PhilRatings PHILIPPINE RATING SERVICES CORPORATION *The Pioneer Domestic Credit Rating Agency*	**RATING NEWS** **March 16, 2026**

CREIT Receives Very Strong Credit Rating

Philippine Rating Services Corporation (PhilRatings) assigned an Issuer Credit Rating of **PRS Aa plus (corp.)**, with a **Stable Outlook**, to Citicore Energy REIT Corp. (CREIT, the Company). CREIT is the country's first energy-focused Real Estate Investment Trust (REIT).

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.

PhilRatings also maintained its Issue Credit Rating of **PRS Aa plus**, with a **Stable Outlook**, for CREIT's ₱4.5 billion outstanding Association of Southeast Asian Nations (ASEAN) Green Bonds. Obligations rated PRS Aa are of high quality and are subject to very low credit risk. The obligor's capacity to meet its financial commitment on the obligation is very strong. The "plus" further qualifies the assigned rating.

The assigned credit ratings and corresponding Outlook took into account the following major rating considerations: (i) CREIT is well-positioned to benefit from the country's growing renewable energy needs with its unique and fully occupied portfolio of green assets; (ii) the Company's reputable shareholders; (iii) its satisfactory profitability; and (iv) its healthy liquidity and manageable leverage levels.

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

CREIT is focused on the renewable energy space, which is poised for continued expansion given the growing demand for electricity and the government's push to increase the share of renewable energy in the country's power generation mix. CREIT's portfolio currently consists of a Company-owned solar power plant and 13 parcels of land leased or subleased to solar power plant operators. All the Company's properties are being leased to companies within the Citicore Group, in line with its current focus to support its Sponsor's developments. Nonetheless, the leased properties have been fully occupied by their respective lessees since 2017 and have a minimum remaining lease term of 14 years. Moreover, the offtake contracts with the lessees' customers had a weighted average (by contracted capacity) term of 10.6 years as of end-September 2025.

As of end-September 2025, CREIT was 33%-owned by Citicore Renewable Energy Corporation (CREC, the Sponsor) and 29%-owned by SM Investments Corporation (SMIC). The remaining 38% belong to the general public.

CREC is a pure renewable energy developer engaged in the development and operation of solar, run-of-river hydro, and wind energy platforms in the country. CREC is one of the largest solar energy generation companies in the Philippines, in terms of combined gross installed solar capacity. CREC is pursuing multiple development activities, with the goal of adding at least 5 gigawatts (GW) of renewable energy projects to its portfolio from 2025 to 2029. Its ultimate parent, Citicore Holdings Investment, Inc. (CHII), is also the parent company of established, infrastructure-focused Megawide Construction Corporation (Megawide).

SMIC is the holding company of the SM Group and one of the Philippines' largest conglomerates, with core businesses in retail, banking, and property. It also has investments in sectors such as logistics, food manufacturing, geothermal energy, and mining.

In terms of its operating performance, CREIT's revenues further increased by 5.0% to ₱1.9 billion in 2024. Top line growth was driven by the full-year recognition of lease income from land assets acquired in the prior year. Gross profit margin (GPM) inched up to 94.5%, while EBITDA margin was a bit lower at 97.6%. Net income registered a 2.2% uptick to ₱1.4 billion in 2024, translating to a net profit margin (NPM) of 75.7%, compared with 77.8% in 2023.

For the first nine months of 2025 (9M2025), revenues marginally declined by 0.3% to ₱1.37 billion, mainly due to non-cash Philippine Financial Reporting Standards (PFRS) 16 adjustments made in 2024. Net income likewise decreased slightly by 0.5% to ₱1.0 billion, as margins were relatively stable.

CREIT generated operating cash flows of ₱1.7 billion in 2024 and ₱1.4 billion in 9M2025, both higher than in the comparable period in the prior year. Current ratio was also kept more than ample at 2.1x as of end-2024 and 2.0x as of end-September 2025. Moreover, the Company's debt-to-equity (DE) ratio remained manageable at 1.0x.

Going forward, CREC intends to continue to infuse assets into CREIT. Additional asset infusions are seen to support the growth in CREIT's earnings over the medium term. Liquidity is also expected to remain more than sufficient over the same period, while an improvement in leverage is anticipated.