

 PhilRatings PHILIPPINE RATING SERVICES CORPORATION	RATING REPORT CITICORE RENEWABLE ENERGY CORPORATION
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Date: August 13, 2026
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NEW ISSUER CREDIT RATING

Assigned Rating and Outlook - PRS Aa plus (corp.) Stable

An Issuer Credit Rating is an opinion on the general and 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 plus (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 sign further qualifies the rating.

A **Stable Outlook**, on the other hand, means that the rating is likely to be maintained and or to remain unchanged in the next 12 months.

RATIONALE

1. Strong growth trajectory despite a relatively short operating history, backed by vertically-integrated operations and industry support for renewable energy

CREC began its operations in 2015 through its parent company, Citicore Power Inc. (CPI). CREC was then incorporated in 2018 as CPI's vehicle for its renewable energy investments and to manage power generation projects across the Philippines. Since its incorporation, CREC has expanded its operations, growing from five operating assets with a combined capacity of 60.0 megawatts (MW) in 2018 to 21 solar assets with a combined capacity of 1,218 MW, as of end-June 2026.¹ This growth can be attributed to the Company's vertically integrated solutions. Such allows for faster completion and generally better control over project execution. The Company benefits through the construction and engineering expertise of and synergies with its affiliate, Megawide Construction Corporation (Megawide). As of the report writing date, Megawide has an issue credit rating of PRS Aa, with a Stable Outlook, from PhilRatings for its outstanding ₱8.5 billion bonds.

Under the Company's "5 GW in 5 Years" roadmap, CREC plans to add at least 1 gigawatt (GW) of green energy capacity per year, on average, until 2029. The Company aims to achieve this through a clustering strategy that will allow the development of solar projects in areas with existing assets and transmission infrastructure. With this strategy, CREC can leverage its existing relationships with local government units

¹ In 2016, prior to CREC's incorporation, CPI completed the construction of three greenfield solar assets with a gross installed capacity of 103 MW.

(LGUs), making the process of securing necessary permits and requirements more efficient. Part of CREC's strategy is also to secure long-term offtake contracts and to expand the customer base of its retail electricity supply (RES) business.

As of report-writing date, the Company's operating renewable energy assets are purely solar. Although CREC is in a favorable position to benefit from the continued growth of the renewable energy sector, the Company may face increased competition as the country's solar industry expands rapidly. CREC intends to diversify into onshore wind power. In 2023, the Company secured 360 MW of wind projects under the second round of the Department of Energy's (DOE) Green Energy Auction Program (GEAP 2). CREC's first wind project, a 45-MW wind facility in Camarines Sur (CamSur), has yet to commence construction. Despite increasing competition, the Company's growth prospects remain favorable, supported by the country's continued transition toward renewable energy. While the country's peak demand remained relatively stable at 19,212 MW in 2025, supply constraints resulted in red alerts across the Luzon and Visayas grids in May 2026. Government support also remains strong through GEAP, with the fourth-round awarding 10,195 MW of renewable energy capacity. The Department of Energy (DOE) likewise aims to increase the share of renewable energy in relation to the country's power generation mix to 35% by 2030 and 50% by 2040.²

2. Ability to establish strategic partnerships with and get investments from reputable institutions

CREC has demonstrated its ability to forge strategic partnerships with reputable institutions both locally and globally. In 2020, a few years after its incorporation, CREC partnered with AC Energy Corporation (ACEN) to develop greenfield solar assets in Pampanga. In 2024, CREC partnered with Levanta Renewables (Levanta) to develop its maiden wind projects. The partnership with Levanta is expected to improve CREC's technical capabilities in wind technologies, where it has limited experience.

Moreover, CREC received significant institutional financial support in the past years. During its listing, CREC secured a \$12.5 million (₱772.6 million) investment from the British Government's MOBILIST program – its first investment in the country.³ In 2025, CREC also entered in a strategic partnership with PT Pertamina Power Indonesia (Pertamina NRE; PNRE), the renewable energy subsidiary of PT Pertamina (Persero) – an Indonesian state-owned oil and natural gas corporation. PNRE acquired a 20% equity stake in CREC through a \$120 million (₱7.4 billion) share subscription agreement. This is also PNRE's first investment in the Philippines. This partnership could provide CREC opportunities for regional expansion while enabling PNRE to leverage CREC's proven solar development capabilities. Additionally, the Government Service Insurance System (GSIS), also acquired stakes in CREC through a series of secondary-market purchases in the latter part of the first half of 2026 (1H2026).

Additionally, SM Investments Corporation (SMIC), one of the leading holding companies in the country, owned a 29% stake in the Company's Real Estate Investment Trust (REIT) arm, Citicore Energy REIT Corp. (CREIT), as of end-2025. CREC's collaboration with SMIC aligns with its subsidiary, SM Prime Holdings, Inc.'s, initiative to transition all its malls to solar power.

Together, these transactions demonstrate strong support for CREC's long-term growth and project execution.

² <https://doe.gov.ph/site/epimb/articles/group/plans-1?category=Power%20Development%20Plan&displa>

³ Maynilad Water Services, Inc. is MOBILIST's second investment in the Philippines.

3. Sustained profitability and cashflow generation backed by long-term contracts, with expected rapid growth continuing in the coming years

The Company delivered sustained topline growth over the last five years, with total revenues increasing from ₱1.0 billion in 2021 to ₱5.3 billion in 2025, a compounded annual growth rate (CAGR) of 51.8%. Growth was primarily attributable to higher electricity sales from CREC's expanding renewable energy portfolio, improved customer renewal rates in its RES, increased lease income from CREIT, and higher management and service fees from new solar projects under construction and additional operations and maintenance service agreements. Despite higher purchase of power, depreciation, and finance costs associated with the Company's expansion, CREC posted strong growth, with net income increasing from ₱192.3 million in 2021 to ₱1.15 billion in 2025, representing a CAGR of 56.5%. Net profit margin likewise improved but fluctuated from 19.1% in 2021 to 21.7% in 2025.

In the first three months of 2026 (3M2026), the Company recorded total revenues of ₱1.1 billion. While revenues declined by 18.7% year-on-year (YoY) due to the gradual reduction in energy trading activities and lower management and service fees, lower purchase of power and distribution charges resulted in a 41.6% increase in gross profit to ₱505.5 million. Finance costs likewise increased by 60.0% following the refinanced loan facility secured in 2025. Net income increased by 58.2% YoY to ₱364.4 million, translating to an improved net profit margin of 31.9%, from 16.4% in the same period in 2025.

Revenues are expected to grow, mainly driven by higher electricity sales as additional solar projects commence commercial operations. Profitability, however, may be affected in the near-term by higher finance costs arising from additional borrowings used to finance the Company's expansion. In the medium-term, however, earnings and profit margins are projected to improve as CREC's operating renewable energy portfolio expands. Stability is further supported by long-term offtake contracts, with tenors of retail electricity supply agreements averaging around 10 years.

The Company's net cash flows from operating activities increased from ₱358.8 million in 2021 to ₱1.8 billion in 2025, mainly driven by higher operating income. In 3M2026, net cash flows from operating activities amounted to ₱2.0 billion, primarily attributable to higher trade and other payables and sustained earnings. These are projected to improve moving forward as additional renewable energy projects commence commercial operations. To support its expansion, the Company is expected to continue utilizing a combination of internally generated cash flows, additional borrowings, and equity issuances. Cash and cash equivalents stood at ₱18.5 billion as of end-2025 and ₱16.7 billion as of end-March 2026.

4. Manageable capital structure, considering its capital-intensive business and aggressive expansion

CREC capital base has evolved alongside the rapid expansion of its renewable energy portfolio. Total assets grew at a CAGR of 89.7%, from ₱6.2 billion as of end-2021 to ₱81.1 billion as of end-2025, driven mainly by substantial additions in property, plant and equipment for the construction and development of solar power projects. To finance these investments, the Company utilized a combination of debt and equity financing. Total debt increased from ₱3.8 billion as of end-2021 to ₱53.5 billion as of end-2025, while total equity likewise expanded from ₱1.7 billion to ₱24.9 billion, supported by the Company's initial public offering (IPO) in 2024, the strategic equity investment of PNRE in 2025, and earnings retention. As a result, debt-to-equity (DE) ratio reached 2.1x as of end-2025. Despite the increase in borrowings, the Company's solvency ratio remained adequate at 1.4x.

As of end-March 2026, total assets further increased by 4.7% to ₱84.9 billion, on account of continued capital expenditures for projects under construction. Interest bearing debt likewise rose by 4.7% to ₱56.0 billion following additional loan drawdowns to finance the Company's pipeline, while total equity remained stable at ₱25.0 billion, supported by continued plowback of earnings. DE ratio marginally increased to 2.2x, while the solvency ratio remained at 1.4x.

Moving forward, the Company is expected to utilize additional debt financing to support the implementation of its renewable roadmap. Total equity is likewise projected to steadily grow through planned equity issuances and the continued accumulation of retained earnings. While leverage is expected to increase in the near term, it is projected to gradually improve over the medium term as the Company's capital base strengthens. Solvency ratio is expected to remain adequate throughout the projected period.

BUSINESS RISK

Company Background and History

CREC is a pure renewable energy company engaged in developing, constructing, and operating renewable energy generating assets, including ground-mounted and hybrid solar, onshore wind, and battery energy storage systems (BESS). The Company is likewise engaged in RES through its subsidiary Citicore Energy Solutions (CESI).⁴

Since its incorporation in 2018, CREC has become one of the leading solar energy generation companies in the country in terms of combined gross installed capacity. As of end-2025, CREC's total installed capacity of 597 MW accounted for 17% of the country's total capacity from solar (3,544 MW). In 1H2026, CREC completed the construction of the five new solar assets bringing the total installed capacity to 1,218 MW.

CREC was organized as CPI's vehicle for its renewable energy investments and to manage the operation of power generation projects for renewable energy technologies in the Philippines. CPI is a subsidiary of Citicore Holdings Investment, Inc. (CHII) – the parent company of Megawide. CREC is also the Sponsor of and a 33% shareholder in CREIT, the country's first renewable energy REIT listed on the Philippine Stock Exchange (PSE). CREIT has an outstanding issuer rating of PRS Aa plus (corp.) and an issue credit rating of PRS Aa plus for its outstanding ₱4.5 billion ASEAN Green Bonds.⁵

⁴ Please refer to Annex I for the complete list of subsidiaries as of end-2025

⁵ Please refer to the February 2026 Published Report for more details on CREIT.

Table 1. Company History

Year	Milestone
2018	Incorporated on May 15, 2018
	Acquired five solar assets from Armstrong Assets Pte. Ltd. and its local co-developers (60.0 MW)
	CESI secured its RES license*
2020	Partnered with AC Energy Corporation (ACEN) and ACE Endeavor, Inc. (Endeavor) to develop greenfield solar assets through Greencore Power Solutions 3, Inc. (GPS3)
2021	Pioneered the AgroSolar concept in the Philippines
	Completed the construction of rooftop-mounted photovoltaic (PV) power generation facility for locators within the Authority Freeport Area of Bataan (AFAB) in Mariveles
2022	CREIT completed its initial public offering (IPO) and was listed on the Main Board of the PSE
	First phase of Arayat Project (72 MW) under GPS3 started commercial operations
2023	Second phase of Arayat Project (43.7 MW) started commercial operations
	Awarded a total of 792 MW of solar and wind energy capacities through the DOE's GEA-2
2024	Completed its listing on the PSE, proceeds from the IPO include investment from the UK Government's MOBILIST program.
	Announced its aggressive plan to deliver 5 GW worth of projects within five years
	Partnered with Levanta Renewables, a utility-scale renewable energy developer and operator, for its onshore wind projects
2025	Signed a strategic investment partnership with Pertamina New and Renewable Energy (PNRE) - a subsidiary of PT Pertamina (Persero) - an Indonesian state-owned oil and natural gas corporation.
	Energized two additional solar power plants in Pampanga (42 MW) and Batangas (197 MW).
2026	Achieved mechanical completion for five new projects

*CESI's RES license is set to expire in December 2026. CREC is in the process of renewing its license

Segments

Power

Operating Solar Assets

As of end-2025, CREC had 14 operating solar assets (hybrid, rooftop, and ground-mounted), with a combined gross installed capacity of 597.2 MW and an attributable capacity of 539.3 MW. Please refer to Table 2 for more information on the Company's solar assets.

The newest asset addition to its renewable energy portfolio is the Lumbangan and Luntal Solar Projects in Tuy, Batangas. It is a 197 MW solar power facility, with a 320 megawatt-hour (MWh) integrated BESS, which will allow the solar plant to store and deliver electricity beyond the normal solar generation periods (10AM-2PM). This is reportedly the first solar baseload power plant in the country.

Table 2. CREC's Solar Assets

Operating Projects as of end-2025						
Project Name (Location)	COD	Gross Installed	Tariff Structure	Offtaker	Offtake Period	Tariff
Centrala (South Cotabato)	Dec 2015	9.8	FIT	Transco	20	₱8.69
Armenia (Tarlac)	Feb 2016	14.1	GEAP	Transco	20	₱4.4
Dalayap (Tarlac)	Feb 2016	11.7	GEAP	Transco	20	₱4.4
Clark (Pampanga)	Mar 2016	30.6	FIT	Transco	20	₱8.69
Bulacan	Mar 2016	22.7	FIT	Transco	20	₱8.69
Silay (Negros Occidental)	Mar 2016	33.6	Private	RES	Multiple contracts	N/A
Bataan	Mar 2016	26.4	Private	RES	Multiple contracts	N/A
Cebu	Jun 2016	87	Private	RES	Multiple contracts	N/A
AFAB Rooftop (Bataan)	Nov 2021	6.6	Private	AFAB	Multiple contracts	N/A
Arayat Phase 1 (Pampanga)	Mar 2022	72	WESM	N / A	N / A	N/A
Arayat Phase 2 (Pampanga)	Mar 2023	43.7	WESM	N / A	N / A	N/A
Arayat 3A (Pampanga)	N / A	42	GEAP	Transco	20	₱4.4
Lumbangan (Batangas)	N / A	125	Private	RES	Multiple contracts	N / A
Luntal (Batangas)		72				
Total Capacity		597				
Mechanically Completed Projects as of end-March 2026						
Project Name (Location)	Estimated	Gross Installed	Tariff Structure	Offtaker	Offtake Period	Tariff
Batangas 2 (Bolbok1 & 2)	1H2026	177	GEA-2	Transco	20	₱4.4
Pangasinan 1 (Sta. Barbara)	1H2026	125	GEA-2	Transco	20	₱4.4
Pangasinan 2 (Binalonan)	1H2026	113	GEA-2	Transco	20	₱4.4
Quezon 1 (Pagbilao 1 & 2)	1H2026	136.5	GEA-2	Transco	20	₱4.4
Negros 2 (Silay)	1H2026	69	GEA-2	Transco	20	₱4.4
Total Capacity		621				

In the first quarter of 2026 (1Q2026), CREC achieved mechanical completion of five solar power projects raising the Company's total installed capacity to 1,218 MW. The capacities of these recently completed projects were awarded under GEAP-2 and are fully contracted to Transco. Sta. Barbara and Silay projects were energized in April 2026, while the remaining projects are undergoing testing and commissioning.

All of CREC's business activities and assets are in the Philippines. Of the 1,218 MW installed capacity, 84% is in Luzon, 16% in Visayas, and a marginal 2% in Mindanao. Moreover, all assets – except for the Arayat facility, are fully owned by the Citicore Group. Arayat Solar Power Plant is a 50-50 joint venture with ACEN.

Sales volume from most of the solar plants was generally steady in the past five years. The Company's plants also showed strong operational performance, having maintained an average reliability and availability rate of 99% over the past three years. PV upgrades and panel replacements in 2025 also increased the capacity across its existing plants. Moreover, CREC has not been significantly affected by weather-related disturbances in the past. CREC's assets as well as business interruptions are covered by insurance.

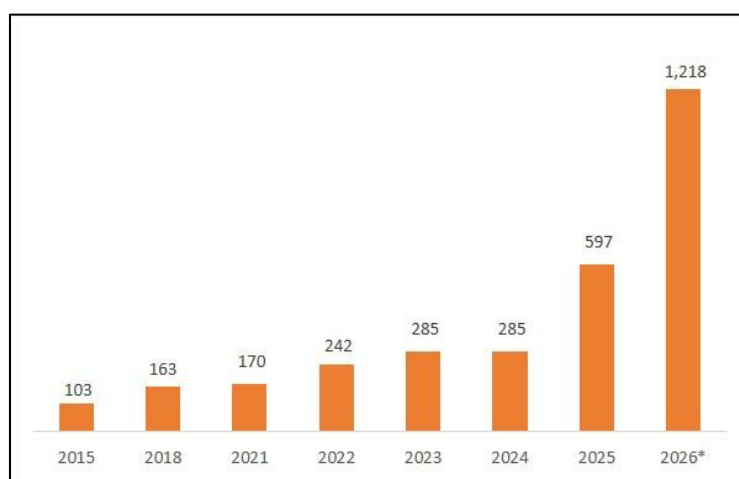


Figure 1. Installed Capacities over the years

*Includes mechanically completed plants

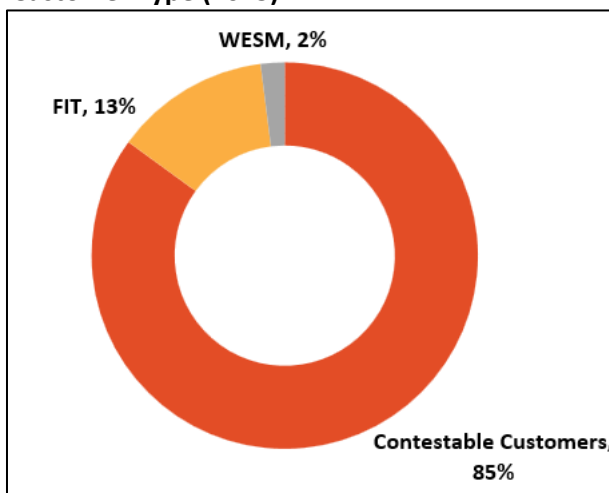
A. Customers and Offtakers

CREC's customers or offtake portfolio is comprised of (i) RES agreements with corporate and industrial customers through CESI, (ii) government-backed power supply agreements (PSA) secured through the GEAP, and (iii) agreements with distribution utilities (DU) and electric cooperatives (EC). CREC also has the flexibility to sell electricity directly to the wholesale electricity spot market (WESM).

While CREC has long-term offtake agreements with Transco under the Feed-in-Tariff (FIT) and GEAP, its contribution to total revenue was relatively low at 14%, on average, from 2023 to 2025. As of end-2025, 85% of the Company's total revenues are from contestable customers and a marginal 2% is sold to WESM.

Moreover, PhilRatings notes that a single customer accounted for a significant portion (39%) of CREC's total contracted capacity as of end-March 2026. While the customer is part of a strong conglomerate with a strong credit quality, such exposure to a key customer could have a material impact on the Company, in case of adverse developments. Nonetheless, PhilRatings notes that the average contract term of electricity supply agreements with customers is approximately ten years. Additionally, while WESM comprised 23% of the total contracted capacity, its overall revenue contribution was minimal.

Figure 2. Revenue Contribution by Customer Type (2025)



B. Contractors and Suppliers

The majority of the Company's suppliers for components such as PV modules, inverters, and other peripherals are sourced from China. In 2024, the Company secured its PV panel supply for the full 2 GW capacity from its supplier, Trina Solar Co., Ltd. (Trinasolar). Trinasolar was founded in 1997 and is reportedly one of the global leaders in smart solar and energy storage solutions. CREC also contracted Sungrow Power Supply Co., Ltd. (Sungrow) to procure a total of 1.5-GWh worth of BESS to firm up the generation output from CREC's solar power projects. Sungrow and Trinasolar are publicly listed companies listed on Chinese stock exchanges.

In terms of construction, CREC primarily relies on CCI for EPC requirements for its projects. The Company likewise benefits through the construction and engineering expertise of and synergies with its affiliate, Megawide.

Under Construction - Solar

CREC also has ongoing construction activities in its existing areas using the clustering strategy. (*Analysts' note: Clustering strategy is further discussed under the Strategy portion of the report*). The tariff rates for these solar projects are secured through GEAP allocations or via private bilateral contracts/agreements. As of end-2025, the capacities for these projects are also 100% contracted.

Through the clustering strategy, CREC expects to add over 2.0 GW of installed capacity from its existing project sites. Projections indicate that these projects will roll out in phases, with more than 1 GW scheduled for completion by the end of 2026.

Area	Estimated COD	Location	Gross Installed	Tariff Structure	Offtaker
Nueva Ecija Cluster	4Q2026	Nueva Ecija	41	Private	Private Entity
Pampanga Cluster	4Q2026	Pampanga	56	Private	Private Entity
Bataan Cluster	4Q2026	Bataan	139	Private	Private Entity
Batangas Cluster	4Q2026	Batangas	1236	GEA-4 & Private	Transco & Private Entity
Quezon Cluster	4Q2026	Quezon	456	GEA-4	Transco
Cebu Cluster	4Q2026	Cebu	100	Private	Private Entity
Negros Occidental Cluster	4Q2026	Negros Occident	130	GEA-4	Transco
Total Capacity			2158		

Table 3. Projects Under Construction

Advanced Development – Onshore Wind

CREC also has four onshore wind projects in the “Advanced Development” stage. These projects are expected to have a gross installed capacity of approximately 540 MW – 360 MW of which are contracted under GEAP 2.

This is part of the Company’s goal of diversifying its renewable energy mix beyond solar. The Company, through its wholly-owned subsidiary Citicore Wind Energy Corporation (CWEK), will establish a joint venture company with Levanta Renewables (Levanta) to develop these onshore wind projects in Luzon and Visayas. In 2025, Citicore Wind Aklan, Inc. (CWA) has been deconsolidated and is subsequently accounted for as an investment in a joint venture between CWEK and Levanta for the development of onshore wind projects. *(Analysts’ note: For further details on the partnership with Levanta, please refer to the Strategy portion of this report.)*

Table 4. Onshore Wind Projects

Location	Capacity (MW)	GEA Capacity	Tariff Structure	Offtaker	Expected NTP
Iloilo	225	150	GEA-2	Transco	Sep 2027
Bataan-Zambales	150	100	GEA-2	Transco	Sep 2027
Pangasinan	120	80	GEA-2	Transco	Sep 2027
Camarines Sur	45	30	GEA-2	Transco	Apr 2026
Total Capacity	540	360			

REIT

The REIT segment refers to the Company’s rental operations through CREIT. CREIT was incorporated in May 2018 and is the country’s first renewable energy REIT and has become the largest renewable energy landlord in the country. Its primary purpose is to engage in the business of owning income-generating real estate assets, under Republic Act No. 9856 or the REIT Act of 2009.

As of end-2025, CREIT was 33% owned by CREC and 29% owned by SMIC. In 1Q2024, SMIC bought CREIT shares from CREC and Citicore Solar Tarlac 1 resulting in a 29% ownership. CREC’s collaboration with SMIC aligns with SMPH’s initiative to transition all its malls to solar power.

A. Assets Infused into CREIT

CREIT's portfolio consists of a Company-owned solar power plant and 13 parcels of land, with 7.1 million square meters (sqm) of total leasable area. These properties are currently being leased or subleased to CREC and its subsidiaries. The land properties leased out by CREIT also host most of CREC's operating solar power plants, as well as those currently under construction.

Assets		Lessees	GLA (in sqm)
IPO-Assets	Clark Solar Power Plant	CREC	250,318
	Armenia Property	Citicore Tarlac 1	138,164
	Toledo Property	Citicore Cebu	730,000
	Silay Property	Citicore Negros Occidental	431,408
	Dalayap Property	Citicore Tarlac 2	103,731
1st Infusion	Bulacan Property	Citicore Bulacan	253,880
	South Cotabato Property	Citicore South Cotabato	79,997
2nd Infusion	Lumbangan Property	Citicore Batangas 1	1,062,083
	Luntal Property	Citicore Batangas 1	839,535
	Bolbok Phase 1 Property	Citicore Batangas 2	741,016
	Bolbok Phase 2 Property	Citicore Batangas 2	933,979
	Pampanga Property (Arayat)	Citicore Pampanga 1	419,214
3rd Infusion	Pampanga Property (Magalang)	CREC	70,433
	Pangasinan Property	Citicore Pangasinan 2	1,049,102
Total			7,102,860

Table 5. Assets Infused into CREIT (as of end-September 2025)

CREIT's rental income is derived from its leasehold and freehold land assets and the lease of its solar power plant property. As a shareholder and Sponsor of CREIT, the Company also receives regular dividend distributions, supported by lease payments from properties owned by the parent company.

The lease rental rate for CREIT's leased properties is composed of a guaranteed annual base rental rate (independent of the performance of the lessee's power plant) and a variable rental rate (which allows the Company to benefit from improved performance on the part of its lessees). As of end-2025, 89% of CREIT's rental income is from guaranteed based revenues.

The leased land properties are also fully occupied by their respective lessees from the Citicore Group since 2017. As of end-March 2026, the properties had a weighted average lease expiry (WALE) of 19.2 years.

Given that CREIT's lease income is predominantly derived from lease agreements within the Citicore Group, the majority was eliminated in CREC's consolidated revenues. PhilRatings also notes that the portion of lease income recognized in CREC's consolidated revenue was generated from entities under common control.⁶ Lease income from these entities could also be eliminated in CREC's top line upon the completion of the merger. *(Analysts' note: For further details on the merger, please refer to the Strategy portion of this report.)*

Others (Service fees)

⁶ CREIT's sublease agreement with Citicore Solar Negros Occidental, Inc. (CSNO) and Citicore Solar Cebu, Inc. (CSCI)

Service fees pertain to the operation of the Group's head office, and operation and maintenance service for assets within the Group. This has contributed marginally to total revenues, averaging at 3% in the past five years.

Operating Highlights

CREC generates revenues from the following: (i) sale of electricity (Power); (ii) lease income (REIT); and (iii) service fees from its subsidiaries (Others).

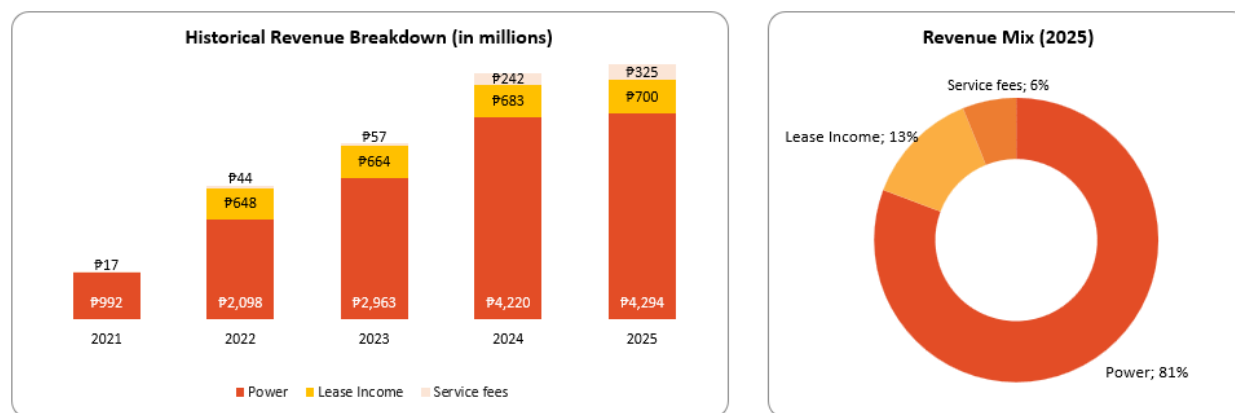


Figure 3. Revenue Breakdown Per Segment

Historically, the Company's Power segment accounted for a significant share of CREC's consolidated revenues, averaging 83% of the total over the last five years. As of end-2025, the Power segment accounted for 81% of the total revenues. This segment likewise recorded notable growth over the years, rising by ₱3.3 billion from ₱992 million in 2021 to ₱4.3 billion in 2025, for a CAGR of 44%. Lease income, on the other hand, grew at a slower CAGR of 3% over the years. Lease income from rental operations accounted for 17%, on average, of total revenue since 2021. While Service Fees grew significantly at a CAGR of 109%, this segment contributed marginally to total revenues over the past years.

Management

Edgar B. Saavedra is the Company's co-founder and Chairman of the Board. He has more than 20 years of engineering and construction experience having founded Megawide in 1997. Mr. Saavedra also serves as the Chairman, President and Chief Executive Officer (CEO) of Megawide and CHII. Under his leadership, Megawide became one of the leading construction and infrastructure companies in the country. 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.

Manuel Louie B. Ferrer is the Company's co-founder and Vice Chairman of the Board. He is also the Vice Chairman of Megawide's Board of Directors and holds key positions in companies within the Citicore-Megawide Group. He has been instrumental in Megawide's transformation from a pure EPC player to a diversified infrastructure conglomerate.

Oliver Y. Tan is the co-founder, President and CEO of CREC since 2018. Mr. Tan spearheaded the completion of five greenfield solar projects and led the acquisition of five solar assets from Armstrong

Assets Pte. Ltd. and its local co-developers. Mr. Tan served as the Chief Investment and Strategy Officer of Megawide until 2018. Mr. Tan concurrently serves as a Director of various companies under the Citicore Group. He also concurrently serves as the President and CEO of CREIT. Mr. Tan holds a degree in Business Administration from the Philippine School of Business Administration.

Michelle A. Magdato was appointed as CREC's Chief Finance Officer (CFO) and Treasurer effective June 30, 2026. Ms. Magdato is a Certified Public Accountant (CPA) and has held various senior and managerial positions in Megawide before transitioning to the Citicore Group in 2021. She concurrently serves as the CFO of CREIT. Ms. Magdato succeeded Ma. Lucia L. Roderos, who resigned effective June 30, 2026.

Ownership

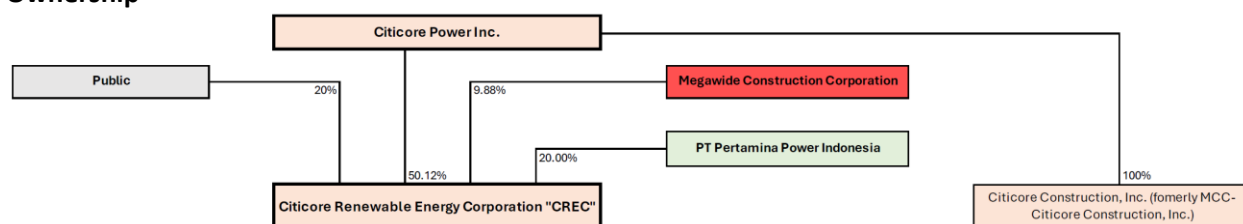


Figure 4. Ownership Structure (as of end-2025)

As of end-2025, the combined equity stake of CPI (50%) and Megawide (10%) accounted for the majority of CREC's total shares. Both CPI and Megawide are subsidiaries of CHII and are beneficially owned by Mr. Saavedra. CHII was incorporated in December 2011 and operates primarily as a holding company with ownership interests in Megawide and other affiliates. Megawide, on the other hand, was incorporated in July 2004 as a general construction company and has since become one of the leading construction companies in the country. As of end-March 2026, Megawide's total assets stood at ₱73.6 billion.

In April 2026, CPI declared property dividends to CHII and Purple Seed Capital Holding Inc. (PSCHI; owned by Mr. Tan) which owns 80% and 20% of CPI, respectively. Following the distribution, CHII owned 40.3% of CREC while PSCHI owned 10.9%. According to management, the transfer is a strategic action to streamline Mr. Saavedra and Mr. Tan's ownership, highlighting that they still collectively have the majority ownership and management control over CREC and its subsidiaries. This share transfer from CPI to CHII and PSCHI is currently undergoing the Electronic Certificate Authorizing Registration processing of the Bureau of Internal Revenue (BIR) prior to the update of corporate records.

Megawide, on the other hand, sold its shares to GSIS. In May and June 2026, the state-owned pension fund had a series of secondary-market purchases which finalized Megawide's exit from the Company. As of June 26, 2026, GSIS owned 9.0% of the total outstanding shares of CREC.⁷

GSIS is a Government-Owned and Controlled Corporation (GOCC) mandated to provide and administer social security benefits to government employees and to manage the General Insurance Fund. For full-year 2025, GSIS reported a net income from operations of ₱137.7 billion, up by 3.6% from ₱133.1 billion in 2024. Moving into the new fiscal year, GSIS' earnings surged by 170% to ₱43.6 billion in 1Q2026. This increase was driven by stronger insurance collections, investment gains, and sustained growth in member-based programs. As of end-March 2026, the state insurer's total assets reached nearly ₱2.0 trillion, up from ₱1.96 trillion as of end-2025.

⁷ <https://mb.com.ph/2026/07/03/gsis-snapping-up-hundreds-of-millions-of-citicore-shares>

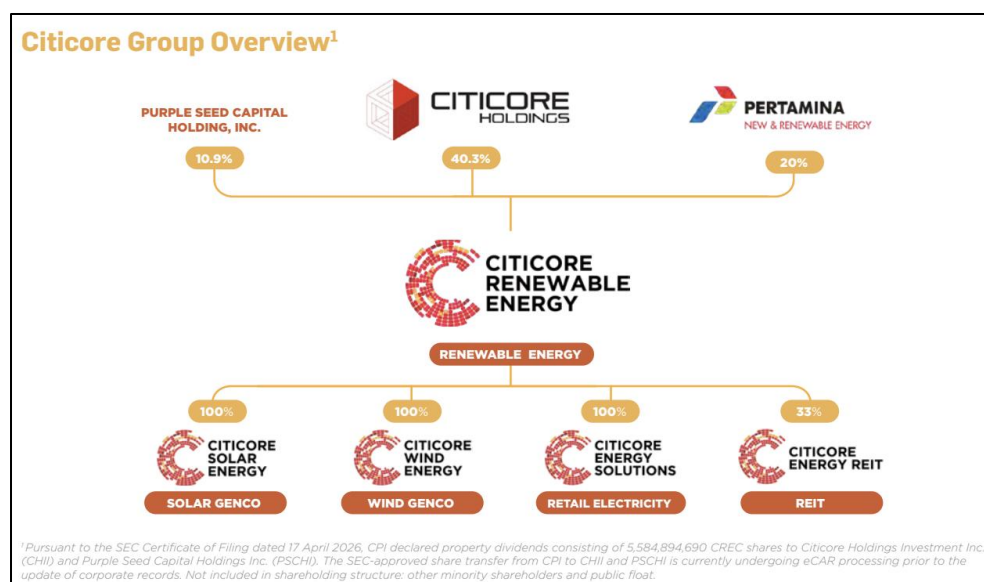


Figure 5. Shareholding Structure post share transfer

In 2025, PNRE acquired a 20% equity stake in CREC through a \$120 million (₱7.4 billion) share subscription agreement. PNRE is the renewable energy subsidiary of Persero – an Indonesian state-owned oil and natural gas corporation, headquartered in Jakarta.⁸ Through the partnership, PNRE gains access to CREC's expertise in project development and EPC, while CREC will have the opportunity to develop renewable energy projects in Indonesia, which will support the Company's expansion in the region. This is PNRE's first investment in the Philippines. Proceeds from this transaction will be used for the development of the Company's pipeline of projects as part of its 5 GW in five years roadmap. In May 2026, Pefindo assigned PNRE an Aaa rating with a Stable Outlook. The rating was mainly driven by the very strong likelihood of support from Persero. Pefindo also highlighted PNRE's strong market position and its secure revenue streams and stable margins. Pefindo, however, noted that the rating is constrained by execution and geological risks. Moreover, any change in the parent's rating may also be reflected on PNRE's rating. As of report-writing date, Persero holds global investment-grade ratings of BBB/Baa2, with a Stable Outlook from S&P and Negative Outlooks from Fitch and Moody's. As of end-2025, PNRE's total assets stood at ₱218.8 billion, up by 5.2% from the previous year. Revenues and net income attributable to equity holders during the year amounted to approximately ₱27.1 billion and ₱3.3 billion, respectively.⁹

During its listing in 2024, CREC also received an investment from the UK Government's MOBILIST program – an investment vehicle under the British Investment Partnerships program of the UK government. Mobilist invests in new listed products/companies that contribute to the attainment of the United Nations' Global Goals. Mobilist total investment amounted to \$12.5 million (₱744 million).

Targets and Strategies

CREC has set a five-year (2025 to 2029) target of reaching at least 5 GW of installed renewable energy capacity, by adding 1 GW of projects, on average, per year to its asset portfolio.

⁸ Persero's Power & New Renewable Energy sub holding is operated through PT Pertamina Power Indonesia (Petarmina NRE or PNRE)

⁹ <https://www.pefindo.com/rating-action-reports/rating-report/PNRE>
<https://www.pertamina.com/en/credit-ratings>

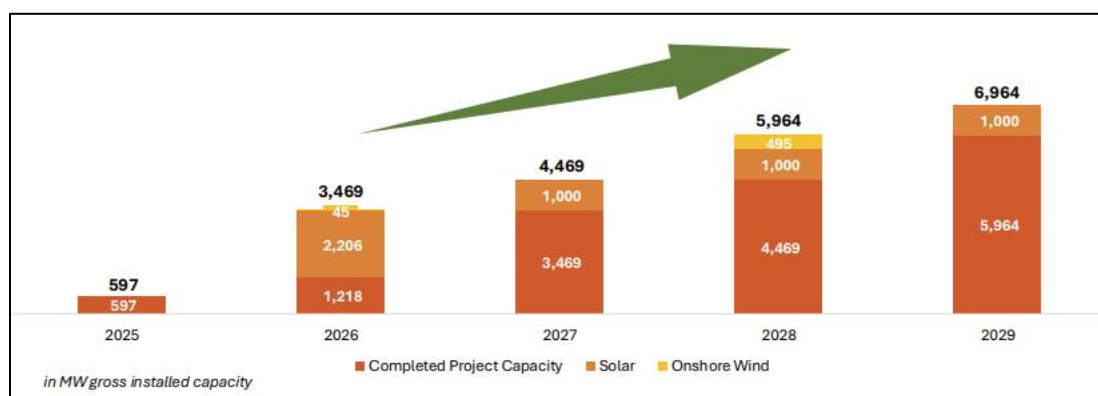


Figure 6. 5.0 GW in 5 years Roadmap

To achieve this growth, the Company will be using a clustering strategy. With clustering, CREC will develop multiple solar projects in close geographic proximity. This strategy enables CREC to develop and expand projects in areas with existing assets, allowing it to leverage shared infrastructure.

Beyond solar, CREC intends to diversify into other renewable sources. Following the Company's participation in GEAP 2, CREC secured contracts for onshore wind projects. Given its limited experience in wind technologies, CREC entered a strategic partnership with Levanta, a Southeast Asia-focused renewable energy platform backed by UK investment firm Actis.¹⁰ This partnership allows CREC to benefit from Levanta's technical expertise in wind technologies. Despite the expansion to wind power, CREC will remain primarily focused on solar, given its core expertise, faster execution timelines, and relatively lower capital requirements.

The Company's growth pipeline was further boosted by GEAP 4. CREC was awarded 1,212 MW of renewable energy capacity, making them one of the largest winners of the said round. CREC placed bids for ground-mounted solar Integrated Solar & Energy Storage Systems (IRESS) projects in Isabela, Batangas, Quezon, and Negros Occidental. These projects would benefit from long-term contract arrangements, which could provide a steady source of revenue/cash flow for its projects, supporting long-term earnings.

CREC also has a vertically integrated platform that provides end-to-end solutions that encompass all stages of the renewable energy value chain. The Company leverages the construction and engineering expertise of its affiliates, Megawide and CCI, to design and build its projects. Such model gives the Company full visibility on the design, development, construction, installation, operation, and maintenance of renewable energy power plants, offering speed-to-market and efficient energy solutions.

Moreover, CREC, through its RES business, also intends to expand its customer base to contestable customers with high energy requirements, such as multinational locators and private corporations, and secure long-term offtake contracts through GEAP.

In March 2026, the Company also disclosed its proposed merger with six subsidiaries, with CREC as the surviving entity. The merger aims to simplify its corporate structure and improve operational efficiency

¹⁰ Actis also has significant investments in MTerra Solar – reportedly the largest solar project in the world. Financial information on Levanta and Actis are not publicly disclosed.

by streamlining permitting, license renewals, and tax filings.¹¹ This merger, however, is still subject to the approval of the Securities and Exchange Commission.

Environmental, Social, and Governmental (ESG)

CREC, through its affiliate Citicore Foundation, Inc. has implemented projects ranging from community development, training-to-employment (T2E) programs, educational assistance and environmental protection and conservation efforts since 2019. The Citicore Group's Green Financing Framework also guides the issuance of green bonds/loans that support investments in renewable energy, forest conservation, and sustainable water and wastewater management.

Environment

AgroSolar is the Group's banner program. It was launched in 2021 and was the first to introduce such in the country. With AgroSolar, the land for solar energy production is integrated with agricultural production, which provides farmers from the Group's local communities with additional income. The Company harvested more than 12,735 kilograms of high value crops, including local napa cabbages (petchay), green and red chilis, and eggplants. The Clark Solar Power Plant, Armenia Property, Dalayap Property, and Bulacan Property are currently implementing this concept.

Aside from the AgroSolar initiative, the group is also engaged in annual tree-planting activities (CommuniTree), converts defective solar panels into community waiting sheds (EcoShed), and installs solar-powered units in communities with no stable source of light during nighttime (Pailaw).

Education

The Group also has educational initiatives that support underserved communities and underprivileged students. Citicore Foundation provides educational and financial assistance to students through Usbong Scholarship. The Group also drives initiatives such as Brigada Eskwela and Balik-Eskwela, where it provides school supplies, construction materials, and other necessary tools to schools and students under its 'Adopt-a-School' program. Bantay Basa is a literacy program anchored on improving reading competencies among underserved communities.

Employment

The Group likewise conducts T2E programs to develop the skills and competencies among trainees from local communities. The group's T2E campaigns, in collaboration with TESDA, sets capacity-building initiative that would help residents from host communities acquire skills to achieve required capabilities that would be beneficial in securing future employment.

ECONOMY

Gross Domestic Product (GDP)¹²

¹¹ The entities included in the proposed merger are Citicore Solar Holdings, Inc., Sikat Solar Holdco, Inc., Citicore Solar Tarlac 1, Inc., Citicore Solar Tarlac 2, Inc., Citicore Solar South Cotabato, Inc., and Citicore Solar Bulacan, Inc.

¹² Philippine Statistics Authority

The country's GDP growth slowed to 4.4% in 2025, missing the government's target range of 5.5%–6.5% and marking the third consecutive year that it has fallen short of the target. Department of Economy, Planning, and Development (DEPDev) Secretary Arsenio Balisacan cited the impact of weather-related disturbances for the year and the corruption scandal surrounding flood control projects as reasons for the missed growth target. The latter reportedly dampened investments and eroded consumer confidence in the second half of 2025.

On the supply side, full-year growth was anchored by Services (+5.9%) and a modest recovery in Agriculture, Forestry, and Fishing (AFF; +3.1%), while Industry lagged behind at 1.5%.

On the demand side, Household Final Consumption Expenditure (HFCE) slowed to 4.6% in 2025 (down from 4.9% in 2024), while Government Final Consumption Expenditure (GFCE) accelerated to 9.1% (up from 7.3% in 2024). Gross capital formation (GCF) contracted by 2.1% in 2025, a sharp reversal from the 7.7% growth in 2024, driven by the government's aggressive freeze on project disbursements and a strict anti-corruption clampdown in the last quarter of the year following the flood control scandal.

In the second quarter of 2026 (2Q2026), the Philippine GDP expanded by 2.3% year-on-year (YoY), slower than the 2.8% growth in 1Q2026 and the 5.4% recorded in the same period in 2025. This brought GDP growth for the first half of 2026 (1H2026) to 2.6%, below the government's 3.5%–4.5% full-year growth target. The 2Q2026 outturn was the country's weakest quarterly growth since the onset of the pandemic. The Philippines also lagged behind other major Southeast Asian economies that had reported second-quarter results, including Vietnam, which grew by 8.4%; Malaysia, 5.8%; and Indonesia, 5.3%.

According to DEPDev Secretary Arsenio Balisacan, domestic demand remained subdued mainly because total investment continued to contract as public construction declined. Household consumption growth also moderated amid higher inflation, job losses, and lower remittance receipts arising from the Middle East conflict. The oil shock associated with the Middle East conflict also increased inflation and slowed household consumption during the quarter.

By sector, the Services sector remained the main driver of economic activity, expanding by 4.5% YoY in 2Q2026. The AFF sector also grew by 2.7% during the quarter. Industry, on the other hand, contracted by 2.4%. The main contributors to overall GDP growth were wholesale and retail trade; repair of motor vehicles and motorcycles (+4.6%), education (+12.7%), and manufacturing (+2.6%).

In terms of expenditure, HFCE grew by 2.8% YoY in 2Q2026, while GFCE expanded by 8.3%. GCF, meanwhile, contracted by 9.2%, consistent with the continued weakness in investment and public construction. Exports of goods and services grew by 12.2%, while imports of goods and services increased by 5.5% during the quarter.

<https://business.inquirer.net/571342/philippine-gdp-growth-down-to-3-in-q4-2025>

<https://www.abs-cbn.com/news/business/2026/5/7/gdp-growth-skids-to-2-8-percent-in-first-quarter-of-2026-1007>

<https://psa.gov.ph/statistics/national-accounts>

<https://bworldonline.com/top-stories/2026/08/07/768829/philippine-q2-growth-slumps-to-new-post-pandemic-low-amid-oil-shock/>

<https://www.abs-cbn.com/news/business/2026/8/7/gdp-growth-further-skids-to-2-3-percent-in-second-quarter-1006>

Inflation¹³

Inflation averaged 1.7% in 2025, marking the slowest annual pace of price growth since 2016 and remaining below the Bangko Sentral ng Pilipinas' (BSP) 2–4% target range. The low inflation outturn was driven by easing rice prices and generally stable commodity costs, although food prices edged up toward year-end due to weather-related supply disruptions and stronger holiday demand.

Headline inflation eased to 6.2% in July 2026 from 6.4% in June 2026, marking the third consecutive month of slower inflation and the lowest rate in four months. This brought the average year-to-date inflation rate for January-July 2026 to 5.0%, remaining above the BSP's 2%–4% target range for the year. The slowdown was mainly driven by slower price increases in transport, which moderated to 11.9% from 12.8% in June 2026 and accounted for 57.4% of the overall deceleration in inflation. The moderation in transport inflation was attributable to slower price increases in gasoline and passenger transport, amid improved fuel supply conditions. Food inflation, meanwhile, remained steady at 5.3%, as lower meat prices and slower increases in vegetable prices offset sharper rice inflation.

Core inflation also slightly eased from 4.4% in June 2026 to 4.2% in July 2026, although it remained higher than the 2.3% recorded in July 2025. Despite the recent moderation, inflationary pressures remain elevated. The government maintained its 6.0%–7.0% inflation projection for 2026, considering elevated global fuel prices, persistent supply-side pressures, and emerging second-round effects from the Middle East conflict. Risks to food and energy prices also remain amid lingering geopolitical tensions and the potential impact of El Niño.

Interest Rates¹⁴

Considering the subdued inflationary environment in 2025, the BSP implemented a series of 25-basis-point cuts during the year that brought the key policy rate down from 5.75% to a low of 4.5% by December 2025.

Year-to-date in 2026, however, the BSP shifted from monetary easing to monetary tightening. After bringing the policy rate to a low of 4.25% in February, the BSP made two consecutive 25-bps rate hikes that brought the policy rate to 4.75% in June 2026. The central bank cited inflationary pressures from rising oil and fertilizer costs, the faster-than-expected broadening of second-round effects, and the inflation outlook as key considerations for the June rate hike. The BSP also emphasized that it closely monitors core inflation as an indicator of underlying price pressures and potential second-round effects.

Outlook¹⁵

In July 2026, major multilateral institutions further revised their Philippine economic growth forecasts.

¹³<https://business.inquirer.net/567690/philippine-2025-inflation-slows-to-1-7-a-9-yr-low>

<https://www.abs-cbn.com/news/business/2026/7/7/inflation-eases-to-6-4-percent-in-june-as-fuel-prices-decline-0914>

<https://business.inquirer.net/597477/marcos-govt-lowers-gdp-growth-targets>

¹⁴ <https://www.bsp.gov.ph/Price%20Stability/MonetaryPolicyReport/FullReport-June2026.pdf>

¹⁵ <https://www.imf.org/-/media/files/publications/weo/2026/update/july/english/text.pdf>

<https://www.adb.org/outlook/editions/july-2026>

<https://www.reuters.com/world/asia-pacific/world-bank-maintains-2026-philippine-growth-forecast-37-2026-08-03>

<https://www.spglobal.com/ratings/%5BBlang%5D/regulatory/article/-/view/type/HTML/id/3542352>

<https://www.fitchratings.com/research/sovereigns/fitch-revises-philippines-outlook-to-negative-affirms-at-bbb-20-04-2026>

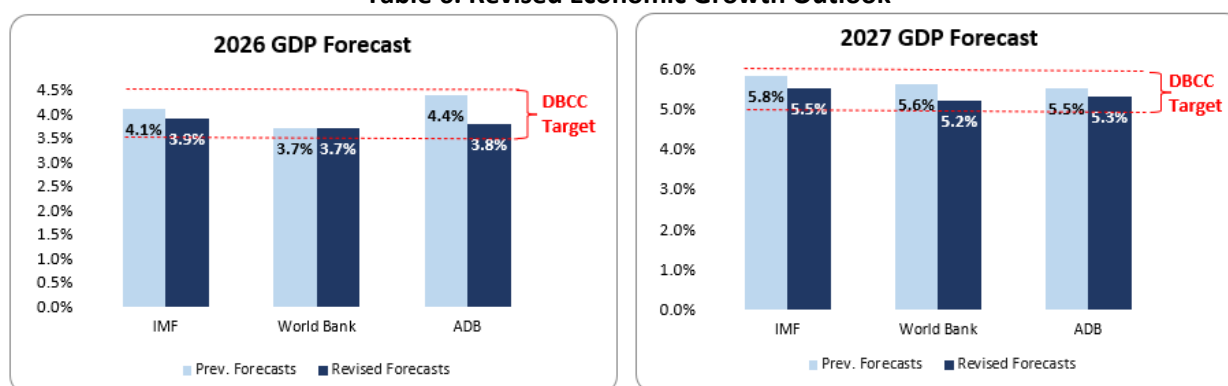
<https://bworldonline.com/top-stories/2026/08/07/768799/philippine-gdp-growth-sharply-slows-in-q2-2026>

The International Monetary Fund (IMF) lowered its GDP growth forecast for the country, citing the weaker-than-expected economic performance and the larger-than-anticipated impact of the Middle East conflict on domestic prices and economic activity.

The Asian Development Bank (ADB) likewise lowered its Philippine growth forecasts due to the delayed investments, softer private consumption amid higher commodity prices, and climate-related risks.

Meanwhile, the World Bank maintained its 2026 growth forecast but lowered its 2027 forecast, indicating a slower recovery than previously expected. The World Bank expects economic growth to remain subdued in 2026 amid weaker fixed investment and private consumption before improving in 2027 as investment conditions gradually recover.

Table 6. Revised Economic Growth Outlook



The latest 2026 forecasts of the aforementioned institutions remain within the Development Budget Coordination Committee's (DBCC) revised GDP growth target of 3.5%–4.5%. In July 2026, the DBCC lowered its 2026 target from the previous 5.0%–6.0% range. The DBCC likewise lowered the GDP growth target for 2027 to 5.0%–6.0%, from 5.5% to 6.5%. The revised macroeconomic assumptions considered domestic and external uncertainties, including the impact of the Middle East conflict, higher commodity prices, and slower government spending.

DEPDev Secretary Arsenio Balisacan said the economy would need to grow by at least 4.4% in 2H2026 to achieve the lower end of the target range. The government expects economic activity to improve in the second half as public infrastructure spending recovers, while the pace of investment recovery and external developments remain key factors affecting the outlook.

S&P Global Ratings (S&P), meanwhile, maintains the Philippines' 'BBB+' investment-grade sovereign credit rating with a Stable Outlook, following its revision of the outlook from Positive in April 2026. The outlook revision reflected increased external and fiscal risks that reduced the likelihood of a near-term rating upgrade. Fitch Ratings likewise maintains the country's 'BBB' long-term foreign-currency issuer default rating with a Negative Outlook.

Domestic Impact of the Ongoing Middle East Conflict¹⁶

¹⁶<https://psa.gov.ph/price-indices/cpi-ir>

The US-Israel-Iran conflict and maritime transit constraints at the Strait of Hormuz led to a declaration of State of National Energy Emergency by President Ferdinand Marcos Jr. in March 2026.

While the initial ceasefire deal between the U.S. and Iran in early April and its ongoing extension lowered global oil prices, the two-month tension between the two countries—marked by maritime friction and elevated logistics and insurance costs—will keep domestic fuel prices elevated, weighing heavily on the country's manufacturing output, household consumption, and fiscal buffers.

On June 17, 2026, the U.S. and Iran Presidents signed a Memorandum of Agreement (MOU) declaring the immediate and permanent termination of the war. The MOU includes the reopening of the Strait of Hormuz and easing of certain financial restrictions on Iran. Under the MOU, the U.S. and Iran also commit to reach a final deal within 60 days, including the arrangements related to Iran's nuclear program. As of report-writing date, the next phase of the negotiations is still ongoing. Days after the MOU was signed, Iran declared the Strait of Hormuz closed again amid Israel's strikes in Lebanon. The U.S., however, denied this claim highlighting that approximately 17 million barrels of oil transit the waterway despite Iran's declaration of its closure. According to a U.S. official, Iran would be unable to effectively close Hormuz due to the presence of the U.S. military escorts.

INDUSTRY

Peak Demand¹⁷

In 2025, the country's total peak declined marginally or by 0.3% to 19,212 MW, from 19,274 MW in 2024. The Luzon grid continued to account for the largest share of the total demand at 72.7%, while Visayas and Mindanao grids each contributed 14.0%.

Installed and Dependable Capacity

The country's power supply, in terms of total installed capacity, increased by 7.8% from 29,706 MW in 2024 to 32,037 MW in 2025. A total of 2,331 MW was added to the country's supply base during the year. The majority or 1,320 MW of the total additions came from natural gas, while the rest or 1,1013 MW was from RE sources, the majority of which was from solar power (834 MW).

In 2025, the share of total capacities from natural gas notably increased to 16% from 13% in 2024. RE sources similarly increased, albeit marginally, from 32% in 2024 to 33% in 2025. While coal-fired power plants still accounted for the bulk of total

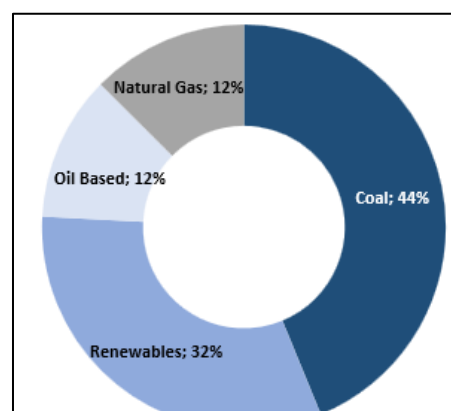


Figure 7. Installed Capacity Mix (2025)

<https://www.gmanetwork.com/news/money/economy/984266/diesel-prices-liter-gasoline-week>

<https://www.aljazeera.com/news/2026/4/18/iran-closes-strait-of-hormuz-again-over-us-blockade-of-its-ports>

<https://www.gmanetwork.com/news/money/economy/982088/pump-price-increase-middle-east-war/story>

<https://bworldonline.com/editors-picks/2026/05/25/751701/remittances-from-mideast-likely-to-remain-resilient/>

<https://tribune.net.ph/2026/05/19/ofw-remittance-risks-rise-amid-middle-east-conflict-ilo>

¹⁷ <https://legacy.doe.gov.ph/energy-statistics/philippine-power-statistics>

installed capacities at 41%, such was lower than the 44% recorded in the previous year.

In terms of dependable capacity, the Philippines had 27,866 MW in 2025, up by 6.8% from 26,086 MW in 2024. The additional capacities were also primarily from natural gas and RE sources – primarily solar. It is worth noting, however, that dependable capacities from hydro power were down by 145 MW in 2025.

In 2026, the total share of RE's installed capacity (40%) is expected to surpass that of coal (37%).

Power Generation and Consumption

Total electricity generation and consumption likewise declined marginally, from 126,941 GWh in 2024 to 126,378 GWh in 2025. The residential segment continued to be the main driver of electricity consumption, accounting for 33.2% of the total consumption. It was followed by the industrial and commercial segments, with 24.8% and 22.7% shares, respectively.

As of end-2025, coal remained the dominant power source in the country, accounting for 57% of the total generation mix. Nevertheless, this was an improvement from 63% share in the previous years. In contrast, the share of renewable energy and natural gas to total generation mix increased in 2025 to 25% and 17%, respectively.

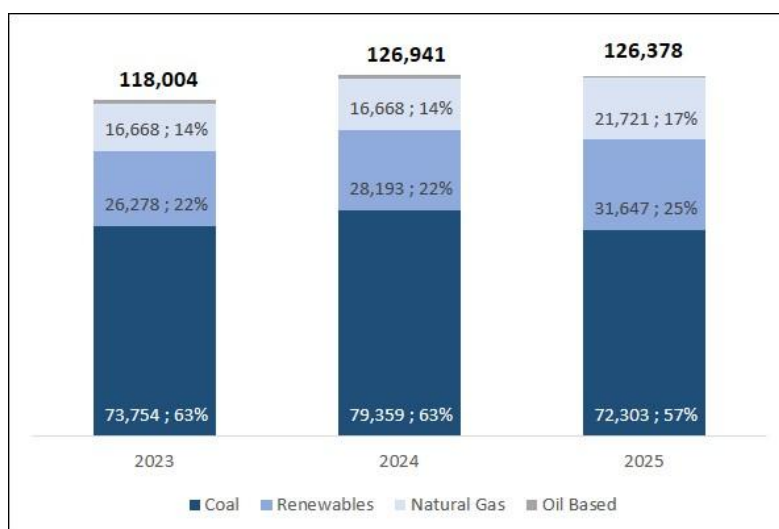


Figure 8. Power Generation and Consumption (GWh)

Green Energy Auction Program (GEAP)¹⁸

A renewable energy auction is where energy companies bid against each other for contracts to generate energy. The DOE issued a circular on the guidelines governing GEAP to facilitate the selection of eligible renewable energy plants through a competitive process. Under the GEAP guidelines, the ERC will set a Green Energy Auction Reserve Price or “GEAR Price”, which will be the maximum price offer in PHP/kWh.

In 4Q2025, the DOE announced the results of GEAP-4 Program. A total of 123 projects with 10,195 MW capacities were selected, including over 4,179 MW of ground-mounted solar projects, 2,284 MW of floating solar projects, around 2,518 MW of onshore wind, 1,189 MW of integrated energy storage systems (IRESS), and 25 MW of rooftop solar projects. This amount exceeds the previous award of 9,423 MW in September 2025. The largest projects include the Cauayan ground-mounted solar project, with two phases totaling 900 MW, and the Angat floating solar project, with two phases totaling 1,040 MW.

PhilRatings notes that more than 20% of the ground-mounted solar projects and IRESS capacities were secured by CREC.

¹⁸ <https://www.enerdata.net/publications/daily-energy-news/philippines-awards-102-gw-gea-4-renewable-auction.html>

Outages across Luzon and Visayas¹⁹

In May 2026, the Luzon and Visayas grids were placed on red alert due to the critically low electricity supply. Electricity consumers in both grids experienced rotating brownouts from May 13 to 15, 2026. Aside from the surge in electricity demand amid the hot weather, the red alert in Luzon was also driven by the transmission constraint of the 500 kV Tayabas-Ilijan and Dasmariñas-Ilijan Transmission Lines which resulted in the disconnection of the two major plants in Batangas. PhilRatings notes that CREC's operating plants were not connected to the said grid, hence, was not affected. In the Visayas, the red alert was primarily driven by the continued forced outage of some units of Therma Visayas Inc. (TVI) and Panay Energy Development Corporation (PEDC). TVI and PEDC are two major coal-fired power plants in the region.

Due to these circumstances, the Energy Regulatory Commission (ERC) issued and adopted Resolution No. 18, Series of 2026 in June 2026, allowing non-National Grid Corporation of the Philippines (NGCP) entities to develop transmission projects. The resolution also sets out the implementing rules for the development, ownership and operation of transmission facilities and for the financing and construction of transmission projects by entities other than the NGCP.

NGCP is also set to energize major transmission projects in 2026, including the Tuy-Dasmariñas 500kV line component, where CREC's Batangas solar plants are scheduled to connect.²⁰ CREC's Luntal, Lumbangan, and Bolbok solar plants are in proximity (less than 2 km) to the said substation.

Solar Irradiance and Typhoons

The Philippines, due to its location near the equator, receives significant solar irradiance throughout the year.²¹ Such makes the country ideal for solar and power collection and generation. The country's high irradiance levels also make solar PV systems an appealing and viable option for solar power generation. According to Bloomberg New Energy Finance, the Philippines is the second most attractive emerging market for renewable energy investment. On average, the Philippines receives 4.5 to 5.5 kWh/m² of solar radiation per day, making it one of the sunniest regions in the world.²²

According to PAGASA, the Philippines experiences an average of 20 tropical cyclones per year, more than any other location globally. This frequency is also attributed to the country's geographical location and warm ocean waters. In 2025, a total of 23 tropical cyclones entered or developed within the Philippine Area of Responsibility (PAR). While most regions in the country are impacted by typhoons, landfall typically occurs in the western and northern provinces. Cagayan Valley, Bicol, and Eastern Visayas are the most affected areas, while western provinces like Palawan, Panay, or Negros experience typhoons less frequently.

FINANCIAL REVIEW

Analysts' Note: PhilRatings' calculation for certain financial metrics may differ from that of the Company.

¹⁹ <https://www.abs-cbn.com/news/business/2026/6/23/ph-strengthens-role-in-regional-clean-energy-future-1440>

<https://www.pna.gov.ph/articles/1274953>

<https://www.pna.gov.ph/articles/1277925>

<https://business.inquirer.net/596111/erc-lets-non-ngcp-firms-build-transmission-projects>

²⁰ <https://www.ngcp.ph/article?cid=18056>

²¹ Solar irradiance is the amount of solar radiation received per unit area at the Earth's surface.

²² <https://solarup.ph/why-solar-is-the-best-way-to-beat-high-electricity-costs-in-the-philippines/>

Profitability

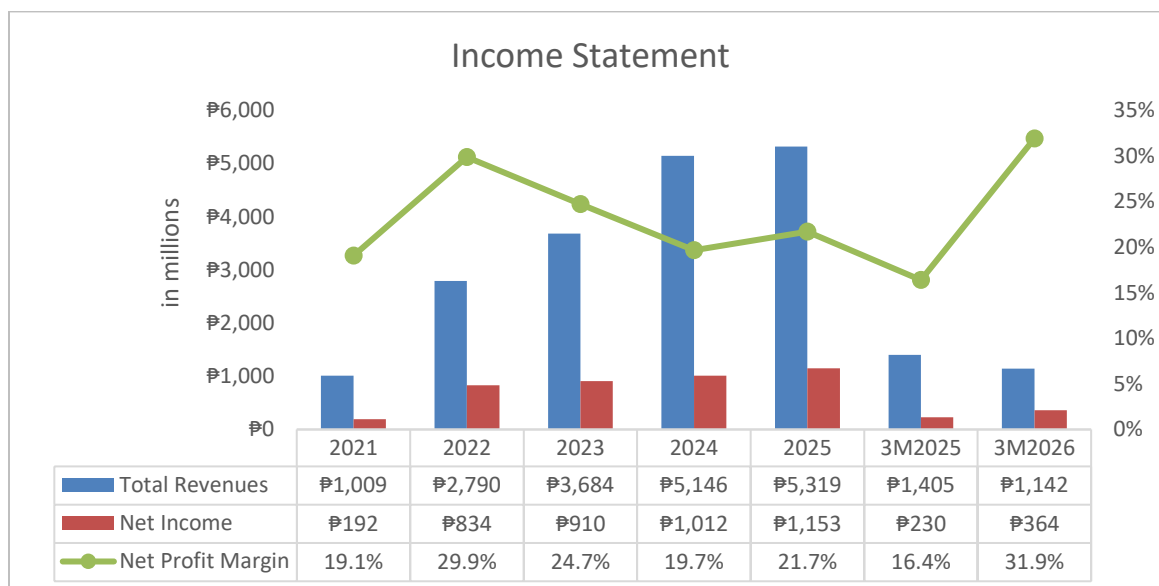


Figure 10. Income Statement Items

2021-2024

Total revenues posted an uptrend, recording a CAGR of 72.1%, from ₱1.0 billion in 2021 to ₱5.1 billion in 2024. Sale of electricity, which accounted for the bulk of the Company's total revenues at an average of 84.0%, steadily grew from ₱991.7 million in 2021 to ₱4.2 billion in 2024. This was driven by higher electricity sales from CREC's expanding renewable energy portfolio and the increase in customers and higher renewal rates of existing customers from the Company's trading arm, CESI.

Lease income, which began in 2022 from CREIT's operating lease agreements over land properties located in Toledo City, Cebu and Silay City, Negros Occidental, rose from ₱648.1 million in 2022 to ₱683.0 million in 2024. Such accounted for an average of 14.8% of total revenues. Management and service fees contributed the remaining average 1.2% of total revenues, increasing from ₱17.0 million in 2021 to ₱325.4 million in 2024. The increase was supported by management and support services related to solar projects under construction, as well as additional operations and maintenance service agreements.

On the other hand, cost of services increased at a faster CAGR of 90.2%, from ₱490.7 million in 2021 to ₱3.4 billion in 2024. The account mainly consisted of purchase of power, distribution charges, depreciation and amortization, salaries and employee benefits, outside services, and repairs and maintenance. The increase in cost of services was largely driven by higher purchase of power and distribution charges associated with the expansion of trading operations and growing customer demand. Despite the faster increase in cost, gross profit still grew at a CAGR of 52.1%, from ₱518.0 million in 2021 to ₱1.8 billion in 2024. Gross profit margin, however, consistently declined from 51.4% in 2021 to 34.4% in 2024.

Operating expenses fluctuated during the period, increasing from ₱167.6 million in 2021 to ₱194.8 million in 2024. These were mainly composed of salaries, wages and other employee benefits, contracted services, taxes and licenses, professional fees, and rental. Similarly, share in earnings of a joint venture

improved from a loss of ₱2.5 million in 2021 to income of ₱206.7 million in 2022 and ₱218.1 million in 2023, on the back of the commercial operations of the Arayat Phase 1 and Phase 2 Projects under Greencore Power Solutions 3, Inc. (GPS3). In 2024, however, the account reverted to a loss of ₱57.5 million due to higher financing costs incurred by GPS3 beginning the latter part of 2023. CREC's finance costs went up by a CAGR of 26.4%, from ₱223.2 million in 2021 to ₱450.8 million in 2024, the majority of which came from interest expense from loans driven by a higher debt balance.

With the foregoing, net income grew at a CAGR of 73.9%, from ₱192.3 million in 2021 to ₱1.0 billion in 2024. Net profit margin fluctuated over the period, settling at 19.7% in 2024. The Company's return on average assets (ROAA) also improved from 3.0% in 2021 to 7.8% in 2022, before declining to 4.8% in 2023 and further to 2.9% in 2024.

2025

In 2025, CREC's total revenues slightly increased by 3.4% to ₱5.3 billion. Sale of electricity continued to account for the majority of total revenues, with a share of 80.7%, while the rest was accounted for by lease income and management and service fees. Revenue from electricity sales marginally grew by 1.7% to ₱4.3 billion, following higher renewal rates of existing customers from trading operations. Lease income likewise increased by 2.4% to ₱699.6 million on account of the higher variable lease income generated by CREIT from its leasing activities to CPI's solar power plants. Management and service fees, meanwhile, rose at a faster rate of 34.3% to ₱325.4 million, primarily attributable to management fees from new solar project construction, additional service fees for the power distribution system in the Freeport Area of Bataan, and higher service fee rates for the Arayat Phase 1 and Phase 2 Projects.

Cost of services also increased by 3.4% to ₱3.5 billion, primarily attributable to additional third-party supply arrangements in line with the growing electricity demand from customers. Despite this, gross profit still improved by 3.3% to ₱1.8 billion, while gross profit margin remained stable at 34.4%. Operating expenses slightly declined by 4.3% to ₱186.4 million, mainly due to lower project-related expenses during the period.

Share in net loss of a joint venture, however, widened by more than threefold to ₱194.3 million in 2025 due to the full-year impact of higher financing costs incurred by GPS3. Finance costs, on the other hand, declined by 18.6% to ₱367.1 million following the refinancing of previous bank loans at lower interest rates. In addition, borrowing costs related to projects under construction were capitalized during the period. Other income, net, significantly increased from ₱73.0 million in 2024 to ₱191.2 million in 2025, primarily driven by higher interest income earned from the temporary placement of unutilized loan proceeds and investment funds in high-yield savings accounts and time deposits.

The Company also continued to benefit from tax incentives. During the period, only one operating power plant was under the income tax holiday, while the remaining plants had either completed the incentive period or were not yet operational.

As a result of the foregoing, CREC posted a 13.9% increase in net income to ₱1.15 billion, which translated to an improved net profit margin of 21.7%. ROAA, meanwhile, declined to 1.8%.

3M2026

The Company recorded total revenues of ₱1.1 billion in 3M2026, lower by 18.7% from ₱1.4 billion in the same period in 2025. Revenue from electricity sales declined by 19.9% from ₱1.2 billion in 3M2025 to ₱965.2 million in 3M2026 following the gradual reduction in the Company's energy trading activities amid the increasing contribution from newly completed and energized solar plants. Lease income remained unchanged at ₱162.3 million, while management and service fees dropped by 60.8% to ₱14.7 million due to the timing of management fee billings for new solar projects to be constructed during the period.

On the other hand, cost of services declined at a faster rate of 39.3%, from ₱1.05 billion in 3M2025 to ₱636.7 million in 3M2026, due to lower purchase of power and distribution charges. As a result, gross profit rose by 41.6%, from ₱357.1 million to ₱505.5 million, while gross profit margin improved from 25.4% to 44.3%. Operating expenses, however, increased by 61.1% from ₱31.8 million in 3M2025 to ₱51.2 million in 3M2026, primarily due to the timing and recognition of operating expenses during the period. Meanwhile, CREC recognized share in net income of a joint venture amounting to ₱17.8 million in 3M2026, representing the Company's share in the earnings of GPS3.

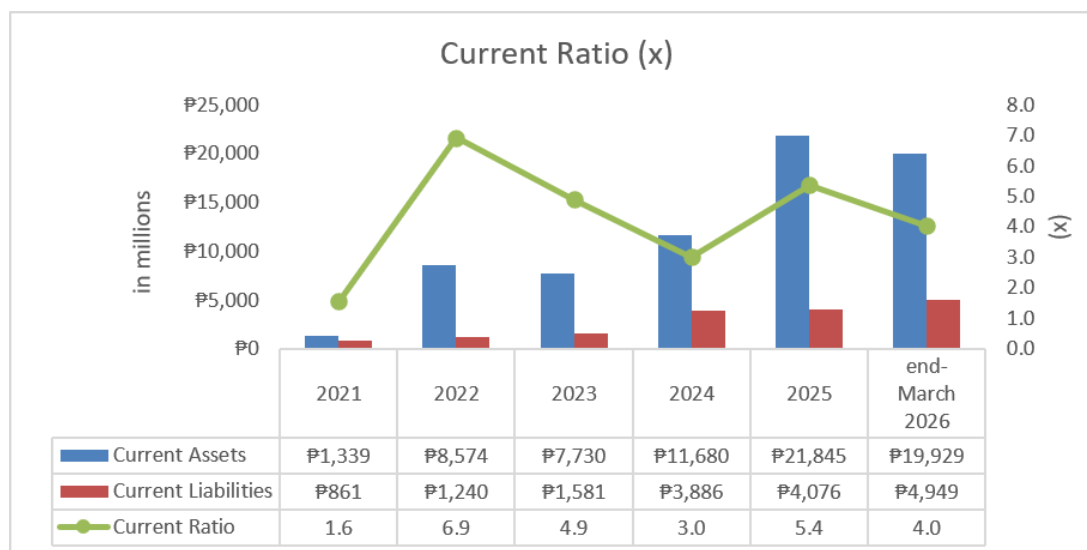
Finance costs increased by 60.0% from ₱115.4 million in 3M2025 to ₱184.6 million in 3M2026, primarily attributable to the refinanced loan facility secured in 2025.

Given the foregoing, CREC's net income increased by 58.2% from ₱230.3 million in 3M2025 to ₱364.4 million in 3M2026. Net profit margin rose from 16.4% to 31.9%. ROAA marginally decreased to 1.7% from 1.9% in the same period last year, due to the faster increase in average assets compared with net income growth for the period.

Projected Period

CREC's revenues are projected to continue growing, primarily driven by higher electricity sales from additional solar projects as they commence commercial operations. Although finance costs are expected to remain elevated due to continued borrowings for expansion, profitability and net profit margins are seen to improve over the medium-term as the Company's operating portfolio expands.

Cash Flow and Liquidity

**Figure 11. Current Ratio****2021-2024**

Net cash flow from operating activities amounted to ₱358.8 million in 2021, ₱1.0 billion in 2022, ₱905.1 million in 2023, and ₱2.8 billion in 2024. Operating cash flows were mainly supported by improved pre-tax earnings. Meanwhile, adjustments in depreciation and amortization and finance costs likewise augmented operating cash generation over the period.

Cash flows from investing activities were positive at ₱128.0 million in 2021, mainly driven by the decrease in due from related parties and proceeds from the sale of property and equipment. These were partly offset by loans granted to a joint venture and cash outflows arising from the deconsolidation of a subsidiary. Beginning 2022, CREC recorded net cash used in investing activities amounting to ₱3.4 billion in 2022, ₱4.7 billion in 2023, and ₱18.2 billion in 2024. The increasing cash outflows were primarily attributable to capital expenditures for solar power projects under development and construction.

Financing activities, meanwhile, mainly reflected the Company's funding requirements for its expansion projects. Net cash used in financing activities amounted to ₱572.0 million in 2021, primarily due to repayments of bank loans and related interest payments. This reversed to net cash inflows of ₱3.7 billion in 2022 and ₱4.8 billion in 2023, supported by proceeds from the sale of shares of a subsidiary, sale of part interest in a subsidiary, bond issuance, additional loan drawdowns, and issuance of new shares

Year-end cash and cash equivalents therefore steadily increased from ₱125.0 million as of end-2021 to ₱8.3 billion as of end-2024. Current ratio and acid-test ratio remained ample throughout the period at 1.6x–6.9x and 1.1x–6.8x, respectively. EBITDA interest coverage ratio increased from 2.2x in 2021 to 3.9x in 2024.

2025

In 2025, the Company reported operating cash inflows of ₱1.8 billion, 35.1% lower than the prior year. The decline was mainly due to weaker working capital movements, particularly the increase in

prepayments and other current assets and the lower contribution from trade and other payables. Nonetheless, operating cash generation remained supported by higher earnings.

Net cash used in investing activities increased by 21.7% to ₱22.2 billion in 2025. The higher cash outflows were primarily attributable to capital expenditure related to the ongoing construction and development of the Company's renewable energy projects. Additions to property, plant and equipment amounted to ₱21.6 billion during the year. CREC also made additional investments in joint ventures and deposits amounting to ₱925.7 million. These were partly offset by the decrease in due from related parties.

To support its project expansion, the Company further increased its funding activities during the period. Net cash from financing activities grew by 42.9% to ₱30.6 billion in 2025, mainly supported by loan drawdowns amounting to ₱33.7 billion and proceeds from the issuance of new shares amounting to ₱6.6 billion from the investment of PNRE. These inflows were partly offset by payments of loan principal and interest, dividends, and other financing-related obligations during the year.

As a result of the foregoing, cash and cash equivalents more than doubled to ₱18.5 billion as of end-2025. Such contributed to an 87.0% increase in total current assets to ₱21.8 billion. Total current liabilities, meanwhile, slightly rose by 4.9% to ₱4.1 billion, primarily due to higher loans payable. Consequently, current ratio improved from 3.0x as of end-2024 to 5.4x as of end-2025. Acid-test ratio also increased from 2.8x to 5.1x during the same period. EBITDA interest coverage ratio also remained sufficient, improving to 4.9x.

3M2026

Net cash from operating activities increased more than sevenfold to ₱2.0 billion in 3M2026, from ₱279.3 million in the same last year. Such was mainly driven by higher trade and other payables as well as sustained earnings. Additions to property, plant, and equipment, and advances to contractors mainly drove net cash disbursement from investing activities which amounted to ₱5.5 billion.

The Company likewise availed of additional loans during the period. Debt repayments and corresponding interest payments, however, partly offset these drawdowns, together with dividend payments and debt and share issuance costs. Nonetheless, CREC recorded net cash from financing activities amounting to ₱1.7 billion in 3M2026, reversing the net cash used in financing activities of ₱609.9 million in the same period in 2025.

Given the foregoing, cash balance declined by 9.7% to ₱16.7 billion as of end-March 2026. Total current assets therefore decreased by 8.8% to ₱19.9 billion, while total current liabilities increased by 21.4% to ₱4.9 billion, mainly due to higher trade and other payables. Both current ratio and acid-test ratio declined to 4.0x and 3.8x, respectively. EBITDA interest coverage ratio likewise weakened to 2.7x in 3M2026, which was still sufficient.

Projected Period

Over the projected period, operating cash flows are expected to continue to grow, supported by the continued expansion of CREC's renewable energy portfolio. These investments are seen to be funded by a combination of internally generated cash flows, additional borrowings, and equity issuances.

Capital Structure

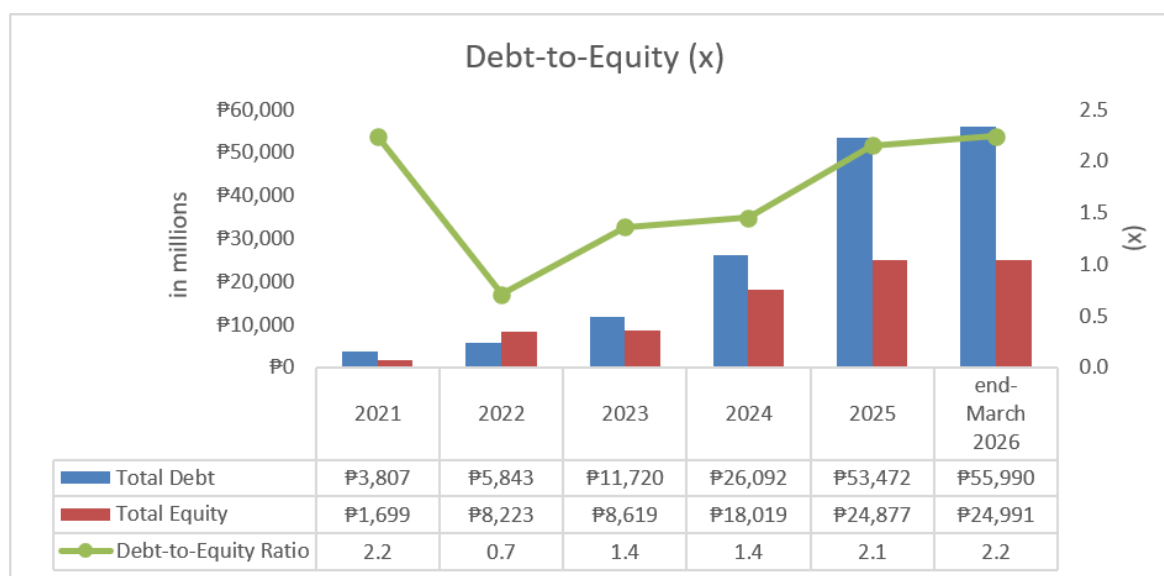


Figure 12. Debt-to-Equity

2021-2024

CREC's total assets expanded significantly from ₱6.2 billion as of end-2021 to ₱47.9 billion as of end-2024, posting a CAGR of 97.4%. Biggest asset components were property, plant and equipment and trade and other receivables, averaging 42.4% and 22.4% of total assets, respectively. Total liabilities likewise increased by a CAGR of 87.6%, from ₱4.5 billion as of end-2021 to ₱29.9 billion as of end-2024. Interest-bearing debt, consisting of loans payable and bonds payable, comprised the bulk of total liabilities, averaging 85.5% during the period. Total debt grew from ₱3.8 billion as of end-2021 to ₱26.1 billion as of end-2024, primarily due to additional loan availments and bond issuances used to fund the Company's renewable energy expansion projects. Bonds payable were recognized beginning 2023 following the issuance of ASEAN Green Bonds by CREIT.

Total equity also significantly grew from ₱1.7 billion as of end-2021 to ₱18.0 billion as of end-2024, translating to a CAGR of 119.3%. The increase was supported by retained earnings, the issuance of new shares from CREC's initial public offering, and the gain on dilution from the sale of CREIT shares to SMIC

With the foregoing, CREC's DE ratio gradually improved to more manageable levels, from 2.3x as of end-2021 to 1.4x as of end-2024. Total debt-to-capitalization ratio likewise improved from 69.2% to 58.9% during the same period. Solvency ratio, meanwhile, remained adequate at 1.6x–2.1x.

2025

Total assets further grew by 69.2% to ₱81.1 billion as of end-2025, primarily driven by the continued increase in property, plant and equipment related to the construction and development of the Company's renewable energy projects. On the other hand, total liabilities increased by 88.0% to ₱56.2 billion as of end-2025. Total interest-bearing debt continued to account for the majority of total liabilities at 95.1%,

increased more than doubled to ₱53.5 billion on the back of additional loan availment used to fund CREC's ongoing renewable energy expansion projects.

Similarly, total equity grew by 38.1% to ₱24.9 billion, mainly supported by the increase in additional paid-in capital following the 20% investment of PNRE, as well as the continued plowback of earnings into operations.

Given the foregoing, DE ratio increased to 2.1x as of end-2025, while total debt-to-capitalization ratio also rose to 68.2%. Solvency ratio remained adequate at 1.4x.

3M2026

As of end-March 2026, total assets increased by 4.7% to ₱84.9 billion, supported by higher property, plant and equipment. Total liabilities rose by 6.6% to ₱59.9 billion, as interest-bearing debt increased by 4.7% to ₱56.0 billion due to additional loan drawdowns. Total equity also improved, albeit at a slower pace, increasing marginally by 0.5% to ₱25.0 billion, mainly due to earnings retention.

Both DE and total debt-to-capitalization ratios slightly increased to 2.2x and 69.1%, respectively. Solvency ratio was kept at 1.4x.

Projected Period

CREC's asset base is anticipated to expand over the projected period as the Company advances the development of its renewable energy portfolio. These investments will be funded by a combination of additional borrowings and equity issuances. While leverage is projected to temporarily increase as expansion progresses, it is expected to gradually improve over the medium-term as the Company's capital base strengthens.

Financial Flexibility

CREC is a publicly-listed company and, as of August 10, 2026, had a market capitalization of ₱49.9 billion. In addition, the Company has long-term credit facilities from various local banks.

Annex I. List of Subsidiaries

Subsidiaries	Ownership Interest
Citicore Energy REIT Corp. (CREIT)*	33%
Citicore Fund Managers, Inc. (CFMI)	100%
Citicore Property Managers, Inc. (CPMI)	100%
Sikat Solar Holdco, Inc. (SSHI)	100%
Citicore Solar South Cotabato, Inc. (CSSCI)	100%
Citicore Solar Tarlac 1, Inc. (CST1)	100%
Citicore Solar Tarlac 2, Inc. (CST2)	100%
Citicore Solar Holdings, Inc. (CSHI)	100%
Citicore Solar Bulacan, Inc. (CSBI)	100%
Citicore Energy Solutions, Inc. (CESI)	100%
Citicore Solar Energy Corp. (CSEC)	100%
Citicore Batangas 1, Inc. (CSB1; formerly GPS4)	100%
Greencore Power Solutions 1, Inc. (GPS1)	100%
Citicore Batangas 2, Inc. (CSB2; formerly GPS2)	100%
Citicore Solar Embedded, Inc. (CSEEmbedded)	100%
Citicore Solar Pampanga 1 Inc. (CSPam1)	100%
Citicore Solar Pampanga 2 Inc. (CSPam2)	100%
Citicore Solar Negros Occidental 1, Inc. (CSNO1)	100%
Citicore Solar Isabela, Inc.	100%
Citicore Solar Pangasinan Inc. (CSPan)	100%
Citicore Solar Pangasinan 2 Inc. (CSPan2)	100%
Citicore Solar Quezon, Inc. (CSQI)	100%
Citicore Solar Negros Occidental, Inc. 2 (CSNOI2)	100%
Citicore Solar Batangas 3, Inc.	100%
Citicore Wind Cagayan, Inc. (CWCI)	100%
Citicore Wind Energy Corporation (CWECC)	100%
Citicore Wind Pangasinan 1, Inc. (CWP1)	100%
Citicore Wind Pangasinan 2, Inc. (CWP2)	100%
Citicore Wind Quezon, Inc. (CWQ)	100%
Citicore Wind Ilocos Norte, Inc. (CWINI)	100%
Citicore Wind Iloilo 1, Inc. (CWI1)	100%
Citicore Wind Iloilo 2 Inc. (CWI2)	100%
Citicore Wind Cagayan 1, Inc. (CWC1)	100%
Citicore Wind Cagayan 2, Inc. (CWC2)	100%
Citicore Wind Guimaras 2, Inc. (CWG2)	100%
Citicore Wind Zambales 1, Inc. (CWZ1)	100%
Citicore Wind Zambales 2, Inc. (CWZ2)	100%
Citicore Land Holdings, Inc. (CLHI)	100%

*In 2024, CREC and CST1 sold its equity ownership to SMIC