

Citicore Renewable Energy Corporation Receives Strong Issuer Credit Rating of PRS Aa plus (corp.)

Philippine Rating Services Corporation (PhilRatings) assigned an Issuer Credit Rating of **PRS Aa plus (corp.)**, with a **Stable Outlook**, to Citicore Renewable Energy Corporation (CREC, the Company).

An Issuer Credit Rating is an opinion on the overall creditworthiness of a company, evaluating its ability to meet all its financial obligations within a time horizon of one year. A company rated PRS Aa (corp.) differs from the highest rated corporates only to a small degree and has a strong capacity to meet its financial commitments relative to that of other Philippine corporates. The “plus” further qualifies the assigned rating. A Stable Outlook means that the rating is likely to be maintained or to remain unchanged in the next 12 months.

The assigned credit rating and Outlook took into account the following major rating considerations: (i) strong growth trajectory despite a relatively short operating history, backed by vertically-integrated operations and industry support for renewable energy; (ii) the Company’s ability to establish strategic partnerships with and get investments from reputable institutions; (iii) CREC’s sustained profitability and cashflow generation backed by long-term contracts, with expected rapid growth continuing in the coming years; and (iv) its manageable capital structure, considering its capital-intensive business and aggressive expansion.

PhilRatings’ rating is based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to CREC, and may change the rating at any time, should circumstances warrant a change.

CREC is one of the leading pure renewable energy companies in the country. The Company is engaged in developing, constructing, and operating renewable energy generating assets, including ground-mounted and hybrid solar, onshore wind, and battery energy storage systems (BESS). CREC began its operations in 2015 through its parent company, Citicore Power Inc. (CPI). Since then, CREC has significantly expanded its operations, growing from three operating assets with a combined capacity of 103 megawatts (MW) to 21 solar assets with a combined capacity of 1,218 MW as of end-June 2026. Under its “5 gigawatts (GW) in 5 Years Roadmap”, the Company targets to add an average capacity of 1 GW per year until 2029. CREC is a vertically integrated platform providing end-to-end solutions that encompass all stages of the renewable energy value chain. It leverages the construction and engineering expertise of its affiliates, Megawide Construction Corporation and Citicore Construction, Inc., to design and build its renewable energy projects.

As of report-writing date, the Company’s operating renewable energy assets are purely solar. Nonetheless, it intends to diversify into onshore wind power. In 2023, the Company secured 360 MW of wind projects under the Department of Energy’s (DOE) second round of the Green Energy Auction Program (GEAP 2). These wind projects will be developed through a joint venture with Levanta

Renewables (Levanta).¹ CREC has yet to start the construction of its maiden wind project – the 45-MW wind facility in Camarines Sur (CamSur).

Aside from the partnership with Levanta, CREC also secured a \$12.5 million investment from the British Government's MOBILIST program (Mobilist). Mobilist invests in new listed products/companies that contribute to the attainment of the United Nations' Global Goals. PT Pertamina Power Indonesia (Pertamina NRE; PNRE) also completed the acquisition of a 20% stake in CREC, with a total investment value of approximately \$120 million. PNRE is a renewable energy subsidiary of PT Pertamina (Persero) – an Indonesian state-owned oil and natural gas corporation. These marked PNRE's and MOBILIST's first investment in the Philippines. Moreover, the Government Service Insurance System (GSIS) also became a shareholder of the Company following a series of secondary-market purchases in the second quarter of 2026. These developments reflect the growing support in CREC's renewable energy platform and long-term growth strategy.

Over the past five years, CREC has delivered sustained growth in both its top line and bottom line, supported by the expansion of its renewable energy portfolio. Total revenues increased from ₱1.0 billion in 2021 to ₱5.3 billion in 2025, while net income grew from ₱192.3 million to ₱1.15 billion over the same period. Net profit margin likewise improved despite some fluctuations, increasing from 19.1% in 2021 to 21.7% in 2025. In the first three months of 2026, net income further increased by 58.2% year-on-year to ₱364.4 million despite lower revenues, mainly due to lower purchase of power and distribution charges. Looking ahead, electricity sales are seen to remain on an upward trajectory as additional solar projects commence commercial operations. While profitability may still be affected by higher finance costs associated with the Company's expansion, earnings and profit margins are projected to improve over the medium term as CREC's operating renewable energy portfolio expands. The Company is also expected to continue utilizing a combination of internally generated cash flows, additional borrowings, and planned equity issuances to support its expansion.

To support its aggressive renewable energy expansion, the Company has utilized a combination of debt and equity financing. CREC's capital base continued to strengthen through its 2024 initial public offering, the strategic equity investment from PNRE in 2025, and earnings retention. As of end-March 2026, CREC's consolidated debt-to-equity ratio stood at 2.2x, while its solvency ratio remained at 1.4x. Leverage levels are seen to remain manageable despite an anticipated increase to finance its renewable energy pipeline in the near term. Over the medium term, leverage is projected to gradually improve as the Company's capital base strengthens through planned equity issuances and the accumulation of retained earnings.

¹ Levanta is the Southeast Asia-focused renewable energy platform of Actis, a global investor in sustainable infrastructure.