy, Batangas                  |      | 92,103,689    | 236,113                              | 92,339,802    | 84,428,362    | -                                    | 84,428,362    | -             | -                                    | -             |
| Brgy. Centralia, Surallah, South Cotabato      |      | 89,079,527    | 623,571                              | 89,703,098    | 89,079,527    | 623,571                              | 89,703,098    | 93,526,329    | 311,785                              | 93,838,114    |
| Brgy. Luntal, Tuy, Batangas                    |      | 83,786,972    | 262,250                              | 84,049,222    | 83,786,972    | -                                    | 83,786,972    | -             | -                                    | -             |
| San Manuel, Pangasinan                         |      | 75,472,147    | 96,581                               | 75,568,728    | 37,736,073    | -                                    | 37,736,073    | -             | -                                    | -             |
| Bolbok Phase 1, Tuy, Batangas                  |      | 74,982,728    | 194,303                              | 75,177,031    | 68,734,167    | -                                    | 68,734,167    | -             | -                                    | -             |
| Brgy. Armenia, Tarlac City, Tarlac             |      | 66,553,438    | 403,799                              | 66,957,237    | 67,603,256    | 403,799                              | 68,007,055    | 72,175,966    | 201,899                              | 72,377,865    |
| Arayat Phase 3, Arayat, Pampanga               |      | 63,581,705    | 82,380                               | 63,664,085    | 58,283,230    | -                                    | 58,283,230    | -             | -                                    | -             |
| Brgy. Sto. Domingo, Mexico, Pampanga (PELCO I) |      | 8,100,443     | -                                    | 8,100,443     | 3,375,185     | -                                    | 3,375,185     | -             | -                                    | -             |
|  |      | 860,906,323   | 3,624,240                            | 864,530,563   | 789,806,177   | 2,441,221                            | 792,247,398   | 380,451,084   | 1,220,610                            | 381,671,694   |
| Solar plant property                           |      |               |                                      |               |               |                                      |               |               |                                      |               |
| Clark Freeport Zone, Pampanga                  |      | 282,393,828   | 1,101,388                            | 283,495,216   | 282,393,828   | 1,101,390                            | 283,495,218   | 282,393,829   | 550,894                              | 282,944,523   |
|  | 11   | 1,880,355,991 | 7,309,274                            | 1,887,665,265 | 1,792,060,722 | 6,126,256                            | 1,798,186,978 | 1,371,466,504 | 3,063,127                            | 1,374,529,631 |

Rental income includes variable lease income amounting to P50.02 million for the year ended December 31, 2024 (2023 - P33.87 million; 2022 - P43.88 million).

The future minimum lease receivable under non-cancellable operating leases as at December 31 are as follows:

|   | 2024           | 2023           | 2022           |
|---|----------------|----------------|----------------|
| Within one year                             | 1,671,983,187  | 1,648,737,558  | 1,266,472,480  |
| After one year but not more than five years | 5,154,582,275  | 8,587,846,784  | 6,512,101,745  |
| More than five years                        | 24,095,997,594 | 17,774,432,036 | 9,493,051,850  |
|   | 30,922,563,056 | 28,011,016,378 | 17,271,626,075 |



## 15 Cost of services

The components of cost of services for the years ended December 31 are as follows:

|                               | Notes | 2024        | 2023        | 2022       |
|-------------------------------|-------|-------------|-------------|------------|
| Depreciation and amortization | 6, 19 | 71,336,484  | 71,333,401  | 71,332,995 |
| Property management fee       | 11    | 24,727,052  | 23,784,441  | 14,942,644 |
| Fund management fee           | 11    | 8,242,351   | 7,928,148   | 4,980,881  |
| Taxes and licenses            |       | -           | -           | 7,165      |
| Others                        |       | -           | -           | 5,356      |
|                               |       | 104,305,887 | 103,045,990 | 91,269,041 |

## 16 Operating expenses

The components of operating expenses for the years ended December 31 are as follows:

|                           | Notes | 2024       | 2023      | 2022      |
|---------------------------|-------|------------|-----------|-----------|
| Outside services          |       | 7,294,216  | 4,265,704 | 2,700,754 |
| Dues and subscriptions    |       | 1,681,886  | 291,177   | 150,000   |
| Directors' fees           | 11    | 1,157,895  | 998,684   | 1,975,000 |
| Taxes and licenses        |       | 625,990    | 676,736   | 1,046,461 |
| Professional fees         |       | 605,660    | 483,473   | 2,136,872 |
| Bank charges              |       | 34,726     | 34,615    | 500       |
| Transportation and travel |       | 30,979     | 11,565    | 48,490    |
| Depreciation              | 6     | 11,292     | 27,100    | 30,433    |
| Others                    |       | 20,295     | 52,788    | 352,449   |
|                           |       | 11,462,939 | 6,841,842 | 8,440,959 |

Portion of outside services, taxes and licenses, and professional fees include costs incurred for the ASEAN Green Bonds offering for the years ended December 31, 2023 and 2022. There is no similar transaction for the year ended December 31, 2024.

Outside services also includes settlement of withholding taxes related to services rendered during bonds and shares offerings.

## 17 Other income, net; finance costs

The components of other income, net for the years ended December 31 are as follows:

|                                   | Notes | 2024      | 2023       | 2022      |
|-----------------------------------|-------|-----------|------------|-----------|
| Interest income                   | 3, 4  | 3,762,414 | 19,234,297 | 3,070,975 |
| Foreign exchange (loss) gain, net | 21    | (124,633) | 10,960     | (113,799) |
| Others                            |       | -         | -          | 420,573   |
|                                   |       | 3,637,781 | 19,245,257 | 3,377,749 |

The components of finance costs for the years ended December 31 are as follows:

|                                | Notes | 2024        | 2023        | 2022       |
|--------------------------------|-------|-------------|-------------|------------|
| Interests on bonds payable     | 10    | 326,133,917 | 289,292,003 | -          |
| Interests on lease liabilities | 19    | 15,597,655  | 16,245,032  | 15,693,012 |
| Interests on security deposits | 11    | 4,430,893   | 3,910,992   | 1,891,028  |
|                                |       | 346,162,465 | 309,448,027 | 17,584,040 |

## 18 Income taxes

As a BOI-registered enterprise (Note 1), the Company may avail the following incentives:

- Income tax holiday (ITH) for seven (7) years from date of actual commercial operation. The ITH shall be limited only to the revenues generated from the sale of electricity of the Clark Solar Power Project;
- Duty-free importation of machinery, equipment and materials including control and communication equipment, within the first ten (10) years from the issuance of the DOE Certificate of Registration; and
- Tax exemption on carbon credits.

The Company may also avail of certain incentives to be administered by appropriate government agencies subject to the rules and regulations of the respective administering government agencies.

As a REIT-registered enterprise following its listing in the main board of the PSE on February 22, 2022 (Note 1), the Company will avail the following tax incentives:

- A tax deduction for dividends paid, in addition to the allowable deductions provided for under the Tax Code, to arrive at its taxable net income. For a REIT to enjoy this tax incentive, it should maintain its status as a "public company," observe the mandatory 90% dividend pay-out requirement of distributable income to shareholders, and submit a sworn statement that the minimum ownership requirements for the relevant years were maintained at all times.
- Exemption from the minimum corporate income tax (MCIT), as well as documentary stamp tax (DST) on the sale, barter, exchange, or other disposition of listed investor securities through the PSE, including cross or block sales with prior approval of the PSE. It is also exempted from paying the initial public offering (IPO) tax on its initial and secondary offering of its investor securities. Republic Act No. 11494, otherwise known as the Bayanihan to Recover as One Act, permanently repealed the IPO tax.
- A lower creditable withholding tax rate of 1% of its receipt of income payments. It also benefits from the 50% reduction on the amount of DST due on sale or transfer of real property to a REIT, including the sale or transfer of any and all security interest, and applicable registration and annotation fees incidental to such transfers.

Income tax expense for the years ended December 31, 2024 and 2023 amounted to nil (2022 - deferred income tax expense of P8.2 million).

Deferred income taxes are determined using income tax rates in the period the temporary differences are expected to be recovered or settled. Realization of the future tax benefits related to deferred income tax assets is dependent on many factors, including the Company's ability to generate taxable income in the future within the carry-over period of its unused tax losses. The Company is still subject to ITH for the year ended December 31, 2021. As a result of the assignment of SESC effective December 25, 2021, the incentives as a BOI-registered enterprise for the sale of solar energy segment was transferred to the Parent Company starting January 1, 2022.

In 2022, deferred income tax assets, net amounting to P8,200,316 were reassessed by the management based on the availability of future taxable income and recoverability. The assessment resulted in the derecognition of the deferred income tax assets, net as the Company transitioned to a REIT company following the listing of shares in the PSE on February 22, 2022 (Note 1). The derecognition of deferred income tax assets, net was charged to deferred income tax expense in the statements of total comprehensive income.

The Company's accrued revenue from sale of solar energy was deemed taxable by the Company, hence, fully reported as part of taxable income.



The Company's unrecognized deferred income tax assets as at December 31 arise from the following temporary differences:

|                                 | 2024        | 2023        |
|---------------------------------|-------------|-------------|
| NOLCO                           | 221,124,492 | 166,786,288 |
| Accrued expenses                | 33,620,012  | 33,620,012  |
| Leases                          | 27,900,064  | 24,688,078  |
| Discount on receivables         | 2,623,232   | 5,637,899   |
| Provision for doubtful accounts | 1,944,096   | 1,944,096   |
| Retirement benefit obligation   | 314,672     | 314,672     |
|                                 | 287,526,568 | 232,991,045 |
| Tax rate                        | 25%         | 25%         |
|                                 | 71,881,642  | 58,247,761  |

The details of the Company's NOLCO as at December 31 are as follows:

| Year of incurrence | Year of expiration | 2024        | 2023        |
|--------------------|--------------------|-------------|-------------|
| 2021               | 2026               | 68,674,211  | 68,674,211  |
| 2022               | 2025               | 37,344,180  | 37,344,180  |
| 2023               | 2026               | 60,767,897  | 60,767,897  |
| 2024               | 2027               | 54,338,204  | -           |
|                    |                    | 221,124,492 | 166,786,288 |
| Tax rate           |                    | 25%         | 25%         |
|                    |                    | 55,281,123  | 41,696,572  |

The Company did not recognize deferred income tax assets arising from NOLCO as at December 31, 2024 and 2023 as management expects that there is no sufficient future taxable income where this deferred income tax asset would be utilized and considering the effective income tax rate of nil under the REIT law.

The reconciliation between income tax expense computed at the statutory tax rate and the actual income tax expense for the years ended December 31 as shown in the statements of total comprehensive income follows:

|  | 2024          | 2023          | 2022          |
|--|---------------|---------------|---------------|
| Income tax at statutory tax rate of 25%  | 357,342,939   | 349,524,094   | 315,153,335   |
| Income tax effects of:   |               |               |               |
| Non-deductible expenses  | 1,268,565     | -             | 134,091       |
| Interest income subject to final tax   | (41,590)      | (1,202,144)   | (95,812)      |
| Movement of unrecognized deferred income tax assets                                | 13,633,880    | 17,394,310    | 8,173,493     |
| Amortization of bond issue costs   | 2,172,603     | 1,803,962     | -             |
| Derecognition of deferred income tax assets, net                                   | -             | -             | (8,200,316)   |
| Deductible expense recognized as APIC  | -             | -             | (17,047,639)  |
| Deductible expenses recognized as bond issuance costs                              | -             | (11,834,764)  | -             |
| Movement of straight-line lease income subjected to effective zero-income tax rate | (45,467,333)  | (43,140,030)  | (33,044,764)  |
| Deductible dividends payment   | (328,909,064) | (312,545,428) | (273,272,704) |
|  | -             | -             | (8,200,316)   |

## 19 Lease - Company as a lessee

The Company has entered into various lease contracts as follows:

- (a) The Company leases a parcel of land where the Clark Solar Power Project was constructed. The agreement was entered on September 5, 2014 and is valid for twenty-five (25) years, renewable by the lessee upon consent of the lessor. The agreement stipulates rental payments amounting to P0.29 million and US\$105 with an escalation rate of 10% starting on the fourth year of the lease and every three (3) years thereafter. Upon termination of the lease, the leased property shall revert back to the lessor. There are no restrictions placed upon the lessee by entering into the lease agreement.

Security deposits for the lease agreement amounting to P5.28 million are presented as part of other non-current assets in the statements of financial position as at December 31, 2024 and 2023 (Note 7). These deposits are refundable to the Company upon termination of the lease agreement or at the end of the lease term. The impact of discounting is deemed to be immaterial.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

- (b) During 2021, the Company entered into various lease contracts, as a lessee, with third parties as follows:

- Assignment of lease contract of a land property located in Brgy. Talavera, Toledo City, Cebu by CSCI with a third party to the Company (Note 8);
- Sublease agreement and lease contract with third parties for land properties located in Brgy. Dalayap, Tarlac City, Tarlac previously being leased by CST2 (Note 8); and
- Lease agreement with a third party for a land property in Brgy. Rizal, Silay City, Negros Occidental previously being leased by CSNO (Note 8).

Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that will be held by the lessor. Leased assets may not be used as security for borrowing purposes.

### Amounts recognized in the statements of financial position

Details of right-of-use asset, net for the lease agreement in (a) and movements in the account as at and for the years ended December 31 are as follows:

|   | Note | 2024       | 2023       |
|---|------|------------|------------|
| Cost  |      |            |            |
| January 1, 2023, December 31, 2023 and 2024 |      | 43,937,092 | 43,937,092 |
| Accumulated amortization                    |      |            |            |
| January 1                                   |      | 10,644,591 | 8,510,720  |
| Amortization                                | 15   | 2,135,478  | 2,133,871  |
| December 31                                 |      | 12,780,069 | 10,644,591 |
| Net book value                              |      | 31,157,023 | 33,292,501 |



Investment properties held by the Company as a right-of-use asset related to lease agreements in (b) measured initially at its cost in accordance with PFRS 16 as at and for the years ended December 31 are as follows:

|   | Notes | 2024        | 2023        |
|---|-------|-------------|-------------|
| Cost  |       |             |             |
| January 1, 2023, December 31, 2023 and 2024 |       | 193,407,106 | 193,407,106 |
| Accumulated amortization                    |       |             |             |
| January 1                                   |       | 20,674,782  | 10,573,974  |
| Amortization                                | 15    | 10,100,808  | 10,100,808  |
| December 31                                 |       | 30,775,590  | 20,674,782  |
| Net book value                              | 8     | 162,631,516 | 172,732,324 |

Details of the lease liabilities as at December 31 are as follows:

|             | 2024        | 2023        |
|-------------|-------------|-------------|
| Current     | 3,267,523   | 5,863,776   |
| Non-current | 218,421,080 | 226,982,998 |
|             | 221,688,603 | 232,846,774 |

Movements in lease liabilities for the years ended December 31 are as follows:

|                        | Notes | 2024         | 2023         |
|------------------------|-------|--------------|--------------|
| January 1              |       | 232,846,774  | 229,608,161  |
| Principal payments     |       | (16,398,878) | (2,406,115)  |
| Interest payments      |       | (10,404,404) | (10,589,344) |
| Interest expense       | 8, 17 | 15,597,655   | 16,245,032   |
| Translation difference |       | 47,456       | (10,960)     |
| December 31            |       | 221,688,603  | 232,846,774  |

Translation difference is recognized as part of foreign exchange losses, net under other income, net in the statements of total comprehensive income (Note 21.1).

*Amounts recognized in the statements of total comprehensive income*

Amounts recognized in the statements of total comprehensive income for the years ended December 31 related to the lease agreements are as follows:

|                        | Notes | 2024       | 2023       | 2022       |
|------------------------|-------|------------|------------|------------|
| Amortization expense   | 8, 15 | 12,236,285 | 12,234,679 | 12,233,564 |
| Interest expense       | 8, 17 | 15,597,655 | 16,245,032 | 15,693,012 |
| Translation difference | 21    | 47,456     | (10,960)   | 113,799    |
|                        |       | 27,881,396 | 28,468,751 | 28,040,375 |

The total cash outflows for the years ended December 31 for the lease agreements are as follows:

|   | 2024       | 2023       | 2022       |
|---|------------|------------|------------|
| Payment of principal portion of lease liabilities | 16,398,878 | 2,406,115  | 20,109,933 |
| Payment of interest on lease liabilities          | 10,404,404 | 10,589,344 | 9,951,228  |
|   | 26,803,282 | 12,995,459 | 30,061,161 |

*Discount rate*

The lease payments are discounted using the Company's incremental borrowing rate ranging from 6.75% to 7.86%, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

*Extension and termination options*

Extension and termination options are included in the lease agreement of the Company. These are used to maximize the operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable by the lessee upon consent of the lessor, hence, the extension and termination options have not been included in lease term.

## 20 Earnings per share (EPS)

Basic and diluted EPS for the years ended December 31 are as follows:

|  | 2024          | 2023          | 2022          |
|--|---------------|---------------|---------------|
| Net income                               | 1,429,371,755 | 1,398,096,376 | 1,252,413,024 |
| Weighted average number of common shares | 6,545,454,004 | 6,545,454,004 | 6,397,090,471 |
| Basic and diluted EPS                    | 0.22          | 0.21          | 0.20          |

Weighted average number of common shares for the years ended December 31, 2024 and 2023 is calculated as follows:

|                    | Note | Number of shares | Ratio | Weighted number of shares |
|--------------------|------|------------------|-------|---------------------------|
| Beginning          |      | 6,545,454,004    | 1.00  | 6,545,454,004             |
| Issuance of shares | 13   | -                | 1.00  | -                         |
|                    |      | 6,545,454,004    |       | 6,545,454,004             |

Weighted average number of common shares for the year ended December 31, 2022 is calculated as follows:

|                    | Note | Number of shares | Ratio | Weighted number of shares |
|--------------------|------|------------------|-------|---------------------------|
| Beginning          |      | 5,498,182,004    | 1.00  | 5,498,182,004             |
| Issuance of shares | 13   | 1,047,272,000    | 0.86  | 898,908,467               |
|                    |      | 6,545,454,004    |       | 6,397,090,471             |

The Company has no potential dilutive common shares for each of the three years in the period ended December 31, 2024. Therefore, basic and diluted EPS are the same.

## 21 Financial risk and capital management and fair value estimation

### 21.1 Financial risk management

The Company's activities expose it to a variety of financial risks from its use of financial instruments: market risk, credit risk, and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. It monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Risk management policies and systems are reviewed regularly to reflect changes in market conditions. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. CFMI handles fund manager functions of the Company (Note 11).



### 21.1.1 Market risk

Market risk is the risk that changes in market prices, such as interest rates, security price and foreign exchange rates, will affect the Company's total comprehensive income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. The management of these risks is discussed in the succeeding section.

#### (a) *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates would unfavorably affect future cash flows from financial instruments. The Company's exposure to risk for changes in market interest rates relates to cash in banks and short-term placements.

The Company has no outstanding loans payable as at December 31, 2024 and 2023.

The Company is exposed to fixed-rate interest rate risk related to its lease liabilities and bonds payable. The interest rate risk is deemed to have a diminishing impact on the Company over the term of the lease (Note 19) and bonds (Note 10).

Management believes that the related cash flow and interest rate risk on cash in banks and short-term placements is relatively low due to immaterial changes on interest rates within the duration of these financial instruments.

#### (b) *Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to U.S. Dollar. Foreign exchange risk arises when future commercial transactions, and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Among others, management monitors the timing of settlements/payments to ensure that the Company is not unfavorably exposed to fluctuations of foreign exchange rates.

The Company's foreign currency denominated monetary liability as at December 31, 2024 refers to a portion of lease liabilities amounting to US\$19,103 (2023 - US\$19,516) with Philippine Peso equivalent of P1.12 million (2023 - P1.08 million).

Details of foreign exchange losses (gains), net for the years ended December 31 are as follows:

|                                | Note | 2024    | 2023     | 2022    |
|--------------------------------|------|---------|----------|---------|
| Unrealized losses (gains), net |      | 47,456  | (10,960) | 113,799 |
| Realized losses, net           |      | 77,177  | -        | -       |
|                                | 17   | 124,633 | (10,960) | 113,799 |

The Company's exposure to foreign currency risk is not significant due to the absence of material transactions and balances denominated in a currency other than the Company's functional currency.

#### (c) *Security price*

The Company's exposure to debt securities price risk arises from its bonds payable. The bonds is publicly traded in the PDEx. Management assessed that the security price risk is not applicable considering that the bonds bear a fixed interest rate.

### 21.1.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's credit risk arises primarily from its cash and cash equivalents, trade and other receivables, security deposits and restricted cash.

Exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets. The Company uses internal ratings to determine the quality of its financial assets. The Company determined that its financial assets are all considered high grade financial assets except for those that were fully provided for.

The maximum exposures to credit risk, pertaining to financial assets as at December 31 are as follows:

|                             | Notes | 2024          | 2023          |
|-----------------------------|-------|---------------|---------------|
| Cash*                       | 3     | 597,532,293   | 616,746,821   |
| Trade and other receivables | 4     | 603,375,128   | 436,425,471   |
| Security deposits           | 7     | 5,279,310     | 5,279,310     |
| Cash bond                   | 7     | 36,170,854    | 36,170,854    |
|                             |       | 1,242,357,585 | 1,094,622,456 |

\*excluding cash on hand

#### Credit quality of financial assets

##### (i) Cash and cash equivalents

Cash deposited/placed in banks are considered stable as the banks qualify as universal and commercial banks as defined by the Philippine Banking System and are approved by the BOD to minimize credit risk. The amounts deposited in these banks are disclosed in Note 3. The expected credit loss is determined to be immaterial. Cash on hand is not subject to credit risk.

##### (ii) Trade and other receivables

The expected credit loss related to receivable from TransCo is determined to be immaterial by management.

Trade receivables from leasing segment include receivables from related parties. The credit exposure on trade receivables from related parties is considered to be minimal as there is no history of default and collections are expected to be made based on the lease agreement. In addition, the related parties are considered to have good financial standing and are highly liquid. The expected credit loss is determined to be immaterial by management.

The credit exposure on due from related parties is considered to be minimal as there is no history of default and collections are expected to be made within 12 months. The balances of due from related parties are considered as high-grade financial assets as the related parties have good financial standing and are highly liquid. The expected credit loss is determined to be immaterial by management.

Other receivables includes refund for overpaid insurance which has been long outstanding for more than one (1) year. Full provision has been recognized for this receivable as at December 31, 2024 and 2023.

Receivable from VAT refunds as at December 31, 2024 is expected to be collectible within one (1) year from the BIR.

##### (iii) Security deposits and cash bond

Security deposits and cash bond include cash required from the Company in relation to its lease agreement and deposits for the land conversions, respectively. These deposits are assessed as high grade as there was no history of default and these are collectible upon termination of or at the end of the term of the agreements. The expected credit loss is determined to be immaterial by management.



### 21.1.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as these fall due. The objective of the Company is to maintain a balance between continuity of funding and flexibility through the use of credit lines available from related parties and local banks. The policy of the Company is to first exhaust lines available from related parties before local bank lines are availed. The Company also has available due from related parties which can be readily collected to settle maturing obligations.

The Company seeks to manage its liquidity risk by maintaining a balance between continuity of funding and flexibility. The Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities.

The Company's financial liabilities grouped into relevant maturity dates are as follows:

|                                       | Notes | Payable on demand | Less than 1 year | More than 1 year |
|---------------------------------------|-------|-------------------|------------------|------------------|
| <i>December 31, 2024</i>              |       |                   |                  |                  |
| Trade payables and other liabilities* | 9     | -                 | 44,929,828       | -                |
| Dividends payable                     | 9, 13 | -                 | 312,888,626      | -                |
| Lease liabilities                     | 19    | -                 | 3,267,523        | 218,421,080      |
| Interest**                            | -     | -                 | 361,437,029      | 670,254,346      |
| Security deposits                     | 11    | -                 | -                | 76,880,057       |
| Bonds payable                         | 10    | -                 | -                | 4,468,567,198    |
|                                       |       | -                 | 722,523,006      | 5,434,122,681    |
| <i>December 31, 2023</i>              |       |                   |                  |                  |
| Trade payables and other liabilities* | 9     | -                 | 44,474,016       | -                |
| Dividends payable                     | 9, 13 | -                 | 312,332,383      | -                |
| Lease liabilities                     | 19    | -                 | 5,863,776        | 226,982,998      |
| Interest**                            | -     | -                 | 282,076,154      | 1,305,141,346    |
| Security deposits                     | 11    | -                 | -                | 61,327,268       |
| Bonds payable                         | 10    | -                 | -                | 4,459,876,787    |
|                                       |       | -                 | 644,746,329      | 6,053,328,399    |

\*excluding due to government agencies and deferred rent income

\*\*expected interest on bonds payable and on lease liabilities up to maturity date

The amounts disclosed are the contractual undiscounted cash flows, except for lease liabilities, which are equivalent to their carrying balances as the impact of discounting is not significant. The Company expects to settle the above financial liabilities within their contractual maturity date.

### 21.2 Capital management

The Company maintains a sound capital to ensure its ability to continue as a going concern to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, pay-off existing debts, return capital to shareholders or issue new shares.

The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Company's business, operations and industry.

The capital structure of the Company consists of issued capital, retained earnings and remeasurement on retirement benefits. The Company monitors capital on the basis of net gearing ratio, which is calculated as total debt divided by total equity. Total debt is defined as short-term and long-term bank borrowings from third parties and bonds payable less cash and cash equivalents, while equity is total equity as shown in the statements of financial position. The Company has no outstanding short-term and long-term bank borrowings from third parties as at December 31, 2024 and 2023. The Company's borrowings as at December 31, 2024 and 2023 relates to bonds payable. The net debt reconciliation and gearing ratio as at December 31 are as follows:

|                         | Notes | 2024          | 2023          | 2022 |
|-------------------------|-------|---------------|---------------|------|
| Borrowings, January 1   | 10    | 4,459,876,787 | -             | -    |
| Cash flows              | 10    | -             | 4,452,660,938 | -    |
| Non-cash movement       | 10    | 8,690,411     | 7,215,849     | -    |
| Borrowings, December 31 | 10    | 4,468,567,198 | 4,459,876,787 | -    |
| Cash                    | 3     | (597,582,293) | (616,861,821) | -    |
| Net debt                |       | 3,870,984,905 | 3,843,014,966 | -    |
| Total equity            |       | 4,582,979,902 | 4,469,244,401 | -    |
| Net gearing ratio       |       | 0.84:1        | 0.86:1        | -    |

Non-cash movements during 2023 and 2024 pertains to the amortization of bond issuance cost (Note 10).

As a REIT entity, the Company is subject to externally imposed capital requirements based on the requirement of the Aggregate Leverage Limit under the REIT IRR. Per Rule 5 - Section 8 of the REIT IRR issued by the SEC, the total borrowings and deferred payments of a REIT that has a publicly disclosed investment grade credit rating by a duly accredited or internationally recognized rating agency may exceed thirty-five percent (35%) but not more than seventy percent (70%) of its deposited properties. Provided, further, that in no case shall a fund manager, borrow from the REIT any of the funds under its management. As at December 31, 2024 and 2023, the Company is compliant with the externally imposed capital requirements of REIT IRR and met the provisions of the REIT law related to the borrowing requirements to its fund manager.

### 21.3 Fair value estimation

The carrying values of the financial instrument components of cash, trade and other receivables, other non-current assets, trade payables and other liabilities (excluding due to government agencies), dividends payable, and lease liabilities approximate their fair values, due to the liquidity, short-term maturities and nature of such items. The fair values of other non-current assets, non-current portion of trade receivables, security deposits, non-current portion of lease liabilities and bonds payable are close to market rates.

As at December 31, 2024 and 2023, the Company does not have financial instruments that are measured using the fair value hierarchy.

### 22 Critical accounting estimates and assumptions and judgments

The preparation of the financial statements in conformity with PFRS Accounting Standards requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and the related notes. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows.



22.1 Critical accounting estimates and assumptions

(a) Impairment of trade and other receivables

Provision for impairment of trade and other receivables is based on assumptions about risk of default and expected loss rates. The Company uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Notes 23.3 and 23.4.

In 2020, the Company provided allowance for doubtful accounts for other receivables amounting to P1.94 million. This is equivalent to the full lifetime expected credit loss using the expected credit loss model, hence, any sensitivity analysis is no longer deemed necessary. No additional allowance for doubtful accounts was made during 2024, 2023 and 2022.

The carrying values of the Company's trade and other receivables are shown in Note 4.

(b) Estimated useful lives of property, plant and equipment

The Company reviews annually the estimated useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use and are updated if expectations differ from previous estimates due to physical wear and tear or technical and commercial obsolescence. Estimated useful lives of property, plant and equipment are based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets based on the related industry benchmark information and land lease term where the solar power plant is situated. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

The estimated useful life used for solar plant and equipment was higher than the current land lease term of the Company since based on the management's assessment, the Company can still use the solar plant and equipment beyond the current land lease term.

If the actual useful lives of these assets are prolonged or shortened by five (5) years, income before tax for the years ended December 31 would be as follows:

|                      | Impact on income before tax<br>Increase (Decrease) |                  |
|----------------------|--|------------------|
|                      | 2024   | 2023             |
| Prolonged by 5 years | P8.67 million                                      | P8.89 million    |
| Shortened by 5 years | (P12.58 million)                                   | (P13.06 million) |

The range used was based on the management's assessment where potential impact to operations might occur. The carrying values of the Company's property, plant and equipment are shown in Note 6.

(c) Determining incremental borrowing rate

To determine the incremental borrowing rate, the Company uses the government bond yield, adjusted for the credit spread specific to the Company and security using the right-of-use asset. The basis of the discount rates applied by the Company are disclosed in Note 19. Any change in the rates would have direct impact to interest expense for the period and on lease liabilities. Higher discount rate will result in lower interest expense and lease liabilities and vice versa.

The Company is exposed to fixed-rate interest rate risk related to its lease liabilities. Lease liabilities are subject to amortization where each of the lease payments is treated partly as a payment of principal and partly as payment of interest. Accordingly, the interest rate risk will have a diminishing impact on the Company over the term of the lease.

22.2 Critical judgments in applying the Company's accounting policies

(a) Recoverability of non-financial assets

The Company's non-financial assets such as property, plant and equipment, investment properties, input VAT are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell or value in use. Management believes that there are no indications that the carrying amount of non-financial assets may not be recoverable. Details of property, plant and equipment, investment properties and input VAT are disclosed in Notes 6, 8, and 5, respectively.

(b) Critical judgment in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Extension options in the Company's lease agreements have not been included in the lease liabilities because the Company's lease agreements state that extension and termination should be made upon mutual agreement by both parties and considering the estimated useful lives of the solar power plants of the related parties and the assignment of the SESC with Parent Company. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

(c) Income taxes and "No tax" regime

Significant judgment is required in determining income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. Further, recognition of deferred income taxes depends on management's assessment of the probability of available future taxable income against which the temporary differences can be applied. The details of unrecognized deferred income taxes are shown in Note 18.

The Company reviews the carrying amounts of deferred income tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient taxable profit will allow all or part of its deferred income tax assets to be utilized.



As a REIT entity, the Company can effectively operate under a “no tax” regime provided that it meets certain conditions (e.g. listing status, minimum required dividend payments). A REIT entity is required to distribute at least 90% of its annual income as dividends to its investors and is allowed to treat the dividend as deduction for tax purposes making it effectively an income-tax free entity. As at December 31, 2024 and 2023, the Company met the provisions of the REIT law and complies with the 90% dividend distribution requirement. The Company had determined, based on its current tax regime and expected dividend distribution in the succeeding periods, that it can effectively operate on a “no-tax” regime. Accordingly, the Company has not recognized deferred taxes as at December 31, 2024 and 2023. The Company recognized deferred income tax asset as at December 31, 2021 prior to its listing on February 22, 2022, to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Company started to avail of its tax incentive as a REIT after its listing to PSE.

*(d) Distinction between investment properties and property, plant and equipment*

The Company determines whether a property is to be classified as an investment property or property, plant and equipment through the following:

- Investment properties comprise land and buildings which are not occupied, substantially for use by, or in the operations of, nor for sale in the ordinary course of business of the Company, but are held primarily to earn rental income or capital appreciation; and
- Property, plant and equipment generate cash flows that are attributable not only to them but also to the other assets used in the operations of the Company.

In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by the Company.

Some properties comprise a portion that is to earn rentals or for capital appreciation and another portion that is held for use in the operation or for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as an investment property only if an insignificant portion is held for use in the operation or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Company considers each property separately in making its judgment.

*(e) Effective interest rates of security deposits*

The Company measures security deposits from its lessees at amortized cost using a zero-coupon yield curve as the appropriate effective interest rate. This rate is determined by estimating the yield of a security from the yields of a set of coupons bearing products through bootstrapping or interpolation with reference to the maturity date of each security deposit. Effective interest rates are reviewed by the Company periodically and updated if there have been material movements with the rates.

*(f) Contingencies*

The Company determines whether to disclose and accrue for contingencies based on an assessment of whether the risk of loss is remote, reasonably possible or probable. Management’s assessment is developed in consultation with the Company’s legal counsel and other advisors and is based on an analysis of possible outcomes under various strategies. Contingency assumptions involve judgment that are inherently subjective and can involve matters that are in litigation, which by its nature is unpredictable. The Company is a respondent in cases arising from the normal course of business, the outcome of which cannot be presently determined. In the opinion of the Company’s management and its legal counsel, the eventual liability, if any, which may result from the outcome of these cases will not materially affect the Company’s financial statements.

## 23 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 23.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The financial statements of the Company have been prepared using historical cost basis.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 22.

*(a) New and amendment to existing standards and interpretations adopted by the Company*

The Company has applied the following amendments for the first time for their annual reporting period commencing January 1, 2024:

- Classification of Liabilities as Current or Non-current and Noncurrent liabilities with covenants - Amendments to PAS 1

Amendments made to PAS 1, “Presentation of Financial Statements” in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in PAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors”.



Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The adoption did not have a significant impact on the Company's financial statements as at December 31, 2024 and 2023.

- Lease liability in sale and leaseback - Amendments to PFRS 16

In September 2022, the IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in PFRS 16, "Leases" which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The adoption did not have a significant impact on the Company's financial statements as at December 31, 2024 and 2023.

- Supplier Finance Arrangements - Amendments to PAS 7 and PFRS 7

On May 25, 2023, the IASB issued amendments to PAS 7 and PFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

The new disclosures will provide information about:

- The terms and conditions of SFAs.
- The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements
- Non-cash changes in the carrying amounts of financial liabilities in (2).
- Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The adoption did not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

*(b) New standards, amendments and interpretations not yet adopted by the Company*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

## 23.2 Trade and other receivables

Trade receivables from Transco which have a 60-day credit term, lease receivables and other receivables are initially recognized and carried at transaction price and subsequently measured at amortized cost, less provision for impairment loss. The fair value of trade receivables at initial recognition is equivalent to the original invoice amount (as the effect of discounting is immaterial).

The Company applies the simplified approach in measuring expected credit loss which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit loss, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is charged against profit or loss in the statement of total comprehensive income.

When a receivable remains uncollectible after the Company has exerted all legal remedies, it is written-off against the allowance account for receivables. Subsequent recoveries of amounts previously written-off are credited to profit or loss in the statement of total comprehensive income.

The expected loss rates on trade receivables are based on the payment profiles of sales over a period of 12 months before the beginning of each reporting period and the corresponding historical credit losses experience within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the gross domestic product and inflation to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

Other relevant policies are disclosed in Note 23.4.

## 23.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial instrument in the statement of financial position, when, and only when, it becomes a party to the contractual provisions of the instrument.

### Financial assets

#### *(a) Classification*

The Company classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Company did not hold financial assets under the category financial assets at FVPL and FVOCI as at December 31, 2024 and 2023.

The classification depends on the entity's business model for managing its financial assets and the contractual terms of the cash flows. The Company's financial assets measured at amortized cost comprise of cash, trade and other receivables (Note 23.2), and security deposits and cash bonds (Note 23.6) in the statement of financial position. These are included in current assets, except for those expected to be realized greater than 12 months after the reporting period which are classified as non-current assets.



Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, if any, is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the statement of total comprehensive income and presented as other income or expense. Impairment losses, if any, are presented in the statement of total comprehensive income within operating expenses.

*(b) Measurement*

Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method.

*(c) Impairment*

The Company recognizes an expected credit loss for all debt instruments not held at FVPL. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Expected credit losses are recognized in two stages. For credit exposure for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

For cash and cash equivalents, other receivables, receivable from VAT refunds, security deposits and cash bond, the Company applies a general approach in calculating expected credit losses. The Company recognizes a loss allowance based on either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk on these financial assets since initial recognition. The carrying amount of the financial asset is reduced through the use of an allowance account, and the amount of the loss is charged against profit or loss in the statement of total comprehensive income. When the financial asset remains uncollectible after the Company has exerted all legal remedies, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to profit or loss in the statement of total comprehensive income.

For trade receivables, the Company applies a simplified approach in calculating expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Impairment testing of trade receivables is described in Note 23.2.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

*(a) Classification*

The Company classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value); and financial liabilities at amortized cost. The Company's financial liabilities are limited to financial liabilities at amortized cost.

Financial liabilities at amortized cost pertain to issued financial instruments that are not classified as fair value through profit or loss and contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. These are included in current liabilities, except for maturities greater than 12 months after the reporting period which are classified as non-current liabilities.

The Company's trade payables and other liabilities (excluding due to government agencies) (Note 23.10), dividends payable (Note 23.12), security deposits (Note 23.16), lease liabilities (Note 23.16) and bonds payable and interest payables (Note 23.14) are classified under financial liabilities at amortized cost.

**23.4 Fair value measurement**

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use. The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfil an obligation.

The Company does not hold financial and non-financial assets and liabilities at fair value as at December 31, 2024 and 2023.

**23.5 Input value-added tax**

Input VAT is stated at historical cost less provision for impairment, if any. Provision for unrecoverable input VAT, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portions of the claims. The Company, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses. Input VAT is derecognized once applied against output VAT or claimed for refund.

**23.6 Prepayments and other assets**

Prepayments and other assets are expenses paid in cash and recorded as assets before these are used or consumed, as the services or benefits will be received in the future. Prepayments and other assets expire and are recognized as expense either with the passage of time or through use or consumption.

Prepayments and other assets are carried at cost and are included in current assets, except when the related goods or services are expected to be received and rendered more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

Security deposits and cash bonds pertain to advances to lessor relating to rent and deposits for land conversions, respectively, which will be refunded at the end of the service periods, as determined in the contract agreements. Other relevant policies are disclosed in Note 23.3.



23.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives (in years), as follows:

|                                   |    |
|-----------------------------------|----|
| Solar plant and equipment         | 30 |
| Substation and transmission lines | 15 |
| Computer equipment                | 3  |
| Service vehicle                   | 5  |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 23.9).

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its disposal at which time the cost and related accumulated depreciation is removed from the accounts.

23.8 Investment properties

After initial recognition, investment properties are measured at cost and accounted in accordance with PAS 16, "Property, plant and equipment". Land is not depreciated.

Investment properties are derecognized upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from its disposal.

Investment properties acquired through equity-settled transactions are measured in reference to the fair value of investment properties, unless the fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the investment properties received, the entity shall measure the value of the investment properties, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instrument.

Other relevant accounting policies are disclosed in Note 23.7.

23.9 Impairment of non-financial assets

Assets that have an indefinite useful life such as investment properties (related to land) not subject to amortization is evaluated annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Assets that have definite useful lives and are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that are previously impaired are reviewed for possible reversal of the impairment at each reporting date. Subsequent reversals are credited to other income in the statement of total comprehensive income.

23.10 Trade payables and other liabilities

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers with average credit terms of 30 days. Trade payables and other liabilities are classified as current liabilities if payment is due within one year or less. If not, these are presented as non-current liabilities.

Trade payables and other liabilities are recognized initially at transaction price and subsequently measured at amortized cost using the effective interest rate method.

Trade payables and other liabilities are derecognized when the obligation under the liability is discharged or cancelled, or has expired. Where an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of total comprehensive income within other income or expense.

Due to government agencies are not considered financial liabilities but are derecognized similarly.

Other relevant accounting policies are disclosed in Note 23.3.

23.11 Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance cost in the statement of total comprehensive income.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed and derecognized in the statement of financial position.

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefit is probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

23.12 Equity

(a) Share capital

The Company's share capital is composed of common shares at par value. The amount of proceeds from the issuance or sale of common shares representing the aggregate par value is credited to share capital.

Proceeds in excess of par value of shares issued or additional capital contribution without corresponding issuance of shares are credited to share premium.

After initial measurement, share capital and share premium, if any, are carried at historical cost and are classified as equity in the statement of financial position.

(b) Retained earnings

Retained earnings includes current and prior years' results of operations, net of transactions with shareholder and dividends declared, if any.



(c) *Dividend distribution*

Dividend distribution to Company's shareholder is recognized as a liability in its financial statements in the period in which the dividends are approved and declared by the BOD.

(d) *Share issuance costs*

Share issuance costs are incremental costs directly attributable to the issuance or subscription of new shares. Share issuance costs which might be incurred in anticipation of an issuance of shares are recorded as an asset and deferred in the statement of financial position until the shares are issued. Upon issuance of shares, the deferred costs are charged to share premium or retained earnings, if no available share premium. If the shares are not subsequently issued, the transaction costs are recognized as expense under both approaches.

### 23.13 Revenue and cost recognition

(i) The following is a description of principal activities from which the Company generates its revenue.

(a) *Sale of solar energy*

The Company recognizes revenue from contracts with customer which pertains to generation of electricity at a point in time when control of the goods or services are transferred to the customers at transaction price that reflects the consideration to which the Company expects to be settled in exchange for the services.

The Company's generation of electricity from solar power energy is assessed by management as a single performance obligation. Sale of electricity is recognized whenever the electricity generated by the Company is transmitted through the transmission line designated by the buyer for a consideration.

Revenue from sale of electricity is based on the applicable FIT rate as transaction price as approved by the ERC. Revenue from sale of electricity is recognized monthly based on the actual energy delivered.

(b) *Rental income*

Rental income arising from operating lease agreements on its investment properties is recognized as income on a straight-line basis over the lease term or based on a certain percentage of the earnings of the lessees plus any variable component which are measured based on the actual results of operations of the lessees, as provided under the terms of the lease contract.

Other relevant accounting policies are disclosed in Note 23.16.

(ii) *Interest income*

Interest income is accrued on a time proportion basis by reference to the outstanding principal and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Interest income is recognized using the effective interest method.

(iii) *Costs and expenses*

Costs and expenses are recognized in the statement of total comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statement of financial position as an asset.

Costs and expenses in the statement of total comprehensive income are presented using the function of expense method. Costs of services are expenses incurred that are associated with the services rendered.

Operating expenses are costs attributable to administrative and other business activities of the Company.

### 23.14 Borrowings and borrowing costs

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of total comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan capitalized as a contra liability account and amortised over the period of the facility to which it relates.

Borrowings are derecognized in the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of total comprehensive income under finance cost.

A substantial modification of the terms of the existing borrowings or part of the borrowings is accounted for as an extinguishment of the original financial liability and a recognition of new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid (net of any fees received and discounted using the original effective interest rate), is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. The resulting difference is recognized as a gain or loss under other income, net in the statement of total comprehensive income.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized as other income or expense in the statement of total comprehensive income, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. In cases of breaches in loan covenants prior to the end of a reporting period, borrowings are classified as current liability, unless a sufficient waiver of the covenant is granted by the lender, such that the borrowings do not become immediately repayable.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are recognized and charged under finance cost in the statement of total comprehensive income in the year in which they are incurred.

Other relevant accounting policies are disclosed in Note 23.3.

### 23.15 Current and deferred income tax

Income tax expense comprises current and deferred income taxes.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax assets and liabilities are derecognized when relevant temporary differences have been realized and settled, respectively. The Company reassesses at each reporting the need to recognize previously unrecognized deferred income tax asset.



## 23.16 Leases

### Company as a lessee

The right-of-use asset is amortized over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing; and
- makes adjustments specific to the lease (i.e. term, currency and security).

Right-of-use assets are generally amortized over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is amortized over the underlying asset's useful life.

### Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it.

The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Right-of-use assets that meet the definition of investment property is presented in the statement of financial position as investment property. Other relevant accounting policies are disclosed in Note 23.9.

### Company as a lessor

The Company determines at lease inception whether each lease is a finance lease or an operating lease.

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating lease. Operating lease payments received are recognized as an income on a straight-line basis over the lease term except for variable rent which is recognized when earned.

Deposits from lessees which include security deposits are initially measured at fair value. After initial recognition, security deposits are subsequently measured at amortized cost using effective interest rate method. The difference between the cash received and its fair value is deferred and amortized on a straight-line basis over the lease term. Amortization of deferred credits and accretion of discount are recorded in the statement of total comprehensive income under rental income and finance cost accounts, respectively.

## 23.17 Related party relationships and transactions

### *(a) Related party relationship*

A related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprises and their key management personnel or directors. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### *(b) Related party transaction*

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged or not.

## 23.18 Foreign currency transactions and translation

### *(a) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

### *(b) Transactions and balances*

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Outstanding foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing at reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of total comprehensive income through profit or loss.

## 24 Summary of other accounting policies

### 24.1 Employee benefits

#### *(a) Short-term benefits obligation*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### *(b) Retirement benefits*

The Company has a defined benefit plan, which is unfunded and covers substantially all of its qualified employees. The defined benefit plan satisfies the minimum benefit requirements of RA No. 7641, otherwise known as the "Retirement Pay Law".

A defined benefit plan is a retirement plan that defines an amount of retirement benefit that an employee will receive on retirement, usually dependent on certain factors such as age, years of service and compensation.

The retirement benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the retirement benefit obligation.



The retirement benefit obligation recognized in the statements of financial position is the present value of the defined benefit obligation at the end of the reporting period.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions, if material, are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is charged to profit or loss.

*(c) Termination benefits*

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of PAS 37, "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Liabilities related to employee benefits are derecognized once settled, cancelled or have expired.

## 24.2 Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Company's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Company's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 24.3 Earnings per share

Basic EPS is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding, after considering impact of any share dividends, share splits or reverse share splits during the period. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive potential common shares.

The number of ordinary or potential ordinary shares changes as a result of a share split or reverse share split are applied retrospectively and adjust the calculation of basic and diluted EPS for all periods presented. This applies regardless of whether the change occurred during the reporting period or after the end of the period before the financial statements are authorized for issue.

## 24.4 Events after the reporting period

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

## 25 Supplementary information required by Bureau of Internal Revenue (BIR)

The following supplementary information required by Revenue Regulation (RR) No. 15-2010 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

### (a) Output VAT

Output VAT declared and the revenues upon which the same was based consist of:

|                      | Gross amount<br>of revenues | Output VAT |
|----------------------|-----------------------------|------------|
| Zero-rated VAT sales | 1,257,591,544               | -          |

Revenues presented above are based on net receipts for VAT reporting purposes while revenues in the statements of total comprehensive income are based on revenue recognition policy per Note 23.14. Gross receipts from the rental of real properties on its leasing business are subject to zero-rated VAT. The Company's lessees are registered developers of renewable energy (RE) and under the Renewable Energy Act of 2008. RE developers benefit from VAT zero-rating.

### (b) Input VAT

Movements in input VAT for the year ended December 31, 2024 follow:

|  | Amount        |
|--|---------------|
| January 1  | 175,627,184   |
| Add: Current year's domestic purchases of services | 7,881,820     |
| Less: Input VAT refund                             | (125,769,210) |
| December 31  | 57,739,794    |

### (c) Importations

The Company did not have importations during the year ended December 31, 2024.

### (d) Excise tax

There were no transactions subject to excise tax for the year ended December 31, 2024.

### (e) Documentary stamp tax

Documentary stamp taxes (DST) paid for the year ended December 31, 2024 amounted to P5,794 related to telegraphic transfer for certain payment. The amounts were recorded as part of taxes and licenses account under operating expenses in the statements of total comprehensive income.

### (f) All other local and national taxes

|                               | Amount  |
|-------------------------------|---------|
| Business permits and licenses | 603,196 |
| BIR annual registration fee   | 500     |
| Others                        | 16,500  |
|                               | 620,196 |

The above local and national taxes are lodged under taxes and licenses account in cost of services and operating expenses in the statements of total comprehensive income.



(g) Withholding taxes

Withholding taxes paid and accrued for the year ended December 31, 2024 consist of:

|                                 | Paid       | Accrued    | Total      |
|---------------------------------|------------|------------|------------|
| Withholding tax on compensation | 189,426    | 32,944     | 222,370    |
| Expanded withholding tax        | 6,916,783  | 860,116    | 7,776,899  |
| Final withholding tax           | 35,978,290 | 30,313,195 | 66,291,485 |
|                                 | 43,084,499 | 31,206,255 | 74,290,754 |

(h) Tax assessments and cases

In 2022, the Company has received letter of authority (LOA) from the BIR for taxable year 2021. The assessment was finalized and paid on February 1, 2024 through settlement of deficiency taxes and interests amounting to P2,015,673.

In 2024, the Company has received letter of authority (LOA) from the BIR for taxable year 2022. The assessment was finalized and paid on December 20, 2024 through settlement of deficiency taxes and interests amounting to P3,016,994.

There are no other outstanding tax assessments and cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2024.

**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)

Supplementary Schedules as Required by Rule 68 of the Securities Regulation Code  
December 31, 2024 and 2023

| Schedules | Description   |
|-----------|---|
| A         | Financial Assets  |
| B         | Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)                                     |
| C         | Amounts Receivable from Related Parties which are Eliminated during the Consolidation of the Financial Statements   |
| D         | Long Term Debt  |
| E         | Indebtedness to Related Parties (Long-Term Loans from Related Companies)  |
| F         | Guarantees of Securities of Other Issuers   |
| G         | Share Capital   |
|           | Reconciliation of Retained Earnings Available for Dividend Declaration  |
|           | A Map Showing the Relationships between and among the Parent Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates |
|           | Schedule of Financial Soundness Indicator   |



**Citicore Energy REIT Corp.**

(A subsidiary of Citicore Renewable Energy Corporation)

Schedule A - Financial Assets  
December 31, 2024

| Name of issuing entity and association of each issue | Amount shown in the statement of financial position | Income received and accrued |
|--|---|-----------------------------|
| Financial assets at amortized cost                   |   |                             |
| Cash in banks  |   |                             |
| BDO Unibank, Inc.                                    | 592,227,537   | 161,402                     |
| Development Bank of the Philippines                  | 3,924,812   | 3,191                       |
| Security Bank Corporation                            | 1,379,944   | 1,767                       |
| Cash on hand   | 50,000  | -                           |
| Total cash   | 597,582,293   | 166,360                     |
| Trade and other receivables                          | 601,431,032   | 3,596,053                   |
| Security deposits and cash bond                      | 41,450,164  | -                           |
| Total financial assets                               | 1,240,463,489                                       | 3,762,413                   |

December 31, 2023

| Name of issuing entity and association of each issue | Amount shown in the statement of financial position | Income received and accrued |
|--|---|-----------------------------|
| Financial assets at amortized cost                   |   |                             |
| Cash in banks  |   |                             |
| BDO Unibank, Inc.                                    | 612,565,643   | 727,440                     |
| Development Bank of the Philippines                  | 3,921,621   | 1,910                       |
| Security Bank Corporation                            | 259,557   | 2,069                       |
| Short-term placements                                |   |                             |
| BDO Unibank, Inc.                                    | -   | 14,086,600                  |
| Cash on hand   | 115,000   | -                           |
| Total cash and cash equivalents                      | 616,861,821   | 14,818,019                  |
| Trade and other receivables                          | 434,481,375   | 4,416,278                   |
| Security deposits and cash bond                      | 41,450,164  | -                           |
| Total financial assets                               | 1,092,793,360                                       | 19,234,297                  |

**Citicore Energy REIT Corp.**

(A subsidiary of Citicore Renewable Energy Corporation)

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)  
December 31, 2024 and 2023

| Name and designation of debtor              | Balance at beginning of period | Additions | Amounts collected | Amounts written-off | Current | Non-current | Balance at the end of the period |
|---|--------------------------------|-----------|-------------------|---------------------|---------|-------------|----------------------------------|
| Advances to directors, officers, employees* | N/A                            | N/A       | N/A               | N/A                 | N/A     | N/A         | N/A                              |
| Due from related parties                    | -                              | -         | -                 | -                   | -       | -           | -                                |
| Total due from related parties              | -                              | -         | -                 | -                   | -       | -           | -                                |

\*As required by Rule 68 of the Securities Regulation Code, this schedule shall be filed with respect to each person among the directors, officers and employees from whom an aggregate indebtedness of more than P1 million or one percent (1%) of total assets, whichever is less, is owed for items arising outside the ordinary course of business. There were no advances with respect to each person among the directors, officers and employees amounting to more than P1 million outside the ordinary course of business as at December 31, 2024 and 2023.



Citicore Energy REIT Corp.  
(A subsidiary of Citicore Renewable Energy Corporation)

Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of the financial statements  
December 31, 2024 and 2023

| Name and designation of debtor | Balance at beginning of year | Additions | Amounts collected | Amounts written-off | Current | Non-current | Balance at the end of the year |
|--------------------------------|------------------------------|-----------|-------------------|---------------------|---------|-------------|--------------------------------|
| N/A                            | N/A                          | N/A       | N/A               | N/A                 | N/A     | N/A         | N/A                            |

Citicore Energy REIT Corp.  
(A subsidiary of Citicore Renewable Energy Corporation)

Schedule D - Long Term Debt  
December 31, 2024

| Title of issue and type of obligation   | Amount authorized by indenture | Amount shown under caption "Current portion of long-term debt" in related balance sheet | Amount shown under caption "Long-Term Debt" in related balance sheet |
|---|--------------------------------|---|--|
| ASEAN Green bonds maturing in five (5) years from the issue date and bear a fixed interest rate of 7.0543% per annum. | 4,500,000,000                  | -   | 4,468,567,198  |

December 31, 2023

| Title of issue and type of obligation   | Amount authorized by indenture | Amount shown under caption "Current portion of long-term debt" in related balance sheet | Amount shown under caption "Long-Term Debt" in related balance sheet |
|---|--------------------------------|---|--|
| ASEAN Green bonds maturing in five (5) years from the issue date and bear a fixed interest rate of 7.0543% per annum. | 4,500,000,000                  | -   | 4,459,876,787  |



Citicore Energy REIT Corp.  
(A subsidiary of Citicore Renewable Energy Corporation)

Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)  
December 31, 2024

| Name of related party                  | Balance at the beginning of the year | Balance at the end of the year |
|--|--------------------------------------|--------------------------------|
| Citicore Renewable Energy Corporation* | 500,000,000                          | 500,000,000                    |

\* On February 10, 2023, the Parent Company subscribed to P500.00 million of the Company's ASEAN Green Bonds with coupon rate of 7.0543% at face value.

December 31, 2023

| Name of related party                  | Balance at the beginning of the year | Balance at the end of the year |
|--|--------------------------------------|--------------------------------|
| Citicore Renewable Energy Corporation* | N/A                                  | 500,000,000                    |

\* On February 10, 2023, the Parent Company subscribed to P500.00 million of the Company's ASEAN Green Bonds with coupon rate of 7.0543% at face value.

Citicore Energy REIT Corp.  
(A subsidiary of Citicore Renewable Energy Corporation)

Schedule F - Guarantees of Securities of Other Issuers  
December 31, 2024 and 2023

| Name of issuing entity of securities guaranteed by the Company for which this statement is filed | Title of issue of each class of securities guaranteed | Total amount guaranteed and outstanding | Amount owned by person for which statement is filed | Nature of guarantee |
|--|---|---|---|---------------------|
| N/A  | N/A   | N/A                                     | N/A   | N/A                 |



**Citicore Energy REIT Corp.**  
(A subsidiary of Citicore Renewable Energy Corporation)

Schedule G - Share Capital  
December 31, 2024

| Title of issue | Number of authorized shares | Number of issued and outstanding | Number of shares reserved for options, warrants, conversion, and other rights | Number of shares held by related parties | Directors, officers, and employees | Others        |
|----------------|-----------------------------|----------------------------------|---|--|------------------------------------|---------------|
| Common shares  | 15,360,000,000              | 6,545,454,004                    | N/A   | 4,036,361,996                            | 7,633,008                          | 2,501,459,000 |

December 31, 2023

| Title of issue | Number of authorized shares | Number of issued and outstanding | Number of shares reserved for options, warrants, conversion, and other rights | Number of shares held by related parties | Directors, officers, and employees | Others        |
|----------------|-----------------------------|----------------------------------|---|--|------------------------------------|---------------|
| Common shares  | 15,360,000,000              | 6,545,454,004                    | N/A   | 4,036,361,996                            | 8,273,008                          | 2,500,819,000 |

**Citicore Energy REIT Corp.**  
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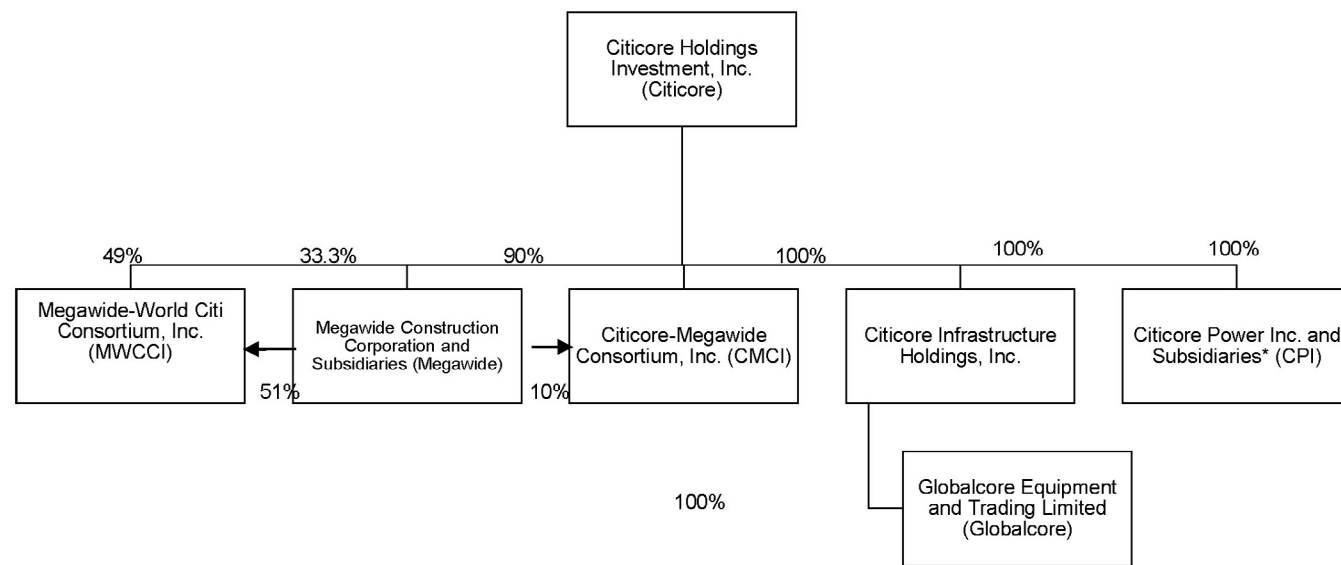
Reconciliation of Retained Earnings Available for Dividend Declaration  
As at December 31, 2024  
(All amounts in Philippine Peso)

|  |                      |
|--|----------------------|
| <b>Unappropriated Retained Earnings, beginning of the year</b>   | 352,934,150          |
| Add: Category A: Items that are directly credited to Unappropriated retained earnings  |                      |
| Reversal of Retained earnings appropriation/s  | -                    |
| Effect of restatements or prior-period adjustments   | -                    |
| Others   | -                    |
| Less: Category B: Items that are directly debited to Unappropriated retained earnings  |                      |
| Dividend declaration during the reporting period   | 1,315,636,254        |
| Retained earnings appropriated during the reporting period   | -                    |
| Effect of restatements or prior-period adjustments   | -                    |
| Others   | (1,315,636,254)      |
| <b>Unappropriated Retained Earnings, as adjusted</b>   | <b>(962,702,104)</b> |
| Add/Less: Net Income for the current year  | 1,429,371,755        |
| Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)   |                      |
| Equity in net income of associate/joint venture, net of dividends declared   | -                    |
| Unrealized foreign exchange gain, except those attributable to cash and cash equivalents   | -                    |
| Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)  | -                    |
| Unrealized fair value gain of investment property  | -                    |
| Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS  | -                    |
| Straight-line recognition of lease income  | (181,869,331)        |
| Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)   |                      |
| Realized foreign exchange gain, except those attributable to Cash and cash equivalents   | -                    |
| Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)  | -                    |
| Realized fair value gain of Investment property  | -                    |
| Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS  | -                    |
| Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)   |                      |
| Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents  | -                    |
| Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)   | -                    |
| Reversal of previously recorded fair value gain of investment property   | -                    |
| Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)   | -                    |
| <b>Adjusted net income/loss (distributable income)</b>   | <b>1,247,502,424</b> |
| Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)   |                      |
| Depreciation on revaluation increment (after tax)  | -                    |
| Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP   |                      |
| Amortization of the effect of reporting relief   | -                    |
| Total amount of reporting relief granted during the year   | -                    |
| Others   | -                    |
| Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution   |                      |
| Net movement of treasury shares (except for reacquisition of redeemable shares)  | -                    |
| Net movement of deferred tax asset not considered in the reconciling items under the previous categories   | -                    |
| Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable | -                    |
| Adjustment due to deviation from PFRS/GAAP - gain (loss)   | -                    |
| Others   | -                    |
| <b>Total Retained Earnings, end of the year available for dividend declaration</b>   | <b>284,800,320</b>   |



**Citicore Energy REIT Corp.**  
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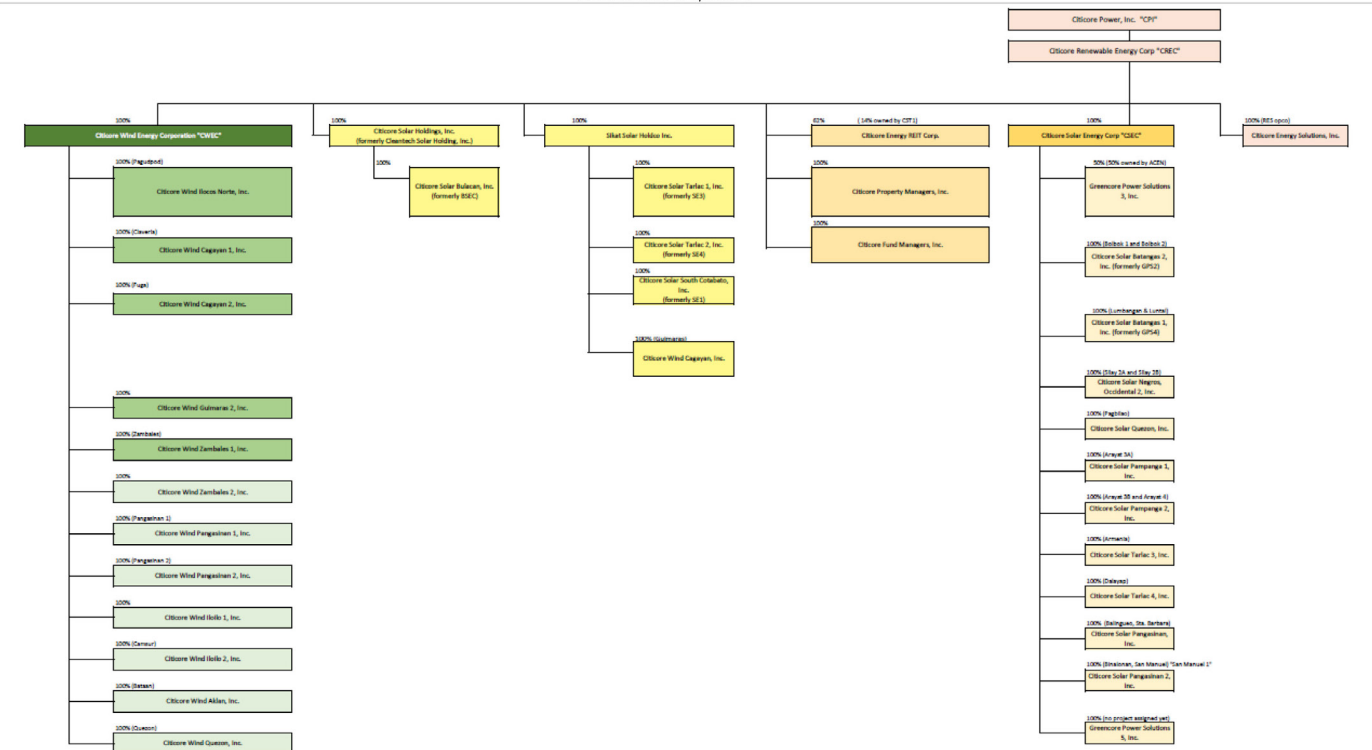
A Map Showing the Relationships between and among the Company and its  
Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates  
December 31, 2024



\*See Schedule I

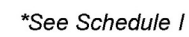
**Citicore Energy REIT Corp.**  
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A Map Showing the Relationships between and among the Company and its  
Ultimate Parent Company, Middle Parent, Subsidiaries or  
Co-subsidiaries and Associates (Schedule I)  
December 31, 2024

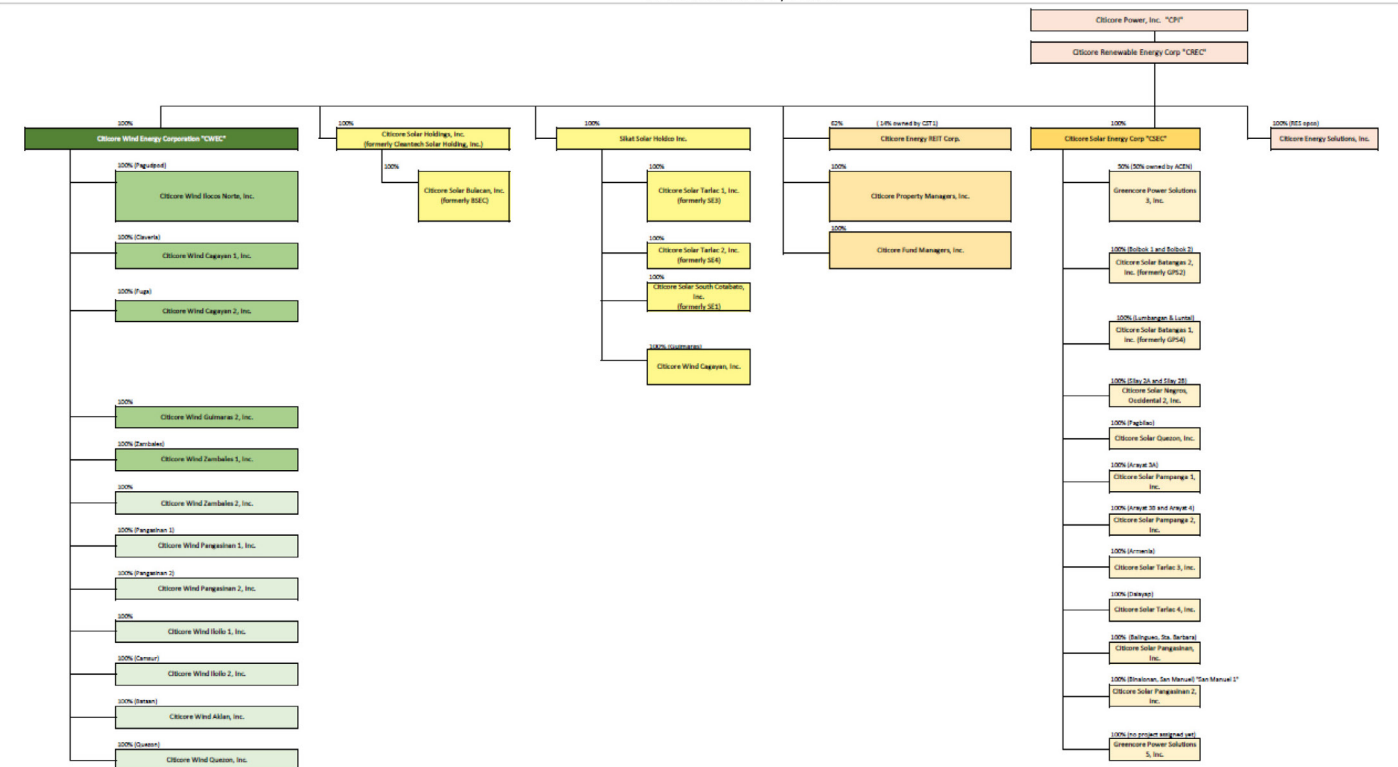




A Map Showing the Relationships between and among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates  
December 31, 2023



A Map Showing the Relationships between and among the Company and its  
Ultimate Parent Company, Middle Parent, Subsidiaries or  
Co-subsidiaries and Associates (Schedule I)  
December 31, 2023





**Citicore Energy REIT Corp.**

(A subsidiary of Citicore Renewable Energy Corporation)

## Schedule of Financial Soundness Indicator

As at and for each of the periods ended December 31, 2024

|   | 2024   | 2023   | 2022    |
|---|--------|--------|---------|
| Current ratio <sup>a</sup>                | 2.10x  | 2.07x  | 1.70x   |
| Acid test ratio <sup>b</sup>              | 1.86x  | 1.60x  | 1.61x   |
| Solvency ratio <sup>c</sup>               | 0.34x  | 0.33x  | -       |
| Debt-to-equity ratio <sup>d</sup>         | 0.98x  | 1.00x  | -       |
| Asset-to-equity ratio <sup>e</sup>        | 2.16x  | 2.18x  | 1.17x   |
| Interest rate coverage ratio <sup>f</sup> | 5.33x  | 5.75x  | 76.75x  |
| Debt service coverage ratio <sup>g</sup>  | 8.63x  | 7.45x  | 69.96x  |
| Net debt/ EBITDA <sup>h</sup>             | 2.10x  | 2.16x  | (0.42)x |
| Earnings per share (Php) <sup>i</sup>     | 0.22   | 0.21   | 0.20    |
| Book value per share <sup>j</sup>         | 0.70   | 0.68   | 0.67    |
| Return on assets <sup>k</sup>             | 14.57% | 18.85% | 35.68%  |
| Return on equity <sup>l</sup>             | 31.57% | 31.69% | 41.87%  |
| Net profit margin <sup>m</sup>            | 75.72% | 77.75% | 91.12%  |

<sup>a</sup> Current assets/current liabilities<sup>b</sup> Cash and cash equivalents + Trade and other receivables, net/Current liabilities<sup>c</sup> Net operating profit after tax + depreciation and amortization/Loans payable<sup>d</sup> Bonds payable/ Total equity<sup>e</sup> Total assets/ Total equity<sup>f</sup> Earnings before interest, taxes, depreciation and amortization/Interest expense<sup>g</sup> Earnings before interest, taxes, depreciation and amortization plus cash and cash equivalents, beginning/Current loan payable + Interest expense + Current lease liabilities<sup>h</sup> Short-term and long-term bank borrowings plus bonds payable less cash and cash equivalents/Earnings before interest, taxes, depreciation and amortization<sup>i</sup> Net income attributable to ordinary equity holders of the Company/Weighted average number of ordinary shares<sup>j</sup> Total equity less Preferred Equity/Total number of shares outstanding<sup>k</sup> Net income attributable to owners of the Company/Average total assets<sup>l</sup> Net income attributable to owners of the Company/Average total equity<sup>m</sup> Net income/Revenue**Citicore Energy REIT Corp.**

(A subsidiary of Citicore Renewable Energy Corporation)

## Supplementary Schedule of External Auditor Fee-Related Information

December 31, 2024 and 2023

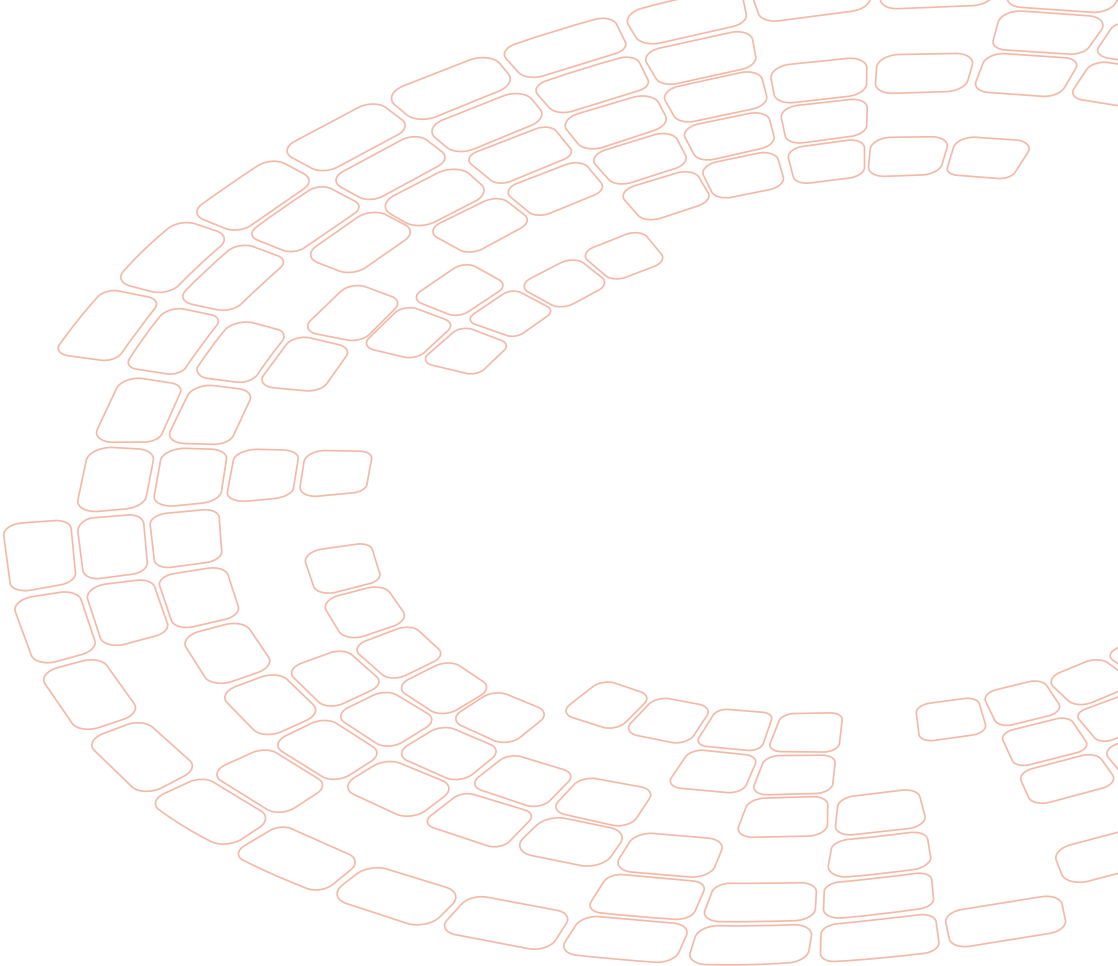
(All amounts in Philippine Peso)

|                                       | December 31, 2024 | December 31, 2023 |
|---------------------------------------|-------------------|-------------------|
| <b>Total audit fees</b>               | 700,000           | 550,000           |
| Non-audit services fees:              |                   |                   |
| Other assurance services              | -                 | -                 |
| Tax services                          | -                 | -                 |
| All other services                    | -                 | -                 |
| <b>Total non-audit fees</b>           | -                 | -                 |
| <b>Total audit and non-audit fees</b> | 700,000           | 550,000           |



Citicore Energy REIT Corp.  
Aging of Receivables  
As of December 31, 2024

|                            | Current    | 1-30 days | 31-60 days | 61-90 days | 91-120 days | 121-150 days | 151-180 days | Over 180 days | Non-current | Total       |
|----------------------------|------------|-----------|------------|------------|-------------|--------------|--------------|---------------|-------------|-------------|
| AR Transco                 | 32,511,747 | -         | -          | -          | -           | -            | -            | -             | 30,268,953  | 62,780,700  |
| Lease receivable           | 49,584,830 | -         | -          | -          | -           | -            | -            | -             | -           | 49,584,830  |
| Lease receivable - PFRS 16 | -          | -         | -          | -          | -           | -            | -            | -             | 489,065,502 | 489,065,502 |
|                            |            |           |            |            |             |              |              |               |             |             |
| Total                      | 82,096,577 | -         | -          | -          | -           | -            | -            | -             | 519,334,455 | 601,431,032 |



**COMMON STOCK**

The Company’s common stock (CREIT) is listed and traded in the Philippine Stock Exchange.

**SHAREHOLDER SERVICES AND ASSISTANCE**

Professional Stock Transfer, Inc. serves as the Company’s stock transfer agent registrar.

**For matters concerning dividend payments, account status, lost or damaged stock certificates, or change of address, please write or call:**

Professional Stock Transfer, Inc.  
10th Floor Telecom Plaza  
Bldg. 316 Gil Puyat Avenue, Makati City Philippines, 1209

Phone: (632) 8687-40-53  
Fax: (632) 8687-27-33  
Email Address: [info@professionalstocktransfer.com](mailto:info@professionalstocktransfer.com)

**Sustainability Consulting, Editorial, and Design by:**

Drink Sustainability Communications  
[www.drinkph.com](http://www.drinkph.com)





The Citicore Energy REIT Corp. (CREIT)  
**2024 Annual and Sustainability Report**  
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