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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City / Town / Province)

JAIME DEL ROSARIO

Contact Person

(02) 8826-5698

Company's Telephone Number

31 December

Month Day of Fiscal Year

26 May

Month Day of Annual Meeting

SEC FORM 17-Q

Secondary License Type, If Applicable

S	E	C
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Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

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CITICORE ENERGY REIT CORP.

Company's Full Name

**11th Floor Rockwell
Santolan Town Plaza
276 Col. Bonny Serrano Avenue
San Juan City**
Company's Address

8826-5698
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

SEC FORM 17-Q
Form Type

September 30, 2022
Period Ended Date

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(Secondary License Type and File Number)

cc: Philippine Stock Exchange

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17(2)(b) THEREUNDER**

1. For the Quarterly Period Ended **September 30, 2022**
2. SEC Identification Number **CS20101780**
3. BIR Tax Identification No. **007-813-849-0000**
4. Exact Name of Issuer as Specified in its Charter **Citicore Energy REIT Corp.**
5. Province, Country or other Jurisdiction of Incorporation or Organization **Philippines**
6. Industry Classification Code (SEC use only)
7. Address of Principal Office **11th Floor Rockwell Santolan Town Plaza 276 Col. Bonny Serrano Avenue, San Juan City**
- Postal Code **1500**
8. Issuer's Telephone Number, including Area Code **(02) 8826-5698**
9. Former Name, Former Address and Fiscal Year, if Changed since Last Report **Not Applicable**
10. Securities registered pursuant to Section 8 and 12 of the SRC, or Section 4 and 8 of the RSA:

Title of Each Class	Number of Shares Issued and Outstanding	Amount of Debt Outstanding (Php)
Common	6,545,454,004	0

11. Are any or all these securities listed on a stock exchange?

Yes [☒] No [☐]

If yes, state the name of such stock exchange and classes of securities listed therein:

The Philippine Stock Exchange, Inc. - CREIT

12. Check whether the issuer:

has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder of Section 11 of the RSA and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports):

Yes ☒ No ☐

has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

PART I –FINANCIAL INFORMATION

Item 1. Financial Statements

The interim Financial Statements of Citicore Energy REIT Corp. (“CREIT”) as of September 30, 2022 with comparative figures as of December 31, 2021 and September 30, 2021, Cash Flows and Schedule of Aging Accounts Receivable is incorporated by reference as Exhibit 1.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

A. RESULTS OF OPERATIONS

Review of results for the nine (9) months ended September 30, 2022 as compared with the results for the nine (9) months ended September 30, 2021

Results of Operations

Revenues increased by 423% or P806.16 million

Revenues for the period amounted to P996.84 million, 423% or P806.16 million higher from the same period last year. The Company’s revenue in 2022 mainly consists of lease revenue from its freehold properties amounting to P262.81 million, leasehold properties amounting to P522.27 million and solar plant amounting to P211.75 million which lease agreement mostly commenced beginning January 1, 2022. In 2021, revenue consists mainly of sale of electricity from the Company’s clark solar plant which was assigned to its Parent Company beginning January 1, 2022 as approved by the Department of Energy.

Direct Costs increased by 30% or P15.69 million

Direct costs amounted to P67.45 million and were higher by 30% or P15.69 million. The increase mainly pertains to related property and fund management fee recognized in 2022 which

were based on the fixed based rental revenue. Meanwhile, the direct cost of 2021 pertains to cost of operating the Clark solar plant.

Gross Profit increased by 569% or P790.48 million

Gross profit amounted to P929.39 million for the first nine months of 2022, translating to a gross profit margin of 93%. The increase is related to the Company's expansion of leasing activities beginning 2022 arising from various acquisition and transfers of freehold and leasehold assets.

Other Operating Expenses decreased by 27% or P4.76 million

Net Other Operating Expenses for the nine-month period amounted to P12.94 million. The decrease of P4.76 million was mainly related to decrease taxes and licenses for the period.

Finance cost decreased by 55% or P15.38 million

The decrease in finance cost is mainly related to the decrease in finance cost charged by a local bank from the Company's loans. In May 2021, the loan was assumed by the Parent Company via debt-to-equity conversion, hence, by the end of 2021, the Company is unlevered. Finance cost for the period ending 2022 is mainly related to finance cost on long term lease contract which are accounted for under PFRS 16, Leases.

Other Income (Charges) decreased by 90% or P22.75 million

Other charges - net, which consists of finance income, unrealized foreign currency gains and losses and other income (expenses) amounted to P2.61 million, 93% lower from year-ago levels. Significant amount last year was due to the reversal of prior year provisions on business taxes on property. Interest income increased due to the proceeds it received from its IPO recognized for the period and the increase in cash generated from operations.

Net Income increased by 664% or P787.87 million

Net income amounted to P906.46 million compared to year ago level of P118.59 million. The increase is mainly related to commencement of the Company's lease contracts on its freehold properties in Armenia, Tarlac City and San Ildefonso, Bulacan City, its leasehold properties in Brgy. Talavera, Toledo City, Cebu, Silay City, Negros Occidental and Brgy. Dalayap, Tarlac City and its solar farm in Clark Freeport Zone, Pampanga.

B. FINANCIAL CONDITION

Review of financial conditions as of September 30, 2022 as compared with financial conditions as of December 31, 2021

ASSETS

Current Assets increased by 137% or by P198.17 million

The following discussion provides a detailed analysis of the increase in current assets:

Cash and Cash Equivalents increased by 514% or P252.00 billion

The increase in cash and cash equivalents is related to cash generated from its operations.

Trade and Other Receivables decreased by 82% or by P34.43 million

The decrease in trade and other receivables is mainly related to the collection of receivables from Transco from the sale of electricity during the fourth quarter of 2021. The balance of trade receivables mainly relates to actual recovery of the arrears FIT rate adjustment from the output it generated from January 2016 to December 2020 which payment schedule is expected to be collected within one year.

Prepayments and Other Current Assets decreased by 36% or by P19.40 million

Prepayments and other current assets decreased by P19.40 million due to reclassification to additional paid-up capital (APIC) of the deferred transactions as of December 31, 2021 amounting to P35.66 million. Upon listing and issuance of the primary shares in 2022, said cost were deducted against the APIC. The decrease was offset by the unused creditable withholding taxes recognized from collection of lease receivables from the solar plant operator tenants.

Non-Current Assets increased by P2.68 billion or 152%

The following discussion provides a detailed analysis of the increase in non-current assets:

Trade and other receivables – noncurrent increased by P91.48 million or 106%

The increase in noncurrent portion of trade and other receivables is mainly related to straight line adjustment of the Company's lease revenue in accordance PFRS 16, Leases. The related receivable is to be recovered upon billing to lessee based on the contractual lease schedule. This is partially offset by the reclassification to current assets of the FIT receivables that are due to be collected in one year.

Property, Plant and Equipment decreased by 3% or by P44.35 million

The movement in the Company's property, plant and equipment mainly pertains to the depreciation charges for the period.

Investment Properties increased by 917% or by P2.64 billion

Investment properties increased due to the acquisition of Bulacan property and South Cotabato property amounting to P1.75 billion and P753.80 million, respectively in 2022 and the recognition of leasehold asset and related lease liability on long term lease contract in Toledo, Cebu and Silay City, Negros Occidental totaling to P139.47 million. Meanwhile, amortization of leasehold asset amounted to P8.05 million during the period.

Right of Use Assets decreased P1.60 million or 4%

The movement in the right of use asset account which pertains to leasehold right on the land where its Clark solar plant is located pertains to amortization charges for the period.

Deferred tax assets amounted to P8.20 million

There is no movement in the Company's deferred tax asset for the period.

Other Non-Current Assets decreased by 59% or P7.49 million

The decrease in Other Non-Current Assets is mainly due to assignment of restricted funds to its Parent Company as the related loan which requires the set-up of the restricted fund was also transferred or assigned to the Parent Company in 2021.

LIABILITIES AND EQUITY

Current Liabilities decreased by 40% or by P43.09 million

The following discussion provides a detailed analysis of the decrease in current liabilities:

Trade and Other Payables decreased by 42% or by P44.77 million

The decrease is mainly due to payment of advances from the Parent Company and payments made to supplier from the operations and maintenance and IPO related activities that it availed during the last quarter of 2021.

Lease liabilities – current portion increased by 133% or by P1.68 million

The increase is due to the recognition of right of use asset and related lease liabilities from lease contracts which commenced in 2021 amounting to P125.58 million. As a result, current portion of lease liabilities increased as well.

Non-Current Liabilities increased by 146% or P251.06 million

The following discussion provides a detailed analysis of the increase in non-current liabilities:

Lease liabilities – noncurrent portion increased by 122% or by P125.36 million

The increase is due to the recognition of right of use asset and related lease liabilities from lease contracts which commenced in 2021. The amount was reduced by payments during the period and reclassifications to current portion.

Due to related parties – noncurrent decreased by 18% or by P12.56 million

This account pertains to liabilities to Parent Company which are not to be demanded within one year. The decrease is due to the payments made to the Parent Company during the period.

Security deposit increased by 100% or P138.26 million

This account pertains to the receipt of security deposit from the lessee as stipulated in the lease contract amounting to P142.02 million. Subsequent to initial recognition, the security deposit are discounted based on effective interest method and any amortizations during the period are recognized in the profit or loss.

Retirement benefit obligation amounted to P0.31 million

This account pertains to retirement obligation of the Company's employees as computed by an actuary as of the end of December 31, 2021. There are no movements in this account.

Equity increased by 164% or by P2.67 billion

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 Option shares up to 327,273,000 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 Shares which were treated as deduction to APIC amounted to P103.85 million. Net income during the period amounted to P906.46 million while dividend payments for the first quarter of the year which were taken from the earnings in 2021 amounted to P229.09 million. Last June 24, 2022 and September 14, 2022, the Company also paid dividends amounting to P285.09 and P285.86 million, respectively pertaining to 1Q 2022 and 2Q 2022 results of operations and were taken from the earnings of the same period.

C. MATERIAL EVENTS AND UNCERTAINTIES

There are no other material changes in CREIT's financial position by five percent (5%) or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of CREIT.

Other than the impact of COVID and Russia-Ukraine conflict to the business which is disclosed in Note 1 (b) and (c) to the financial statements, there are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing CREIT's liquidity in any material way. CREIT does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance transactions, arrangements, obligations (including contingent obligations), and other relationships of CREIT with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of CREIT.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of CREIT.

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature. Neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth information from CREIT's statements of cash flows for the period indicated:

(Amounts in P Millions)	For nine (9) months ended September 30	
	2022 UNAUDITED	2021 AUDITED
Cash Flow		
Net cash from operating activities	P987	P77
Net cash used in investing activities	(2,508)	-
Net cash from (used in) financing activities	1,773	(72)

Indebtedness

As of September 30, 2022, CREIT has no indebtedness with a local bank.

CREIT is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

E. RISK MANAGEMENT OBJECTIVES AND POLICIES

CREIT is exposed to a variety of financial risks in relation to its financial instruments. Its risk management is coordinated with the Board of Directors, and focuses on actively securing CREIT's short-to-medium term cash flows by minimizing the exposure to financial markets.

CREIT does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which it is exposed to are market risk, credit risk and liquidity risk. The detailed discussion of the impact of these risks are discussed in the quarterly financial statements.

F. KEY PERFORMANCE INDICATORS

CREIT's top KPIs are as follows:

KPI	September 30, 2022	September 30, 2021
Current Ratio ¹	5.22	1.09
Debt-to-equity ratio	-	-
Earnings / (loss) per Share ²	0.15	0.06
Net Profit Margin ³	90.93%	62.19%
Dividend Payout Ratio ⁴	107%	NA
Net Asset Value ⁵	2.22	0.28
Book Value Per Share ⁶	0.66	0.28

The KPIs were chosen to provide management with a measure of CREIT's sustainability on financial strength (Current Ratio), and profitability (Earnings per Share, Net Profit Margin).

PART II—OTHER INFORMATION

Item 3. Business Development / New Projects

CREIT's renewable energy property portfolio consists of the Leased Properties which include the lease of the Clark Solar Power Plant to Citicore Renewable Energy Corporation ("CREC") and parcels of land leased to solar power plant operators, comprising (A) Company-owned Armenia Property, Bulacan Property and South Cotabato Property and (B) the Company's leasehold rights over the Toledo Property, the Silay Property, the Clark Property and the Dalayap Property.

The Clark Solar Power Plant, Armenia Property, the Toledo Property, the Silay Property, the Dalayap Property, the Bulacan Property and the South Cotabato Property (the "**Leased Properties**") are leased by CREIT to its Lessees comprising CREC, Citicore Solar Tarlac 1, Inc. ("Citicore Tarlac 1"), Citicore Solar Cebu, Inc. ("Citicore Cebu"), Citicore Solar Negros Occidental Inc. ("Citicore Negros Occidental"), Citicore Solar Tarlac 2, Inc. ("Citicore Tarlac 2"), Citicore Solar Bulacan, Inc. ("Citicore Bulacan"), and Citicore Solar South Cotabato, Inc. ("Citicore South Cotabato"), respectively. The Lessees operate solar power plants on the Leased Properties with a total combined installed capacity of 145.0 MWpDC.

Citicore Bulacan, Citicore South Cotabato, Citicore Tarlac 1 and Citicore Tarlac 2 are wholly owned indirect subsidiaries of CREC, while Citicore Cebu and Citicore Negros Occidental are wholly owned subsidiaries of CPI, the parent company of CREC.

¹ Current Assets/Current Liabilities

² Net Profit/Issued and Outstanding Shares

³ Net Profit / Revenue

⁴ Dividends / Distributable Income

⁵ Fair value of Net Assets / Issued and Outstanding Shares

⁶ Total Equity/Issued and Outstanding Shares

The Leased Properties comprise the Company's current portfolio, and have an aggregate appraised value of ₱14.5 billion as of September 30, 2022 based on the Valuation Reports issued by Cuervo Appraisers dated November 22, 2021 for the period ending October 31, 2021. The following table summarizes key information relating to the Company's Leased Properties.

	Clark Solar Power Plant	Armenia Property	Toledo Property	Silay Property	Dalayap Property	Bulacan Property	South Cotabato Property
Location	Clark Freeport Zone, Pampanga	Brgy. Armenia, Tarlac City	Brgy. Talavera, Toledo City, Cebu	Silay City, Negros Occidental	Brgy. Dalayap, Tarlac City	Brgy. Pasong Bangkal, San Ildefonso, Bulacan	Brgy. Centrala, Suralla, South Cotabato
Land area (sq.m.)	250,318	138,164	730,000	431,408	103,731	253,880	79,997
Right over property	Leased	Owned	Leased	Leased	Leased	Owned	Owned
Land lease expiry	September 2039	N/A	May 2041	October 2040	October 2040	N/A	N/A
Lessor	Clark Development Corporation	N/A	Leavenworth Development, Inc.	Claudio Lopez, Inc.	Ma. Paula Cecilia David & Juan Francisco David; and Benigno S. David & Vivencio M. Romero	N/A	N/A
Right of first refusal	None	N/A	Yes	None	Yes	N/A	N/A
Solar power plant installed capacity (MW _{pdc})	22.325	8.84	60	25	7.55	15	6.23
Commissioning date	March 12, 2016	February 29, 2016	June 30, 2016	March 8, 2016	February 27, 2016	March 12, 2016	December 9, 2015
FIT Eligibility	Yes	No	No	No	No	Yes	Yes
Tenant/Operator of solar power plant	CREC	Citicore Tarlac 1	Citicore Cebu	Citicore Negros Occidental	Citicore Tarlac 2	Citicore Bulacan	Citicore South Cotabato
Commencement of the tenancy	November 1, 2021	November 1, 2021	January 1, 2022	January 1, 2022	November 1, 2021	January 1, 2022	January 1, 2022
Expiration of the tenancy	September 4, 2039	October 31, 2046	May 31, 2041	October 31, 2040	October 31, 2040	December 31, 2047	December 31, 2046
Appraised value (₱)	3,102 million	687 million	3,777 million	2,885 million	470 million	2,484 million	1,067 million

Leased Properties

The Lessees operate solar power plants with a total installed capacity of 145.0 MW_{pdc} on the Properties.

Clark Solar Power Plant

A solar power plant with an installed capacity of 22.3MW_{pDC} and other real properties (the “**Clark Solar Power Plant**”) is located on a 250,318 sq.m. parcel of land (the “**Clark Land**”) in the Clark Freeport Zone, which the Company leases from the Clark Development Corporation. The Company’s lease is for 25 years commencing on September 5, 2014, and is renewable upon mutual consent of the parties.

The Clark Solar Power Plant located on the Clark Land was leased out by the Company to CREC for a period of around 18 years commencing on November 1, 2021. The Clark Solar Power Plant was commissioned on March 12, 2016.

The Clark Solar Power Plant leased to and operated by CREC is qualified under the Feed-In-Tariff (“**FIT**”) II Program with Certificate of Compliance (“**COC**”) eligibility for FIT II rate from March 12, 2016 to March 11, 2036 (COC No. 16-13-M00090L) secured from Energy Regulatory Commission (“**ERC**”) on December 8, 2016. Under the FIT regime, the offtaker of the Clark Solar Power Plant is TransCo, a Government-owned-and-controlled entity.

The Company has assigned the BOI registration in relation to the Clark Solar Power Plant to CREC, which will entitle CREC to enjoy incentives such as a zero VAT rating, income tax holiday for seven years until 2023 with a 10% preferential rate thereafter and a tax exemption on carbon credits.

As of September 30, 2022, the Clark Property was valued at ₱3,102 million based on the Valuation Reports issued by Cuervo Appraisers dated November 22, 2021 for the period ending October 31, 2021.

Armenia Property

The Armenia Property comprises 11 parcels of land with a total area of 138,164 sq.m. located in Brgy. Armenia, Tarlac City. The Armenia Property is owned by the Company, and was acquired by the Company from the Sponsors through the Property-for-Share Swap.

The Armenia Property was leased out by the Company to Citicore Tarlac 1 for a period of 25 years commencing on January 1, 2022. Citicore Tarlac 1 operates a solar power plant with an installed capacity of 8.84MW_{pDC} on the Armenia Property. Citicore Tarlac 1’s solar power plant was commissioned on February 29, 2016.

Citicore Tarlac 1 sells the electricity generated by its solar power plant to contestable customers operating in various industries.

As of September 30, 2022, the Armenia Property was valued at ₱687 million based on the Valuation Reports issued by Cuervo Appraisers dated November 22, 2021 for the period ending October 31, 2021.

Toledo Property

The Toledo Property comprises leasehold rights over land with an area of 730,000 sq.m. located in Brgy. Talavera, Toledo City, Cebu.

The Company owns the leasehold rights over the Toledo Property pursuant to a Deed of Assignment whereby Citicore Cebu transferred all its rights and obligations with respect to the Toledo Property to the Company. The lessor of the Toledo Property is Leavenworth Realty Development, Inc., which holds the usufructuary rights to such property. The Company's leasehold rights are for a remaining term of 19 years, expiring on May 31, 2041, and renewable upon mutual agreement of the parties. The Company has a right to match any bona fide offer from a third party to purchase the property from the landowner.

The Company leased out the entire Toledo Property to Citicore Cebu for a period of 19 years commencing on January 1, 2022 and expiring on May 31, 2041. Citicore Cebu operates a solar power plant with an installed capacity of 60MW_{pDC} on the Toledo Property. Citicore Cebu's solar power plant was commissioned on June 30, 2016.

Citicore Cebu sells the electricity generated by its solar power plant to contestable customers operating in various industries.

As of September 30, 2022, the Toledo Property was valued at ₱3,777 million based on the Valuation Reports issued by Cuervo Appraisers dated November 22, 2021 for the period ending October 31, 2021.

Silay Property

The Silay Property comprises leasehold rights over land with an area of 431,408 sq.m. located in Silay City, Negros Occidental.

The Company owns the leasehold rights over the Silay Property pursuant to a lease agreement between the Company as lessee, and Claudio Lopez, Inc. as lessor, with a term of 19 years expiring on October 31, 2040. The lease can be extended for an additional period of five years unless earlier terminated by either party at least six months prior to the end of the original term.

The Company leased out the entire Silay Property to Citicore Negros Occidental for a period of 18 years commencing on January 1, 2022 and expiring on October 31, 2040. Citicore Negros Occidental operates a solar power plant with an installed capacity of 25MW_{pDC} on the Silay Property. Citicore Negros Occidental's solar power plant was commissioned on March 8, 2016. The rights of Citicore Negros Occidental as a lessee of the Silay Property is subject of an unregistered mortgage in favor of the Landbank of the Philippines, which debt is intended to be prepaid prior to the Listing Date. In the event of default by Citicore Negros Occidental, the Landbank of the Philippines will be able to exercise step-in-rights in place of the lessee.

Citicore Negros Occidental sells the electricity generated by its solar power plant to contestable customers operating in various industries.

As of September 30, 2022, the Silay Property was valued at ₱2,885 million based on the Valuation Reports issued by Cuervo Appraisers dated November 22, 2021 for the period ending October 31, 2021.

Dalayap Property

The Dalayap Property comprises leasehold rights over parcels of land with an area of 103,731 sq.m. located in Brgy. Dalayap, Tarlac City.

The Company owns the leasehold rights over the Dalayap Property pursuant to lease and sublease agreements entered into with Ma. Paula Cecilia David & Juan Francisco David and Benigno S. David and Vivencio M. Romero, Jr., respectively. The lease and sublease agreements have initial terms of 19 years, and expire on October 31, 2040, renewable for another 25 years subject to the consent of the lessor. The Company also has the right of first refusal to purchase the relevant parcels of land in the event the lessor or sublessor decide to sell their relevant parcels of land.

The Company leased out the entire Dalayap Property to Citicore Tarlac 2 for a period of 19 years commencing on November 1, 2021 and ending on October 31, 2040. Citicore Tarlac 2 operates a solar power plant with an installed capacity of 7.55MW_{pDC} on the Dalayap Property. Citicore Tarlac 2's solar power plant was commissioned on February 27, 2016.

Citicore Tarlac 2 sells the electricity generated by its solar power plant to contestable customers operating in various industries.

As of September 30, 2022, the Dalayap Property was valued at ₱470 million based on the Valuation Reports issued by Cuervo Appraisers dated November 22, 2021 for the period ending October 31, 2021.

Bulacan Property

The Bulacan property consists of— a 253,880 sq.m. parcel of land located in Brgy. Pasong Bangkal, San Ildefonso, Bulacan which is leased out to Citicore Bulacan for 25 years. Citicore Bulacan operates a solar power plant with an installed capacity of 15MW_{pDC} in the Bulacan Property. The solar power plant was successfully commissioned on March 12, 2016 and had an actual annual net generation output of 19.8GWh, 20.2GWh and 20.0GWh for the years ended December 31, 2017, 2018 and 2019, respectively. In 2022, CREIT purchased the said parcels of land from Citicore Bulacan for a purchase price of ₱1,754.1 million.

As of September 30, 2022, the Bulacan Property was valued at ₱2,484 million based on the Valuation Reports issued by Cuervo Appraisers dated November 22, 2021 for the period ending October 31, 2021.

South Cotabato Property

The South Cotabato property is a 79,997 sq.m. parcel of land located in Brgy. Centrala, Suralla, South Cotabato and is leased out to Citicore South Cotabato for 25 years. Citicore South Cotabato operate a solar power plant with an installed capacity of 6.23MW_{pDC} in the South Cotabato Property. The solar power plant was successfully commissioned on December 9, 2015 and had an actual annual net generation output of 8.8GWh, 8.9GWh and 9.0GWh for the years ended December 31, 2017, 2018 and 2019, respectively.

As of September 30, 2022, the South Cotabato Property was valued at ₱1,067 million based on the Valuation Reports issued by Cuervo Appraisers dated November 22, 2021 for the period ending October 31, 2021.

Reinvestment Plan

CREC, as the sponsor of CREIT, is required under the REIT Law to reinvest (a) any proceeds realized by it from the sale of CREIT shares, and (b) any money raised by CREC from the sale of any of its income generating real estate to CREIT, within one (1) year of receipt of the proceeds.

Following current regulations, CREC intends to use the net proceeds received to fund ongoing and future investments, development and construction of renewable energy solar and hydro plants in key regions in Luzon as set out in the reinvestment plan.

CREC monitors and shall continue to monitor the actual disbursements of projects proposed in the Reinvestment Plan on a quarterly basis. For purposes of monitoring, CREC prepares quarterly progress reports of actual disbursements on the projects covered by the Reinvestment Plan. In the event of changes in the actual disbursements of projects proposed in the Reinvestment Plan, CREC, shall inform the SEC, PSE, BIR or the appropriate government agency, by sending a written notice to that effect.

As of September 30, 2022, the remaining balance of proceeds from the IPO shares amounts to Php2,567,479,067.25 out of the Php 6,114,896,495.56 net proceeds from the IPO. Php3,547,417,428.31 was disbursed and reinvested to projects identified in the Reinvestment Plan from February 22, 2022 to September 30, 2022 based on the agreed upon procedures performed by PwC.

The Reinvestment Plan Progress Report as of September 30, 2022 is attached herein as Exhibit 2.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in

SAN JUAN CITY on NOV 10 2022

By:


OLIVER Y. TAN
President and Chief Executive Officer


MIA GRACE PAULA S. CORTEZ
Chief Financial Officer

SUBSCRIBED AND SWORNTO before me in SAN JUAN CITY on NOV 10 2022,
affiants exhibiting to me their respective valid IDs, as follows:

NAME	Valid ID	DATE OF ISSUE/VALID UNTIL	PLACE OF ISSUE
------	----------	---------------------------------	-------------------

Oliver Y. Tan

Passport No.

Valid until
January 21, 2030

DFA NCR
East

Mia Grace Paula S. Cortez

Doc. No. 98;
Page No. 21;
Book No. 7;
Series of 2022.




ATTY. MAE LALAIN H. DE LEON
Appointment No. 176 (2021-2022)
Notary Public for and in the Cities of Pasig and San Juan
and in the Municipality of Pateros
Commission Expires on December 31, 2022
11/F Rockwell Santolan Town Plaza
276 Col. Bonny Serrano Avenue, San Juan City
Roll of Attorneys No. 71079
MCLE Compliance No. VI-0018800
IBP O.R. No. 197586 / 01-08-22 / Manila II
PTR No. 1574237 / 01-07-22 / San Juan City



09 November 2022

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

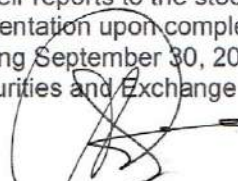
The management of Citicore Energy REIT Corp. (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the periods ended September 30, 2022 and 2021 and December 31, 2021, in accordance with the prescribed financial 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 September 30, 2021 and December 31, 2021 and audited the financial statements of the Company for the said periods 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. The financial statements as of and for the period ending September 30, 2022 were not audited as allowed under the applicable rules of the Securities and Exchange Commission and the Philippine Stock Exchange.


Edgar B. Saavedra
Chairman of the Board


Oliver Y. Tan
President and Chief Executive Officer


Jez G. Dela Cruz
Treasurer

Signed this NOV 10 2022
day of _____




ATTY. MAE LALAIN H. DE LEON
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Doc. No. 97
Page No. 3
Book No. 7
Series of 2022

Citicore Energy REIT Corp.

(Formerly Enfinity Philippines
Renewable Resources Inc.)

(A subsidiary of Citicore Renewable
Energy Corporation)

Condensed Interim Financial Statements

**As at September 30, 2022 and December 31, 2021 and
for the nine-month periods ended September 30, 2022 and 2021**

CITICORE ENERGY REIT CORP.
(A Subsidiary of Citicore Renewable Energy Corp.)
Statements of Financial Position
(All amounts in Philippine Peso)
As At September 30, 2022 and December 31, 2021

	Notes	September 30, 2022	December 31, 2021
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	3	301,020,516	49,014,348
Trade and other receivables	4	7,458,141	41,892,701
Prepayments and other current assets	5	34,808,590	54,208,397
Total current assets		343,287,247	145,115,446
Non-current assets			
Trade and other receivables - noncurrent	4	177,465,614	85,982,098
Property, plant and equipment, net	6	1,286,836,981	1,331,185,212
Investment properties	8	2,927,822,446	288,013,130
Right-of-use assets	19	35,956,343	37,559,128
Deferred Tax Assets	18	8,200,316	8,200,316
Other non-current assets	7	5,279,310	12,765,682
Total non-current assets		4,441,561,010	1,763,705,566
Total assets		4,784,848,257	1,908,821,012
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Trade and other payables	9	62,767,498	107,542,265
Lease liabilities - current portion	19	2,945,237	1,263,480
Total current liabilities		65,712,735	108,805,745
Non-current liabilities			
Security deposit		138,264,825	-
Lease liabilities - net of current portion	19	228,490,310	103,132,719
Due to related parties - non-current	11	55,962,688	68,521,747
Retirement benefit obligation	12	314,672	314,672
Total non-current liabilities		423,032,495	171,969,138
Total liabilities		488,745,230	280,774,883
Equity			
Share Capital	13	1,636,363,501	1,374,545,501
Additional paid in capital	13	2,307,335,739	2,465,066
Retained Earnings	13	352,352,893	250,984,668
Other comprehensive income		50,894	50,894
Total equity		4,296,103,027	1,628,046,129
Total liabilities and equity		4,784,848,257	1,908,821,012

CITICORE ENERGY REIT CORP.

(A Subsidiary of Citicore Renewable Energy Corp.)

Statements of Total Comprehensive Income

(All amounts in Philippine Peso)

For the periods ended September 30, 2022 and 2021

	Notes	September 30, 2022 (Year-to- date)	September 30, 2021 (Year-to- date)	September 30, 2022 (For the quarter)	September 30, 2021 (For the quarter)
Revenues					
Sale of Electricity		-	190,675,205	-	59,948,537
Lease Revenue		996,838,914	-	333,255,814	-
Revenues	14	996,838,914	190,675,205	333,255,814	59,948,537
Cost of Services	15	(67,449,931)	(51,764,414)	(19,828,554)	(18,308,008)
Gross Profit		929,388,983	138,910,791	313,427,260	41,640,529
Operating expenses	16	(12,935,789)	(17,699,784)	(4,177,987)	(11,304,464)
Income from operations		916,453,194	121,211,007	309,249,273	30,336,065
Finance cost	10	(12,601,342)	(27,984,031)	(4,880,988)	(1,002,343)
Others - net	17	2,607,215	25,359,819	954,052	53,207
Income before tax		906,459,067	118,586,795	305,322,337	29,386,929
Income tax expense	18	-	-	-	-
Net income after tax		906,459,067	118,586,795	305,322,337	29,386,929
Other comprehensive income		-	50,894	-	-
Total comprehensive income		906,459,067	118,637,689	305,322,337	29,386,929
Earnings per share	20	0.15	0.06	0.05	0.02

See Notes to the Interim Financial Statements.

CITICORE ENERGY REIT CORP.

(A Subsidiary of Citicore Renewable Energy Corp.)

Statements of Changes in Equity

(All amounts in Philippine Peso)

For the periods ended September 30, 2022 and 2021

	Share capital	APIC	DFFS	OCI	Retained Earnings	Total equity
Balances at January 1, 2021	539,999,999	-	-		25,104,725	565,104,724
Comprehensive income (loss)						
Net income (loss)	-	-			118,586,795	118,586,795
Other comprehensive income (loss)	-	-			-	-
Total comprehensive income (loss)	-	-			118,586,795	118,586,795
Transactions with owners						
Deposit for future stock subscriptions	-	-	837,010,568	-	-	837,010,568
Balances at September 30, 2021	539,999,999	-	837,010,568		143,691,520	1,520,702,087
Balances at January 1, 2022	1,374,545,501	2,465,066	-	50,894	250,984,668	1,628,046,129
Comprehensive income (loss)						
Net income (loss)	-	-			906,459,067	906,459,067
Other comprehensive income (loss)	-	-		-	-	-
Total comprehensive income (loss)	-	-	-	-	906,459,067	906,459,067
Transactions with owners						
Issuance of share capital	261,818,000	2,408,725,600			-	2,670,543,600
Dividends paid	-	-			(805,090,842)	(805,090,842)
Share issuance costs		(103,854,927)				(103,854,927)
Balances at September 30, 2022	1,636,363,501	2,307,335,739	-	50,894	352,352,893	4,296,103,027

See Notes to the Interim Financial Statements.

CITICORE ENERGY REIT CORP.
(A Subsidiary of Citicore Renewable Energy Corp.)
Statements of Changes in Cash Flows
(All amounts in Philippine Peso)
For the periods ended September 30, 2022 and 2021

	Notes	September 30, 2022	September 30, 2021
Cash flows from operating activities			
Profit before income tax		906,459,067	118,586,795
Adjustments for:			
Retirement benefit reversal		-	(2,628,766)
Depreciation expense		53,526,622	45,961,746
Unrealized foreign exchange (gains) losses		168,119	4,091
Reversal of provision for due to government agencies		-	(25,200,913)
Interest expense		11,304,583	27,984,031
Interest income		(2,047,355)	(163,171)
Operating income before working capital changes		969,411,036	164,543,813
Changes in:			
Receivables		(55,455,096)	1,134,586
Prepayments and other current assets		(16,264,564)	(22,707,810)
Accounts payable and other liabilities		11,370,162	(23,241,443)
Security Deposit		138,264,825	
Other current liability		-	-
Due from related party		(68,703,988)	(42,645,097)
Increase in other assets		7,486,372	(137,577)
Cash from operating activities		986,108,747	76,946,472
Interest received		453,495	163,171
Net cash from operating activities		986,562,242	77,109,643
Cash flows used in investing activities			
Acquisitions of and expenditure for Investment property	8, 11	(2,507,918,610)	-
Net cash used in investing activities		(2,507,918,610)	-
Cash flows from financing activities			
Principal payment on lease liability		(18,203,204)	(520,222)
Interest payment on lease liability		(5,696,462)	(3,010,121)
Principal payment on loan liability		-	(31,611,570)
Interest payment on loan liability		-	(36,940,830)
Dividend payment	13	(805,090,842)	-
Proceeds from issuance of shares	13	2,670,543,600	-
Share issuance costs		(68,190,556)	
Net cash from (used in) financing activities		1,773,362,536	(72,082,743)
Net increase in cash		252,006,168	5,026,900
Cash at the beginning of the year		49,014,348	71,737,473
Cash at the end of the period		301,020,516	76,764,373

See Notes to the Interim Financial Statements.

Citicore Energy REIT Corp.

(Formerly Enfinity Philippines Renewable Resources Inc.)

(A subsidiary of Citicore Renewable Energy Corporation)

Notes to the Condensed Interim Financial Statements

As at September 30, 2022 and December 31, 2021 and

for the nine-month periods ended September 30, 2022 and 2021

(All amounts are shown in Philippine Peso unless otherwise stated)

Note 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 Company was registered with the Philippine Board of Investments (BOI) on October 16, 2015 as a renewable energy developer of solar energy resources under RA No. 9513, otherwise known as the “*Renewable Energy Act of 2008*”.

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 vugt 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 12).

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 Real Estate Investment Trust (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.

As at December 31, 2021, the Company has two (2) shareholders, each owning one hundred (100) or more shares. As at September 30, 2022, 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 September 30, 2022:

	Percentage
CREC	47.70%
CST1	14.04%
Public	38.26%
	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.

(b) Impact of COVID-19

In the worldwide context of COVID-19 pandemic disease and unprecedented crisis that started in the first quarter of 2020, the Philippine Government has taken measures which caused disruptions to businesses and economic activities, and its impact continues to evolve. Based on the management's assessment, the COVID-19 pandemic had no significant impact in the Company's condensed interim financial statements as at September 30, 2022 and for the periods ended September 30, 2022 and 2021.

The Company's financial statements as at and for the period ended September 30, 2022 have been prepared applying the going concern principle. The management of the Company is not aware of any other significant uncertainties arising after the September 30, 2022 that would have any impact on its ability to continue as going concern. The Company is continuously monitoring the situation.

(c) Russia-Ukraine conflict

The Russian military invasion of Ukraine (the “Russian-Ukraine conflict”) has a wide economic impact on entities in the immediate region, but also impact entities globally where businesses engage in economic activities that might be affected by the conflict. The entities in the intermediate region could be impacted through imposed economic sanctions, disruptions to the supply chain, equity and commodity market volatility and other uncertainties.

Based on the management’s assessment, the Russian-Ukraine conflict had no significant impact in the Company’s condensed interim financial statements as at and for the period ended September 30, 2022.

(d) Approval and authorization for the issuance of financial statements

These condensed interim financial statements have been approved and authorized for issuance by the Company’s BOD on November 9, 2022.

(e) 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:

(i) 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 13).

(ii) Leasing

This business segment pertains to the rental operations of the Company with related parties which commenced in November 2021 (Note 13).

All amounts reported in the financial statements of the Company as at September 30, 2022 are attributable to this segment except for trade receivables from TransCo (Note 4), and deferred income tax assets (Note 17) amounting to P8,200,316 in both periods, which are attributable to operations of the solar energy segment.

The results of operations of the reportable segments of the Company for the periods ended September 30, 2022 and 2021 are as follows:

	2022 - Leasing	2021 - Sale of solar energy
Revenue	996,838,914	190,675,205
Cost of services	(67,449,931)	(51,674,414)
Gross profit	929,388,983	138,910,791
Operating expense	(12,935,789)	(17,699,784)
Finance costs	(12,601,342)	(27,984,031)
Other income, net	2,607,215	25,359,819
Income before income tax	906,459,067	118,586,795
Income tax benefit (expense)	-	-
Net income for the period	906,459,067	118,586,795

The segment assets and liabilities of the reportable segments of the Company as at September 30, 2022 and December 31, 2021 are as follows:

	September 30, 2022			December 31, 2021		
	Leasing	Sale of solar energy	Total	Leasing	Sale of solar energy	Total
Segment assets						
Current	335,829,106	7,458,141	343,287,247	35,664,371	109,451,075	145,115,446
Non-current	4,438,199,840	93,361,170	4,441,561,010	290,470,128	1,473,235,438	1,763,705,566
	4,684,028,946	100,819,311	4,784,848,257	326,134,499	1,582,686,513	1,908,821,012
Segment liabilities						
Current	65,712,735	-	65,712,735	940,077	107,865,668	108,805,745
Non-current	414,064,258	8,968,237	423,032,495	52,699,238	119,269,900	171,969,138
	479,776,993	8,968,237	488,745,230	53,639,315	227,135,568	280,774,883

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".

Note 2 - Additional notes in compliance with Philippines Accounting Standard (PAS) 34

1. There are no seasonal aspects that have a material effect on the condensed interim financial statements. The Company's revenues (including rental income from investment properties) are correlated to the amount of electricity generated by its solar power plant and the solar power plants operating on the investment properties, which in turn is dependent upon irradiance and weather conditions. Irradiance and weather conditions have natural variations from season to season and from year-to-year and may also change permanently because of climate change or other factors. The Company believes that such seasonality is effectively managed as the Company and its lessees have installed systems to monitor the daily output of such solar power plants and calibrate and improve output, as the need arises, based on an expected performance ratio.
2. The Company entered into various significant agreements for the period ended September 30, 2022 which includes acquisition of land properties and assignment of lease agreements from related parties and subsequent lease agreements and sub-lease agreements with related parties (Note 11).

3. Related party transactions include advances to (from) related parties which are made to finance working capital requirements including a portion of proceeds from secondary offering not yet remitted to the Parent Company, loan assignment, shares subscriptions, lease and sublease agreements, security deposits, purchase of land properties and payment of property management fee and fund management fee (Note 11).
4. Refer to Note 13 (b) for the disaggregation of the Company's revenue from contracts with customers recognized for the period ended June 30, 2022. There is no lease income for the period ended September 30, 2021. Sale of electricity for the period ended September 30, 2021 is disclosed in Note 13.
5. The Company's equity transactions for the period ended September 30, 2022 includes (i) additional share issuance of 1,047,272,000 common shares with a par value of P0.25 per share issued or an aggregate amount of P261,818,000 and (ii) dividend declaration amounting to P805,090,842 (Note 12).
6. There were no items not in the ordinary course of business for the period ended September 30, 2022 that affected assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.
7. There were no changes in management's use of estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities except for items disclosed in Note 21.
8. There were no other off-balance sheet arrangements or obligations for the period ended September 30, 2022 that were likely to have a current or future effect on the financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.
9. Aside from interest earnings from the Company's cash deposits, there are no significant elements of income or loss for the period ended September 30, 2022 that did not arise from the Company's continuing operations.
10. Any material changes from period to period in any line items of the Company's condensed interim financial statements that have not been explained were the results of normal fluctuations in operations.

Note 3 - Cash and cash equivalents

Cash and cash equivalents as at reporting periods consist of:

	September 30, 2022	December 31, 2021
Cash on hand	65,000	65,000
Cash in banks	300,959,516	10,783,402
Short-term placements	-	38,165,946
	301,020,516	49,014,348

Cash in banks earn interest at the prevailing bank deposit rates. Short-term placements represent money market placements or short-term investments with maturities up to three (3) months and annual interest ranging from 0.076% to 1.00% (2021 - 0.087% to 1.00%).

Total interest income earned from cash in banks and short-term placements for the periods ended September 30 is as follows:

	Note	2022	2021
Interest income	16	324,515	163,171

Note 4 - Trade and other receivables, net

Trade and other receivables, net as at reporting periods consist of:

	Note	September 30, 2022	December 31, 2021
Current			
Trade receivables from TransCo		7,458,141	41,892,701
Other receivable		1,944,096	1,944,096
Allowance for doubtful account		(1,944,096)	(1,944,096)
		7,458,141	41,892,701
Non-current			
Trade			
Receivables from TransCo		76,192,617	83,525,100
Lease receivables	11	101,272,997	2,456,998
		177,456,614	85,982,098

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 periods ended September 30, 2022 and 2021.

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

	Current	Non-current	Total
September 30, 2022			
Trade receivables	7,906,250	88,479,519	96,385,769
Discount on receivables	(448,109)	(12,286,902)	(12,735,011)
	7,458,141	76,192,617	83,650,758
December 31, 2021			
Trade receivables	41,904,520	96,255,187	138,159,707
Discount on receivables	(11,819)	(12,730,087)	(12,741,906)
	41,892,701	83,525,100	125,417,801

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. During 2021, a reversal was made amounting to P4.85 million for the November and December 2020 billings where TransCo confirmed that the FIT rate adjustments will be collected beginning December 2021. This was offset with the additional revenue recognized during December 2021 amounting to P83.53 million to be recovered within the next 5 years after December 31, 2021 (Note 13). Discount on trade receivables from TransCo arising from this amounted to P12.73 million as at September 30, 2022 (December 31, 2021 - P12.74 million). Interest income arising from amortization of discount on trade receivables from TransCo for the period ended September 30, 2022 amounted to P2,676,892 (September 30, 2021 - nil) (Note 16).

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

income.

Other receivable 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 Company does not hold any collateral as security. Management believes that an allowance for doubtful accounts as at September 30, 2022 and December 31, 2021, 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.

Note 5 - Prepayments and other current assets

Prepayments and other current assets as at reporting periods consist of:

	September 30, 2022	December 31, 2021
Input value-added tax (VAT)	18,250,189	12,081,806
Prepaid taxes	16,135,487	906,900
Advances to employees	410,662	448,662
Deferred share issuance costs	-	35,664,371
Advances to suppliers	-	5,094,408
Others	12,253	12,250
	34,808,589	54,208,397

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.

Advances to employees represent unliquidated cash advances for business related purposes and are to be liquidated from completion of the activity.

Deferred share issuance costs pertain to expenses incurred relative to the listing and offering of the Company's shares to the public.

Advances to suppliers represent prepayment of supplies or services which will be delivered or rendered within the next 12 months.

Note 6 - Property, plant and equipment, net

Details and movements of property, plant and equipment, net are as follows:

	Solar plant and equipment	Substation and transmission lines	Computer equipment	Service vehicle	Total
Cost					
January 1, 2021, December 31, 2021 and September 30, 2022	1,664,296,964	44,477,618	40,000	135,500	1,708,950,082
Accumulated depreciation					
January 1, 2021	306,914,201	11,632,210	23,333	42,908	318,612,652
Depreciation	55,906,693	3,205,091	13,334	27,100	59,152,218
December 31, 2021	362,820,894	14,837,301	36,667	70,008	377,764,870
Depreciation	41,921,255	2,403,323	3,333	20,320	44,348,236
September 30, 2022	404,730,457	17,252,316	40,000	90,328	422,113,101
Net book values					
September 30, 2022	1,259,554,815	27,236,994	-	45,172	1,286,836,981
December 31, 2021	1,301,476,070	29,640,317	3,333	65,492	1,331,185,212

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 periods ended September 30, 2022 and December 31, 2021.

Depreciation expenses for the periods ended September 30 are recognized as follows:

	Notes	2022	2021
Cost of services	14	44,324,578	29,559,476
Operating expenses	15	23,658	20,217
		44,348,236	29,579,693

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 September 30, 2022 and December 31, 2021.

Note 7 - Other non-current assets

Other non-current assets as at reporting periods consist of:

	Note	September 30, 2022	December 31, 2021
Security deposits	18	5,279,310	5,279,310
Electric utility deposits		-	6,580,541
Restricted cash		-	905,831
		5,279,310	12,765,682

Electric utility deposits represent deposits to an electric power distribution company which are to be

refunded after the service is terminated and all bills have been paid.

Restricted cash pertains to cash deposited in a local bank pursuant to Section 5(i) of RA No. 7638, otherwise known as, the “*Department of Energy Act of 1992*”, Energy Regulation No. 1-94. Under the regulation, generation companies and/or energy resource development facilities shall set aside one centavo per kilowatt-hour of the total electricity sold as financial benefits to the host communities.

As at September 30, 2022, the electric utility deposits and restricted cash were assigned and transferred to the Parent Company in line with the assignment of SESC of the Clark Solar Plant to its Parent Company.

Note 8 - Investment properties, net

Details and movements of investment properties are as follows:

	Freehold land assets	Leasehold land assets	Total
Cost			
January 1, 2021	-	-	-
Additions	234,545,502	53,940,794	288,486,296
December 31, 2021	234,545,502	53,940,794	288,486,296
Additions	2,507,918,610	139,466,312	2,647,384,922
September 30, 2022	2,742,464,112	193,407,106	2,935,871,218
Accumulated amortization			
January 1, 2021	-	-	-
Amortization	-	(473,166)	(473,166)
December 31, 2021	-	(473,166)	(473,166)
Amortization	-	(7,575,606)	(7,575,606)
September 30, 2022	-	(8,048,771)	(8,048,771)
Net book values			
September 30, 2022	2,742,464,112	185,358,334	2,927,822,446
December 31, 2021	234,545,502	53,467,628	288,013,130

The amounts recognized in the statements of total comprehensive income for the period ended September 30, 2022 (September 30, 2021 - nil) related to the investment properties are as follows:

	Notes	Freehold land assets	Leasehold land assets	Total
Rental income	13	262,271,433	521,626,465	785,086,816
Cost of services				
Depreciation		-	(7,575,606)	(7,575,606)
Property management fee		(2,667,569)	(5,463,315)	(8,130,883)
Fund management fee		(889,190)	(1,821,105)	(2,710,294)
	14	(3,556,758)	(14,860,025)	(18,416,784)
Finance costs	16	-	(8,308,028)	(8,308,028)
Profit arising from investment properties		258,714,675	498,458,411	758,362,004

(a) Freehold land assets

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 P4,865,286 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 P229,680,216 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 12). 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) (formerly Bulacan Solar Energy Corporation) and Citicore Solar South Cotabato, Inc. (CSSCI) (formerly nv vogt Philippine Solar Energy One, Inc.), 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 aggregate fair value of these parcels of land as determined by an independent appraiser as at October 31, 2021 amounted to P4.24 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.

The fair value is sensitive to the following unobservable inputs: (1) lease income growth rate (fixed and variable lease) which was based on the signed lease contracts and (2) discount rate of 7.01% set 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 is 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) (formerly nv vogt Philippines Solar Energy Four, Inc.), an entity under common control. The Company subleased the land back to CST2 (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) (formerly First Toledo Solar Energy Corp.) (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 the same day, the Company entered into sublease agreement with CSCI (sublessee) related to the identified leased area (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) (formerly Silay Solar Power, Inc.), an entity under common control. The Company subleased the land back to CSNO. 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 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 (Note 11).

The aggregate fair value of these parcels of land classified as leasehold land assets as determined by an independent appraiser as at October 31, 2021 amounted to P7.13 billion.

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.

Note 9 - Trade payables and other liabilities

Trade payables and other liabilities as at reporting periods consist of:

	Note	September 30, 2022	December 31, 2021
Trade payables		9,993,206	16,798,407
Due to government agencies		47,470,566	33,723,763
Deferred rent income, current portion	11	3,211,135	-
Accrued expenses		2,092,591	875,166
Due to related party		-	56,144,929
		62,767,498	107,542,265

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 statement of total comprehensive income. The remaining balance of due to government agencies as at September 30, 2022 and December 31, 2021 mainly pertains to unpaid business taxes to a local government unit, withholding taxes and mandatory government contributions.

Accrued expenses mainly include utilities, operations and maintenance expenses, which are normally settled the following month.

Note 10 - Loans payable

In 2016, the Company entered into a P1.35 billion Term Loan Facility Agreement with DBP. The facility was entered to finance the construction of Clark Solar Power Project. The entire facility was drawn on December 9, 2016.

The loan has a term of 12 years, maturing on December 8, 2028, inclusive of one (1) year grace period and is payable in forty-four equal quarterly installments commencing on the fifth quarter from the date of initial drawdown. The Company shall pay interest at fixed rate based on the bank's prevailing rate under the relevant program applied for and determined on the date of initial drawdown, subject to a floor rate of 5% per annum, payable quarterly commencing at the end of the first quarter from the date of initial drawdown and subject to adjustment by the bank at such rate as it may be determined at the end of fifth and tenth year of the loan.

As long as the loan agreement is in effect and until the payment is full and all other amounts due under the agreement have been collected by the bank, the Company agrees, unless the bank otherwise consent in writing, that the Company will not declare or pay dividends to its shareholder, other than dividends payable solely in shares of its share capital, or retain, retire, purchase or otherwise acquire any class of its share capital, or make any other capital or other asset distribution to its shareholders. Further, the Company shall maintain at all times during the entire term of the loan a debt-to-equity ratio (DER) of not exceeding 2:1 and current ratio and debt service coverage ratio of not less than one (1) as defined in the Term Loan Facility Agreement.

The Company made a principal payment amounting to P31.61 million for the period ended September 30, 2021.

On May 4, 2021, the Parent Company assumed the Company's outstanding loan with DBP with principal balance amounting to P1.01 billion. Consequently, the Company derecognized the loan and the corresponding interest payable amounting P13.02 million and recognized as part of due to a related party (Note 11). No gain or loss was recognized for the loan assignment. As a result of the assignment, the Company became indebted to its Parent Company for the same amount. Subsequently, the Parent Company used a portion of the amount recognized as due to a related party amounting to P602.47 million to subscribe on the Company's common shares to be taken from the increase in authorized share capital (Note 12). These are considered as non-cash transactions.

Finance costs including amortization of debt issuance cost for the period ended September 30, 2021 recognized in the statement of total comprehensive income amounted to P24.97 million (Note 16).

Movements in interest payable for the period ended September 30, 2021 are as follows:

	Amount
Beginning	31,916,918
Interest expense	18,047,924
Assumed by Parent Company	(13,024,012)
Interest payments	(36,940,830)
Ending	-

Note 11 - Related party transactions

In the normal course of business, the Company transacts with companies which are considered related parties under PAS 24, “Related Party Disclosures”.

The transactions and outstanding balances of the Company as at September 30, 2022 and December 31, 2021 and for the periods then ended and for the period ended September 30, 2021 with related parties are as follows:

Related parties	Transactions			Outstanding balance Receivables (Payables)		Terms and conditions
	September 30, 2022	September 30, 2021	December 31, 2021	September 30, 2022	December 31, 2021	
Parent Company						
Lease income	211,476,753	-	-	11,850,949	-	Refer to (e) and Note 4.
Advances to (from)	524,451	227,942,488	265,850,948	(124,142,225)	265,850,948	Refer to (a).
Assignment of loans payable	-	(1,011,570,248)	(1,011,570,248)	-	(377,493,612)	Refer to (b) and Note 10.
Assumed interest payable	-	(13,024,012)	(13,024,012)	-	(13,024,012)	See Note 10.
				(124,142,225)	(124,666,676)	
Property management fee	2,328,968	-	-	-	-	Refer to (f).
Fund management fee	776,323	-	-	-	-	Refer to (g).
Security deposits	(22,180,645)	-	-	(22,180,645)	-	Refer to (e).
Deferred rent income	(10,198,398)	-	-	(10,198,398)	-	Refer to (e).
Deposit for future shares subscription	-	607,330,352	-	-	-	Refer to (c) and Note 10.
Issuance of shares	-	-	607,330,352	-	-	Refer to (c) and Note 10.
Entities under common control						
Lease income	785,086,814	-	17,773,892	86,965,050	2,456,998	Refer to (e) and Note 4.
Advances to	-	87,021,747	87,021,747	-	87,021,747	Refer to (a).
Acquisition of properties	2,507,918,610	-	-	-	-	Refer to (e) and Note 8.
Property management fee	8,130,883	-	-	-	-	Refer to (f).
Fund management fee	2,710,294	-	-	-	-	Refer to (g).
Issuance of shares	-	-	229,680,216	-	-	Refer to (c) and Note 8.
Security deposits	(119,843,272)	-	-	(119,843,272)	-	Refer to (e).
Deferred rent income	(76,639,643)	-	-	(76,639,643)	-	Refer to (e).
Deposit for future shares subscription	-	229,680,216	-	-	-	Refer to (c) and Note 10.

(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). As at December 31, 2021, the Parent Company and the Company agreed to offset all related party receivables and payables resulting in a net payable to the Parent Company amounting to P124.67 million. These are considered as non-cash transactions.

The offset amounts as at December 31, 2021 are as follows:

	2021
Receivables	265,850,948
Payables	(390,517,624)
	(124,666,676)

There was no offsetting as at and for the period ended September 30, 2022.

Details of net payable to the Parent Company as at reporting periods are as follows:

	September 30, 2022	December 31, 2021
Current	-	56,144,929
Non-current	55,962,688	68,521,747
	55,962,688	124,666,676

In September 2022, the Company and the Parent Company agreed that portion of the net payable amounting to P43.06 million is to be settled in cash upon demand by the Parent Company while the remaining balance of P68.52 million is to be settled in cash after more than 12 months from September 30, 2022.

In December 2021, the Company and the Parent Company agreed that portion of the net payable amounting to P56.14 million is to be settled in cash upon demand by the Parent Company while the remaining balance of P68.52 million is to be settled in cash after more than 12 months from December 31, 2021.

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

(b) Loan assignment

The loan assignment was recognized as part of due to a related party. Details and movement of due to a related party pertaining to the loan assignment for the year ended December 31, 2021 are as follows:

	Notes	Amount
Assignment of loan	10	1,011,570,248
Cash settlement	10	(31,611,570)
Subscription of shares	11 (c)	(602,465,066)
Ending amount subsequently classified as advances		377,493,612

(c) Shares subscriptions and issuances

Details of additional shares subscriptions and issuances for the year ended December 31, 2021 are as follows:

	Notes	Conversion of advances	Land properties exchange	Total
Parent Company	8, 10, 12	602,465,066	4,865,286	607,330,352
CST1	8, 12	-	229,680,216	229,680,216
		602,465,066	234,545,502	837,010,568

(d) 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 for the period ended September 30, 2022 amounted to P1.68 million (September 30, 2021 – P0.63 million) (Note 15).

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 the periods ended September 30, 2022 and 2021.

(e) Lease agreements and security deposits

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 period ended September 30, 2022 amounting to P36.46 million (Note 13).

- 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 period ended September 30, 2022 amounting to P209.16 million (Note 13).

- 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 period ended September 30, 2022 amounting to P276.65 million (Note 13).

- 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 period ended September 30, 2022 amounting to P43.60 million (Note 13).

- 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 of September 30, 2022. The land properties were recognized as part of investment properties as at September 30, 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 period ended September 30, 2022 amounting to P152.25 million (Note 13).

- 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 of September 30, 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 period ended September 30, 2022 amounting to P66.97 million (Note 13).

- 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 1). 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 period ended September 30, 2022 amounting to P211.75 million (Note 13).

In addition to the clauses discuss 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 monthly 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 September 30, 2022 and December 31, 2021 pertain to accrued rent resulting from the straight-line method of recognizing rental income.

During 2022, the Company received security deposits from its lessees amounting to P142.02 million, which is equivalent to one-month lease payments. 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. These security deposits were presented as non-current liabilities in the statements of financial position as at September 30, 2022.

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

	Note	September 30, 2022
Security deposits		142,023,917
Allowance for amortization of security deposits		(87,385,997)
		54,637,920
Deferred rent income		86,838,041
Less: Current portion	9	(3,211,135)
Non-current portion		83,626,906

There is no accretion of interest expense for the period ended September 30, 2022 since the security deposits were only deposited on September 30, 2022.

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. There is no amortization of deferred rent income for the period ended September 30, 2022 since the security deposits were only deposited on September 30, 2022.

(f) 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 P10.46 million for the period ended September 30, 2022 (September 30, 2021 - nil) (Note 14).

(g) 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, 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 P3.49 million for the period ended September 30, 2022 (September 30, 2021 - nil) (Note 14).

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.

Note 12 - Share capital

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

	September 30, 2022		December 31, 2021	
	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
Issued and outstanding				
Common shares - P0.25 par value				
Balance at January 1	5,498,182,004	1,374,545,501	-	-
Reclassification	-	-	15,031,366	539,999,999
Effect in reduction in par value	-	-	2,144,968,628	-
Issuances	1,047,272,000	261,818,000	3,338,182,010	834,545,502
Balance at end of period	6,545,454,004	1,636,363,501	5,498,182,004	1,374,545,501
Common class A - P1 par value				
Balance at January 1	-	-	7,291,011	7,291,011
Reclassification	-	-	(7,291,011)	(7,291,011)
Balance at end of period	-	-	-	-
Common class B - P13.5 par value				
Balance at January 1	-	-	4,856,985	65,569,298
Reclassification	-	-	(4,856,985)	(65,569,298)
Balance at end of period	-	-	-	-
Redeemable preference shares A - P27 par value				
Balance at January 1	-	-	1,729,922	46,707,894
Reclassification	-	-	(1,729,922)	(46,707,894)
Balance at end of period	-	-	-	-
Redeemable preference shares B - P364.5 par value				
Balance at January 1	-	-	1,153,448	420,431,796
Reclassification	-	-	(1,153,448)	(420,431,796)
Balance at end of period	-	-	-	-
	6,545,454,004	1,636,363,501	5,498,182,004	1,374,545,501

The holders of common class A and B shares are entitled to the same rights and privileges except for the right to dividend distribution which is in accordance with the par value ratio.

Redeemable preference shares A and B are non-convertible, non-voting and are redeemable at the option of the Company at par value, plus any accrued and unpaid cash dividends. In case of dissolution or liquidation, redeemable preference shares shall enjoy preference on the distribution of the Company's assets. Redeemable preference shares are not redeemable at the option of the holder.

Foreign nationals may own and hold common class B and redeemable preference shares B.

(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.

(b) Share subscriptions and issuances

(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 (Note 11). 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 P4,865,286. 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 and 11). 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 P229,680,216. 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 and 11). 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 CREC and CST1 (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 period ended September 30, 2022 amounting to P68.19 million.

(d) Dividends

On March 9, 2022, the BOD ratified and approved the declaration of cash dividends of P0.035 per common share for shareholders on record as at March 28, 2022. Total dividends amounting to P229.09 million was fully paid on March 31, 2022.

On May 11, 2022, the BOD ratified and approved the declaration of cash dividends of P0.044 per outstanding common share or an aggregate amount of P285.09 million for the first quarter of 2022. The cash dividends were paid on June 24, 2022 to shareholders on record as at June 8, 2022.

On July 20, 2022, the BOD ratified and approved the declaration of cash dividends of P0.044 per outstanding common share or an aggregate amount of P285.86 million for the second quarter of 2022. The cash dividends were paid on September 14, 2022 to shareholders on record as at August 19, 2022.

Events after the reporting period

On November 9, 2022, the BOD ratified and approved the declaration of cash dividends of P0.044 per outstanding common share or an aggregate amount of P290.23 million for the third quarter of 2022. The cash dividends are payable on January 5, 2023 to shareholders on record as at December 9, 2022. The management has determined that this is a non-adjusting event.

Note 13 - 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. 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 P83.65 million as at September 30, 2022 (December 31, 2021 - P125.42 million) (Note 4).

For the period ended September 30, 2021, revenue from sale of electricity amounted to P190.68 million. 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 period ended September 30, 2022:

Land properties	Note	Amount
Leasehold land assets		
Brgy. Talavera, Toledo City, Cebu		276,652,117
Brgy. Rizal, Silay City, Negros Occidental		209,160,194
Brgy. Dalayap, Tarlac City, Tarlac		36,460,066
		522,272,377
Freehold land assets		
Brgy. San Ildefonso, Bulacan		152,246,822
Brgy. Centrala, Suralla, South Cotabato		66,965,539
Brgy. Armenia, Tarlac City, Tarlac		43,602,078
		262,814,439
Solar plant property		
Clark Freeport Zone, Pampanga		211,752,098
	11	996,838,914

Note 14 - Cost of services

The components of cost of services for the periods ended September 30 are as follows:

	Notes	2022	2021
Depreciation and amortization	6, 18	53,502,963	45,931,421
Property management fee	11	10,459,851	-
Fund management fee	11	3,486,617	-
Taxes and licenses		500	216,963
Utilities		-	3,071,239
Operation and maintenance		-	2,506,481
Salaries and wages		-	723,911
Insurance		-	1,194,190
Repairs and maintenance		-	705,756
Retirement benefit income		-	(2,628,766)
Others		-	43,219
		67,449,931	51,764,414

Note 15 - Operating expenses

The components of operating expenses for the periods ended September 30 are as follows:

	Notes	2022	2021
Outside services		8,497,063	3,487,128
Professional fees		1,751,872	1,120,972
Directors' fees	11	1,210,526	631,579
Taxes and licenses		604,373	10,332,005
Transportation and travel		43,150	98,192
Depreciation	6	23,658	30,325
Bank charges		-	20,568
Dues and subscriptions		-	938,366
Charitable contribution		-	100,000
Communication, light and water		-	73,661
Repairs and maintenance		-	127,374
Others		340,672	739,614
		12,935,789	17,699,784

Portion of outside services, taxes and licenses, and professional fees for the period ended September 30, 2022 includes costs for the listing and offering of the Company's shares to the public.

Note 16 - Other income, net; finance costs

The components of other income, net for the periods ended September 30 are as follows:

	Notes	2022	2021
Interest income	3, 4	3,001,407	163,171
Foreign exchange losses, net	20	(394,192)	(4,265)
Gain on compromise settlement of due to government agencies		-	25,200,913
		2,607,215	25,359,819

The components of finance costs for the periods ended September 30 are as follows:

	Notes	2022	2021
Interests on lease liabilities	18	11,685,035	3,010,910
Interests on amortization of security deposits		916,307	-
Interests on loans payable from DBP	10	-	24,973,910
		12,601,342	27,984,031

Note 17 - 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.

There is no income tax expense for the periods ended September 30, 2022 and 2021.

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 periods 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.

Management has considered this in reaching its conclusion to recognize certain deferred income tax assets in relation to both its sale of solar energy and leasing business segment as at September 30, 2022 and December 31, 2021.

The details of the Company's recognized NOLCO as at September 30, 2022 and December 31, 2021 are as follows:

Year of incurrence	Year of expiration	December 31, 2021
2021	2026	68,674,211
Tax rate		25%
		17,168,553

The Company did not recognize deferred income tax assets arising from NOLCO amounting to P56.43 million for the period ended September 30, 2022 as the 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. In addition, the deferred income tax asset arising from NOLCO is still not yet final and still uncertain as at interim reporting period, hence, not yet reported in the Company's income tax return.

The reconciliation between income tax expense computed at the statutory tax rate and the actual income tax expense for the periods ended September 30 as shown in the statements of total comprehensive income follows:

	2022		2021	
	RCIT	Special rate	Total	Special rate
Income tax at statutory tax rate	227,490,480	-	227,490,480	11,858,680
Income tax effects of:				
Non-deductible expenses	400,420	-	400,420	343,968
Non-taxable income due to ITH	-	-	-	(5,551,671)
Interest income subject to final tax	(81,129)	-	(81,129)	(16,317)
Movement of unrecognized deferred income tax assets	(9,489,421)	-	(9,489,421)	(6,634,660)
Deductible expenses recognized as APIC	(17,047,639)	-	(17,047,639)	-
Deductible dividends payment	(201,272,711)	-	(201,272,711)	-
	-	-	-	-

The effective tax rate of the Company for the periods ended September 30, 2022 and 2021 is nil.

Note 18 - 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 P5.3 million were presented as part of other non-current assets in the statements of financial position as at September 30, 2022 and December 31, 2021 (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.

For land properties located in Brgy. Dalayap, Tarlac City, Tarlac, the Company has recognized right-of-use asset and lease liabilities on November 1, 2021 in the statements of financial position amounting to P53.94 million.

For land properties located in Brgy. Talavera, Toledo City, Cebu and Brgy. Rizal, Silay City, Negros Occidental, the Company has recognized right-of-use asset and lease liabilities on January 1, 2022 in the statements of financial position amounting to P89.94 million and P49.53 million, respectively.

Amounts recognized in the statements of financial position

Details of leased land properties recognized as part of right-of-use asset, net and movements in the account as at and for the periods ended September 30, 2022 and December 31, 2021 are as follows:

	Note	2022	2021
Cost			
January 1, 2021, December 31, 2021, September 30, 2021 and 2022		43,937,092	43,937,092
Accumulated amortization			
Beginning		6,377,964	4,251,976
Amortization	14	1,602,785	2,125,988
Ending		7,980,749	6,377,964
Net book value		35,956,343	37,559,128

Investment properties held by the Company as a right-of-use asset measured initially at its cost in accordance with PFRS 16 as at and for the periods ended September 30, 2022 and December 31, 2021 are as follows:

	Notes	2022	2021
Cost			
Beginning		53,940,794	-
Additions		139,466,312	53,940,794
Ending		193,407,106	53,940,794
Accumulated amortization			
Beginning		473,166	-
Amortization	14	7,575,606	473,166
Ending		8,048,772	473,166
Net book value	8	185,358,334	53,467,628

Details of the lease liabilities as at reporting periods are as follows:

	September 30, 2022	December 31, 2021
Current	2,945,237	1,263,480
Non-current	228,490,310	103,132,719
	231,435,547	104,396,199

Movements in lease liabilities for the periods ended September 30, 2022 and December 31, 2021 are as follows:

	Notes	September 30, 2022	December 31, 2021
Beginning		104,396,199	51,355,135
Additions	8	139,466,312	53,940,794
Principal payments		(18,203,204)	(955,048)
Interest payments		(5,696,462)	(4,464,960)
Interest expense	8, 16	11,304,583	4,464,960
Translation difference	20	168,119	55,318
Ending		231,435,547	104,396,199

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

Amounts recognized in the statements of total comprehensive income

Amounts recognized in the statements of total comprehensive income for the periods ended September 30 related to the lease agreements are as follows:

	Notes	2022	2021
Amortization expense	8, 14	9,178,391	1,062,994
Interest expense	8, 16	11,304,583	2,007,778
Translation difference	20	168,119	1,830
		20,651,093	3,072,602

The total cash outflows for the periods ended September 30 for the lease agreements are as follows:

	2022	2021
Payment of principal portion of lease liabilities	18,203,204	501,611
Payment of interest on lease liabilities	5,696,462	2,007,778
	23,899,666	2,509,389

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.

Note 19 - Earnings per share (EPS)

Basic and diluted EPS for the periods ended September 30 are as follows:

	2022	2021
Net income	906,459,067	118,586,795
Weighted average number of common shares	6,138,181,560	1,954,909,157
Basic and diluted EPS	0.15	0.06

Weighted average number of common shares for the period ended September 30, 2022 is calculated as follows:

	Number of shares	Ratio	Weighted number of shares
Beginning	5,498,182,004	1.00	5,498,182,004
Issuance of shares during 2022	1,047,272,000	0.61	639,999,556
	6,545,454,004		6,138,181,560

In March 2021, the Company's BOD and shareholders approved to convert all of its common and preference shares to one class common share and reduced all the par values to P0.25 per share thereby increasing the number of common shares issued and outstanding (Note 12). The conversion, subsequent decrease in par value and share subscriptions and issuance during 2021 were considered in the calculation of weighted average number of common shares outstanding retrospectively.

The Company has no potential dilutive common shares for the periods ended September 30, 2022 and 2021. Therefore, basic and diluted EPS are the same.

Note 20 - Fair value estimation and financial risk and capital management

20.1 Fair value estimation

The carrying values of the financial instrument components of cash and cash equivalents, trade and other receivables, trade payables and other liabilities (excluding due to government agencies), due to related parties, 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 and non-current portion of lease liabilities are close to market rates. The fair value of the non-current portion of due to a related party amounting to P55.9 million was determined using discounted cash flow approach by applying current market interest rates of 4.39% (Level 2). The carrying value of the Company's financial instruments are summarized in Note 20.2.1.

As at September 30, 2022 and 2021, the Company does not have financial instruments that are measured using the fair value hierarchy.

20.2 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 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.

20.2.1 Components of financial assets and financial liabilities

Financial assets

Details of the Company's financial assets at amortized cost are as follows:

	Notes	September 30, 2022	December 31, 2021
Cash and cash equivalents	3	300,955,516	49,014,348
Trade and other receivables	4	186,867,850	127,874,799
Security deposits	7	5,279,310	5,279,310
Electric utility deposits	7	-	6,580,541
Restricted cash	7	-	905,831
		493,102,676	189,654,829

Financial liabilities

Details of the Company's financial liabilities, categorized as liabilities at amortized cost are as follows:

	Notes	September 30, 2022	December 31, 2021
Trade payables and other liabilities*	9	15,296,932	73,818,502
Lease liabilities	18	231,435,547	104,396,199
Security deposits	11	54,637,920	-
Due to a related party	11	55,962,688	68,521,747
		357,333,087	246,736,448

*excluding due to government agencies

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.

20.2.2 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. Security price is deemed not applicable since the Company has no debt or equity instruments traded in an active market. The management of these risks is discussed as follows:

(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 loans payable, cash in banks, short-term placements, and lease liabilities.

The Company's exposure to risk for changes in market interest rates primarily relates to loans payable with fixed interest rate which was assumed by the Parent Company effective May 4, 2021. Management believes that the related interest rate risk on this instrument is relatively insignificant having fixed interest rate. The Company has no outstanding loans payable as at September 30, 2022 and December 31, 2021 (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. There are no other financial instruments subject to interest rate risk.

(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 September 30, 2022 refers to a portion of lease liabilities amounting to US\$19,940 (December 31, 2021 - US\$20,052) with Philippine Peso equivalent of P1.17 million (December 31, 2021 - P1.02 million).

Details of foreign exchange losses, net for the periods ended September 30 are as follows:

	Notes	2022	2021
Unrealized losses, net	18	394,192	4,091
Realized losses, net		-	174
	16	394,192	4,265

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.

20.2.3 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, electric utility deposits, 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 are equal to the carrying amount of the cash and cash equivalents (excluding cash on hand), trade and other receivables, electric utility deposits, security deposits and restricted cash as at September 30, 2022 and December 31, 2021 as disclosed in Note 20.2.1.

Credit quality of financial assets

(i) Cash and cash equivalents and restricted cash in bank

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 Notes 3 and 7. The expected credit loss is determined to be immaterial. Cash on hand is not subject to credit risk.

(ii) Trade and other receivables

The Company has significant concentration of credit risk for the sale of energy segment business on its transactions with TransCo, its sole customer. However, this is brought down to an acceptable level since credit terms on billed fees for sale of electricity are fixed as provided in formal agreements, and are accordingly collected in accordance with this agreement and the Company's credit policy with no reported defaults and write-offs in previous years. The expected credit loss 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 pertain to 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 June 30, 2022 and 2021.

(iii) Security deposits and electrical utility deposits

Security deposits and electrical utility deposits include cash required from the Company in relation to its lease agreement and service agreement, 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.

20.2.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as these falls 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>September 30, 2022</i>				
Trade payables and other liabilities*	9	-	15,296,931	-
Security deposits	11	-	-	54,637,920
Due to related parties	11	-	-	55,962,688
Interest**		-	16,193,849	171,369,938
Lease liabilities	18	-	2,945,237	228,490,310
		-	34,436,017	510,460,856
<i>December 31, 2021</i>				
Trade payables and other liabilities*	9	-	17,673,573	-
Due to a related party	11	-	-	68,521,747
Interest**		-	7,579,060	85,887,552
Lease liabilities	18	-	1,263,480	103,132,719
		-	26,516,113	257,542,018

*excluding due to government agencies

**expected interest on lease liabilities up to maturity date and on security deposits up to maturity date

The amounts disclosed are the contractual undiscounted cash flows, except for lease liabilities and security deposits, 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.

20.3 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 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 September 30, 2022 and December 31, 2021.

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 Implementing Rules and Regulations (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 September 30, 2022, 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.

Note 21 - Critical accounting estimates and assumptions and judgments

In addition to the critical accounting estimates and assumptions and judgments as disclosed in the Company's annual financial statements as at and for the year ended December 31, 2021, management has made an accounting judgment on the adoption of a "no tax" regime.

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 September 30, 2022, 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 additional deferred taxes as at September 30, 2022. 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.

Note 22 - Basis of preparation

These condensed interim financial statements as at and for the six-month period ended September 30, 2022 have been prepared in accordance with PAS 34, *"Interim Financial Reporting"*.

The condensed interim financial statements do not include all the notes normally included in annual

financial statements. Accordingly, these condensed interim financial statements are to be read in conjunction with the annual financial statements as at and for the year ended December 31, 2021 and any public announcements made by the Company during the nine-month period ended September 30, 2022. The accounting policies adopted are consistent with those of the previous financial year.

The Company has adopted a new accounting policy for the nine-month period ended September 30, 2022:

Deposits from lessees

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 profit or loss under rental income and finance cost accounts, respectively.

(a) New standards, amendments and interpretations to existing standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2022:

- *Onerous Contracts - Cost of Fulfilling a Contract: Amendments to PAS 37 (effective January 1, 2022)*

The amendment to PAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognizing a separate provision for an onerous contract, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract.

- *Annual Improvements to PFRS Standards 2018-2020 (effective January 1, 2022)*

The following improvements were finalized in May 2020:

- PFRS 9, “*Financial Instruments*” - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- PFRS 16, “*Leases*” - amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- PFRS 1, “*First-time Adoption of Philippine Financial Reporting Standards*” - allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent’s books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same PFRS 1 exemption.

There are no new accounting standards or amendments effective January 1, 2022 that have a material impact on these condensed interim financial statements.

(b) New standards, amendments and interpretations to existing standards not yet adopted

There are new PFRS, interpretation, amendments and annual improvements to existing standards effective for annual periods after January 1, 2022 and have not been early adopted nor applied by the Company in preparing these financial statements. None of those standards are expected to have a significant impact on the financial statements of the Company, but the more relevant ones are set out below:

- *Disclosure of Accounting Policies - Amendments to PAS 1 and PFRS Practice Statement 2 (effective January 1, 2023)*

PAS 1 is amended to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, PFRS Practice Statement 2, "*Making Materiality Judgements*" is also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- *Definition of Accounting Estimates - Amendments to PAS 8 (effective January 1, 2023)*

The amendment to PAS 8, "*Accounting Policies, Changes in Accounting Estimates and Errors*" clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to PAS 12 (effective January 1, 2023)*

The amendments to PAS 12, "*Income Taxes*" require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate.

PAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

There are no other future standards, amendments or interpretations that are effective beginning after January 1, 2022 that are expected to have a material impact on the Company's condensed interim financial statements.

Note 23 - Events after the reporting period

Post period-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post period-end events that are not adjusting events are disclosed in the notes to the financial statements when material. There were no other significant post period-end events after September 30, 2022 except for the information that were disclosed in the respective notes.

Citicore Energy REIT Corp.

(Formerly Enfinity Philippines Renewable Resources Inc.)

(A subsidiary of Citicore Renewable Energy Corporation)

Supplementary Schedules as Required by Rule 68 of the Securities Regulation Code
September 30, 2022

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.

(Formerly Enfinity Philippines Renewable Resources Inc.)

(A subsidiary of Citicore Renewable Energy Corporation)

Schedule A - Financial Assets

September 30, 2022

Name of issuing entity and association of each issue	Principal amount of bonds and notes	Amount shown in the statement of financial position	Income received and accrued
Financial assets at amortized cost			
Cash in banks			
BDO Unibank, Inc.	-	296,882,826	70,070
Development Bank of the Philippines	-	3,917,288	253,824
Security Bank Corporation	-	154,802	621
Cash on hand	-	65,000	-
Total cash and cash equivalents	-	301,020,516	324,515
Trade and other receivables	-	184,923,755	2,676,892
Security deposits	-	5,279,310	-
Total financial assets	-	491,223,581	3,001,407

Citicore Energy REIT Corp.

(Formerly Enfinity Philippines Renewable Resources Inc.)

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Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

September 30, 2022

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							
Citicore Renewable Energy Corporation	265,850,948	-	(265,850,948)	-	-	-	-
Total due from related parties	265,850,948	-	(265,850,948)	-	-	-	-
Trade receivables							
Citicore Solar Tarlac 1, Inc.	1,486,767	43,602,078	(37,854,093)	-	-	7,234,751	7,234,751
Citicore Solar Tarlac 2, Inc.	970,231	36,460,066	(33,146,062)	-	-	4,284,235	4,284,235
Citicore Renewable Energy Corporation	-	211,752,100	(199,901,151)	-	-	11,850,949	11,850,949
Citicore Solar Cebu, Inc.	-	209,160,194	(181,555,739)	-	-	27,604,455	27,604,455
Citicore Solar Negros Occidental, Inc.	-	276,652,117	(254,228,213)	-	-	22,423,903	22,423,903
Citicore Solar Bulacan, Inc.	-	152,246,822	(132,777,108)	-	-	19,469,713	19,469,713
Citicore Solar South Cotabato, Inc.	-	66,965,538	(58,560,549)	-	-	8,404,989	8,404,989
Total trade receivables	2,456,998	996,838,913	(898,022,915)	-	-	101,272,996	101,272,996
Total receivables from related parties	268,307,946	996,838,913	(898,022,915)	-	-	101,272,996	101,272,996

*As required by Revised 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 September 30, 2022.

Citicore Energy REIT Corp.
(Formerly Enfinity Philippines Renewable Resources Inc.)
(A subsidiary of Citicore Renewable Energy Corporation)

Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of the financial statements
September 30, 2022

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
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Citicore Energy REIT Corp.

(Formerly Enfinity Philippines Renewable Resources Inc.)

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Schedule D - Long Term Debt

September 30, 2022

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	Notes
N/A	N/A	N/A	N/A	N/A

Citicore Energy REIT Corp.

(Formerly Enfinity Philippines Renewable Resources Inc.)

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Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)

September 30, 2022

Name of related party	Balance at the beginning of the period	Balance at the end of the period
Citicore Renewable Energy Corporation	68,521,747	55,962,688

Citicore Energy REIT Corp.

(Formerly Enfinity Philippines Renewable Resources Inc.)

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Schedule F - Guarantees of Securities of Other Issuers

September 30, 2022

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.

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Schedule G - Share Capital

September 30, 2022

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	4,905,008	2,504,187,000	

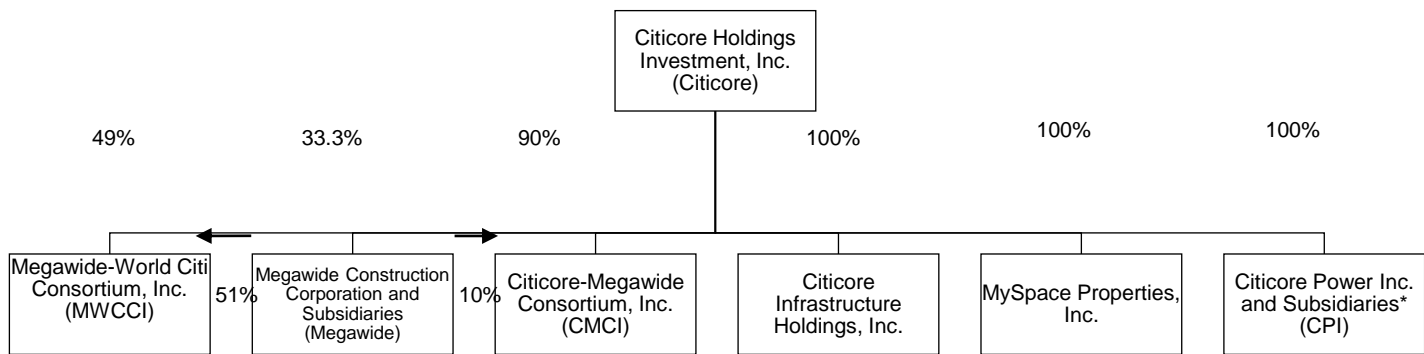
Citicore Energy REIT Corp.
(Formerly Enfinity Philippines Renewable Resources Inc.)
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Reconciliation of Retained Earnings Available for Dividend Declaration
As at September 30, 2022
(All amounts in Philippine Peso)

Unappropriated retained earnings, as adjusted to available for dividend declaration, beginning		250,984,668
Add : Net income actually earned during the period		
Net income during the period closed to retained earnings	906,459,067	
Less: Non-actual/unrealized income net of tax	-	
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustment	-	
Fair value adjustment of investment property resulting to gain	-	
Adjustment due to deviation from PFRS - gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	-
Add: Non-actual losses	-	
Depreciation on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS - loss	-	
Loss on fair value adjustment of investment property (after tax)	-	-
Net income actually earned during the period		906,459,067
Add (Less):		
Dividends declarations during the period	(805,090,842)	
Appropriations of retained earnings during the period	-	
Reversal of appropriation	-	
Effect of prior period adjustments	-	
Treasury shares	-	(805,090,842)
Unappropriated retained earnings available for dividend declaration, ending		352,352,893

Citicore Energy REIT Corp.
(Formerly Enfinity Philippines Renewable Resources Inc.)
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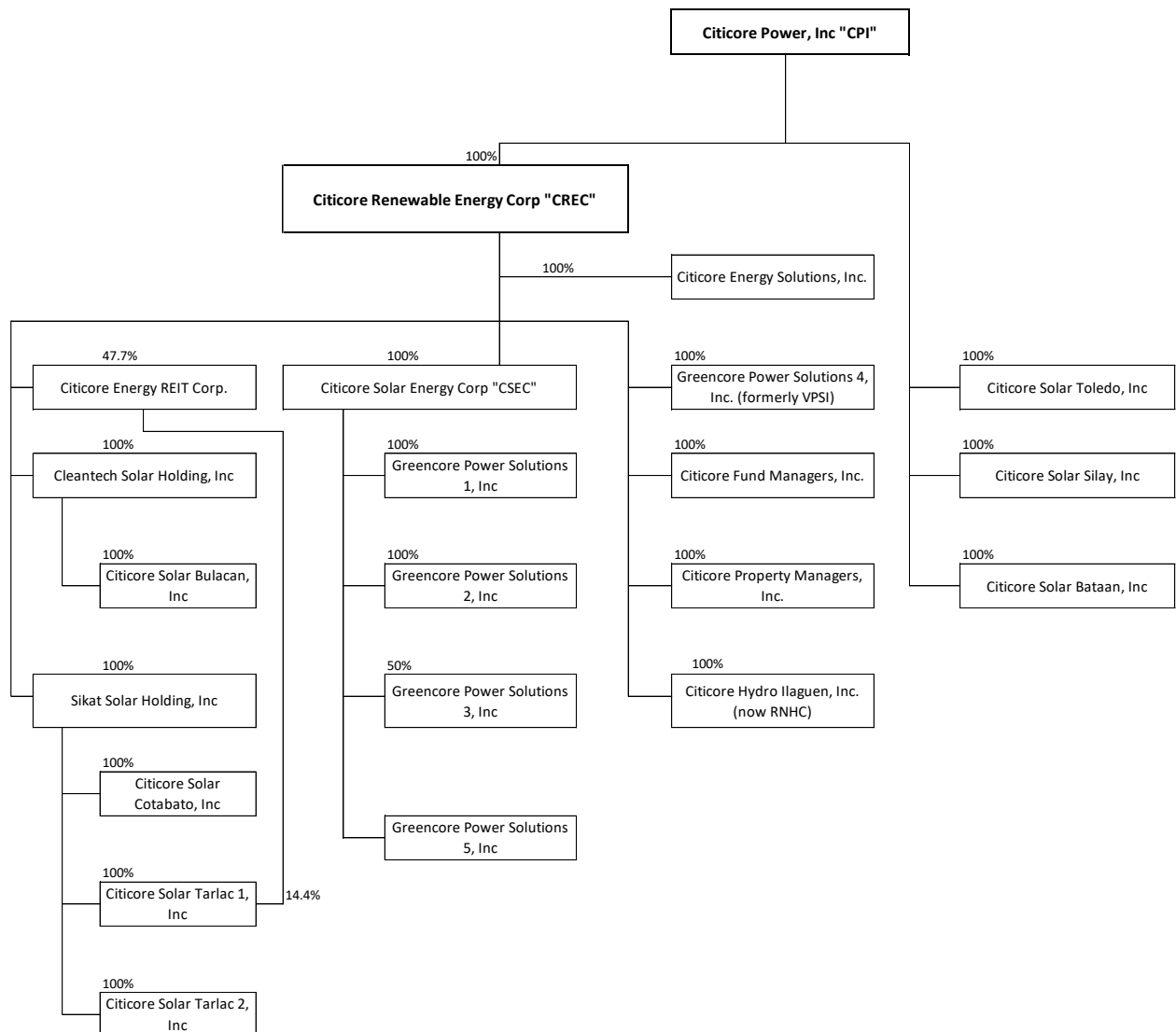
A Map Showing the Relationships between and among the Company and its
Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsiaries and Associates
September 30, 2022



**See Schedule A*

Citicore Energy REIT Corp.
(Formerly Enfinity Philippines Renewable Resources Inc.)
(A subsidiary of Citicore Renewable Energy Corporation)

A Map Showing the Relationships between and among the Company and its
Ultimate Parent Company, Middle Parent, Subsidiaries or
Co-subsidiaries and Associates (Schedule A)
September 30, 2022



Note: The table above is not an exclusive enumeration of the subsidiaries of CPI.

Citicore Energy REIT Corp.

(Formerly Enfinity Philippines Renewable Resources Inc.)

(A subsidiary of Citicore Renewable Energy Corporation)

Schedule of Financial Soundness Indicator

As at and for the periods ended September 30, 2022 and 2021

	2022	2021
Current ratio ^a	5.22x	1.09x
Acid test ratio ^b	4.69x	0.84x
Solvency ratio ^c	-	-
Debt-to-equity ratio ^d	-	-
Asset-to-equity ratio ^e	1.11x	1.17x
Interest rate coverage ratio ^f	76.97x	5.88x
Debt service coverage ratio ^g	329.34x	518.65x
Net debt/ EBITDA ^h	(0.31)x	(0.47)x
Earnings per share (Php) ⁱ	0.15	0.06
Book value per share ^j	0.66	0.28
Return on assets ^k	27.08%	6.66%
Return on equity ^l	30.60%	7.80%
Net profit margin ^m	90.93%	62.19%

^a Current assets/current liabilities^b Cash and cash equivalents + Trade and other receivables, net/Current liabilities^c Net operating profit after tax + depreciation and amortization/Loans payable^d Loans payable/ Total equity^e Total assets/ Total equity^f Earnings before interest, taxes, depreciation and amortization/Interest expense^g Earnings before interest, taxes, depreciation and amortization/Current loan payable + Interest expense + Current lease liabilities^h Short-term and long-term bank borrowings less cash and cash equivalents/Earnings before interest, taxes, depreciation and amortizationⁱ Net income attributable to ordinary equity holders of the Company/Weighted average number of ordinary shares^j Total equity less Preferred Equity/Total number of shares outstanding^k Net income attributable to owners of the Company/Average total assets^l Net income attributable to owners of the Company/Average total equity^m Net income/Revenue

Citicore Energy REIT Corp.
Aging of Receivables
As of September 30, 2022

	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	7,458,141	-	-	-	-	-	-	-	76,192,617	83,650,758
Lease receivable - PFRS 16	-	-	-	-	-	-	-	-	101,272,997	101,272,997
Total	7,458,141	-	-	-	-	-	-	-	177,465,614	184,923,755



14 October 2022

THE DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Re: **CITICORE ENERGY REIT CORP.**
Quarterly Progress Report as of and for the Quarter Ended 30 September 2022 on the Application of Proceeds from the Shares Offering with Certification of Independent Auditors

Gentlemen and Mesdames:

In connection with the initial public offering of **CITICORE ENERGY REIT CORP.** (the "Company") on 22 February 2022, we submit herewith the Company's quarterly report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the quarter ended 30 September 2022 are as follows:

Net Offering Proceeds	PhP	6,114,896,495.56
Less: Disbursements		
Costs incurred for the quarter ended March 31, 2022		870,158,551.06
Costs incurred for the quarter ended June 30, 2022		1,481,087,613.12
Costs incurred for the quarter ended September 30, 2022		1,196,171,264.14
	PhP	3,547,417,428.31
Balance of the Offering Proceeds as of September 30, 2022	PhP	2,567,479,067.25



Disbursements Breakdown	Q1 2022	Q2 2022	Q3 2022	To date
AFAB Solar Rooftop	PhP 307,997,768.76	PhP -	PhP -	PhP 307,997,768.76
Arayat Mexico Solar Farm Phase 1	435,993,012.84	1,117,921,912.25	-	1,553,914,925.09
Arayat Mexico Solar Farm Phase 2	126,167,769.46	191,382,045.61	648,450,184.94	966,000,000.00
Batangas A Solar Farm	-	-	88,771,903.25	88,771,903.25
Batangas B Solar Farm	-	-	186,151,270.00	186,151,270.00
Isabela Run-of River Hydro	-	171,783,655.26	272,797,905.95	444,581,561.21
Total Disbursements as of September 30, 2022	PhP 870,158,551.01	PhP 1,481,087,613.12	PhP 1,196,171,264.14	PhP 3,547,417,428.31

The details of the said projects are described in detail below.

- **AFAB Solar Rooftop**

The solar rooftop project, through the Company's wholly owned subsidiary, Sunny Side Up Power Corp. endeavors to provide clean and reliable energy to Authority of Freeport Area of Bataan (AFAB). It invested in energy efficient buildings using solar power for a total of 6.6 Megawatt capacity and 14,756 units of mono-crystalline photovoltaic panels. Today the solar farm helps prevent the emissions of 4,645 metric tons of carbon dioxide which is equivalent to 522,640 gallons of gasoline consumed. P308.0 million from the Offering Proceeds were allocated to this project and the same has been fully disbursed as of and for the quarter ended September 30, 2022.

- **Arayat Mexico Solar Farm Phase 1**

The Company through its joint venture, Greencore Power Solutions 3, Inc. (GPS3I), broke ground on June 24, 2021 to construct a 72 megawatt capacity solar farm in Arayat and Mexico, Pampanga. The solar project is a 50-50 joint venture with AC Energy Corporation (ACEN) with a land cost of P431 million and estimated project development cost of P2.7 billion. Citicore's construction arm, MCC - Citicore Construction, Inc. (CCI) undertook the development and construction of this project and has reached its full capacity last March 23, 2022. Once fully operational, the 72- megawatt capacity solar farm will produce 105 gigawatt-hours (GWh) of renewable energy annually, enough to power 45,000 households while avoiding approximately 72,000 metric tons (MT) CO2 emissions annually. P1,533.9 million from the Offering Proceeds were allocated to this project and the same has been fully disbursed as of and for the quarter ended September 30, 2022.



- ***Arayat Mexico Solar Farm Phase 2***

This project is an extension of the Arayat Mexico Solar Farm Phase 1 joint venture project with ACEN and is set to increase the total plant capacity from 72 to 116 megawatt upon completion. The project which is to be undertaken by Citicore's construction arm is targeted to be completed by first quarter of 2023. The Company through its joint venture, GPS3I is set to break ground in May 2022 and has completed the acquisition of land through 50-50 partner funding. P966 million from the Offering Proceeds were allocated to this project of which P966.0 million and the same has been fully disbursed as of and for the quarter ended September 30, 2022.

- ***Batangas A and Batangas B Solar Farm***

The sponsor has earmarked P1,424.3 million and P377.1 million for the construction of 90 megawatts and 40 megawatts solar farm, respectively, for Batangas A and Batangas B projects, respectively. Total disbursements for the period amounted to P88.8 million and P186.2 million while the balance of unutilized proceeds amounted to P1,335.6 million and P191.0 million for Batangas A and Batangas B, respectively.

- ***Isabela Run-of River Hydro***

This is a 20MW run-of-river hydro project located in Ilaguen, Isabela City. The project has obtained all permits necessary to start construction and has commenced construction works on the access road. P1,485.5 million from the Offering Proceeds were allocated to this project of which P444.6 million has disbursed as of and for the quarter ended September 30, 2022. The unutilized balance as of September 30, 2022 amounted to P1,041.0 million.

We hope you find everything in order.



Very truly yours,

CITICORE RENEWABLE ENERGY CORP.

By:

A handwritten signature in black ink, appearing to read "M. Cortez", is written over a horizontal line.

MIA GRACE PAULA S. CORTEZ

Chief Financial Officer



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF SAN JUAN) S.S.

Before me, a notary public, for and in the City of San Juan this OCT 17 2022 personally appeared:

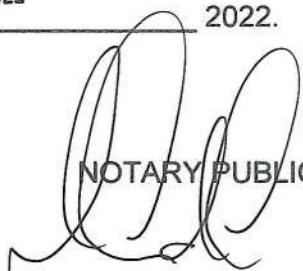
NAME	GOVERNMENT-ISSUED ID	DATE/PLACE ISSUED
Mia Grace Paula S. Cortez		

who was identified by me through competent evidence of identity to be the same person described in the foregoing letter who acknowledged before me that her signature in the instrument was voluntarily affixed by her seal as her free and voluntary act and deed.

WITNESS MY HAND AND SEAL this OCT 17 2022 day of 2022.

Doc. No.: 3018 ;
Page No.: 81 ;
Book No.: 6 ;
Series of 2022.




NOTARY PUBLIC
ATTY. MAE LALAIN H. DE LEON
Appointment No. 176 (2021-2022)
Notary Public for and in the Cities of Pasig and San Juan
and in the Municipality of Pateros
Commission Expires on December 31, 2022
11/F Rockwell Santolan Town Plaza
76 Col. Bonny Serrano Avenue, San Juan
Roll of Attorneys No. 71079
MCLE Compliance No. VI-0018806
IBP O.R. No. 197586 / 01-08-22 / Manila
PTR No. 1574237 / 01-07-22 / San Juan
mlhdeleon.law@gmail.com



**Agreed-Upon Procedures Report on Quarterly Progress Report on
Use of Proceeds from the Listing of Citicore Energy REIT Corp.**

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

Purpose of this agreed-upon procedures report

Our report is solely to assist Citicore Renewable Energy Corporation (the "Company") in connection with the Company's compliance with the requirements of The Philippine Stock Exchange, Inc. (PSE) to submit an external auditor's certification on the information with respect to the Quarterly Progress Report dated October 14, 2022 related to the application of net proceeds received by the Company from the shares offering ("Offering Proceeds") of Citicore Energy REIT Corp. (CREIT) (the "Progress Report") as at September 30, 2022 and for the period from July 1 to September 30, 2022 and may not be suitable for another purpose.

Responsibilities of the Company

The Company acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400, "*Agreed-Upon Procedures Engagements*". An agreed-upon procedures engagement involves our performing of the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the independence and other ethical requirements of Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) promulgated by the Philippine Board of Accountancy and approved by Philippine Professional Regulation Commission, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Philippine Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and findings

We have performed the procedures enumerated below, which were agreed upon with the Company.

1. We have obtained and checked the mathematical accuracy of the following:
 - a. The Progress Report;
 - b. Reallocation of the Use of Proceeds Report;
 - c. Schedule of planned use of proceeds from the Real Estate Investment Trust (REIT) Plan; and
 - d. Detailed schedule of utilization of proceeds as at and for the period from July 1 to September 30, 2022.

No exceptions noted.

We present below the summary of the breakdown and application of the Offering Proceeds as at and for period from July 1 to September 30, 2022 based on the information we obtained from the Company.

	Planned Application of Offering Proceeds as at	Application of Offering Proceeds for the period ended	Balance of Offering Proceeds as of	Reallocations	Planned Application of Offering Proceeds as at	Application of Offering Proceeds for the period ended		Balance of Offering Proceeds as of	Application of Offering Proceeds for the period ended	Balance of Offering Proceeds as at
						June 30, 2022	September 30, 2022			
AFAB Solar Rooftop Phase 1	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	June 30, 2022	June 30, 2022	September 30, 2022	June 30, 2022	September 30, 2022	September 30, 2022
Arayat Mexico Solar Farm	307,997,768	(307,997,768)	-	-	-	-	-	-	-	-
Arayat Mexico Solar Farm	435,993,013	(435,993,013)	-	1,117,921,912	1,117,921,912	(1,117,921,912)	-	-	-	-
Phase 1										
Arayat Mexico Solar Farm	197,988,548	(126,167,770)	71,820,778	768,011,452	839,832,230	(191,382,046)	(648,450,184)	648,450,184	-	-
Phase 2										
Zambales Solar Farm	490,257,356	-	490,257,356	(490,257,356)	-	-	-	-	-	-
Batangas A Solar Farm	848,522,347	-	848,522,347	575,803,006	1,424,325,353	-	(88,771,903)	1,424,325,353	1,335,553,450	-
Batangas B Solar Farm	377,121,043	-	377,121,043	-	377,121,043	-	(186,151,270)	377,121,043	190,969,773	-
Pangasinan Solar Farm	856,095,871	-	856,095,871	(856,095,871)	-	-	-	-	-	-
Laguna Solar Farm	735,386,034	-	735,386,034	(735,386,034)	-	-	-	-	-	-
Bulacan Solar Farm	1,015,872,635	-	1,015,872,635	(1,015,872,635)	-	-	-	-	-	-
Isabela Run-of-River Hydro	849,661,881	-	849,661,881	635,875,526	1,485,537,407	(171,783,655)	(272,797,907)	1,313,753,752	1,040,955,845	-
	6,114,896,496	(870,158,551)	5,244,737,945	-	5,244,737,945	(1,481,087,613)	(1,196,171,264)	3,763,650,332	2,567,479,068	-

2. We have traced the gross proceeds and net proceeds received amounting P6,398 million and P6,115 million, respectively, based on the Progress Report to the bank statement and accounting records. No exceptions noted. Details are as follows:

	Amount
Gross proceeds	6,398,184,600
Initial public offering (IPO) expenses	(283,288,104)
Net proceeds	6,114,896,496

The breakdown of IPO expenses are as follows:

	Amount
Underwriting fees	151,020,878
Professional fees	90,221,662
Registration and filing fees	27,875,751
Taxes	14,169,813
	283,288,104

3. We have obtained the schedule showing the list of disbursements as at September 30, 2022 and for the period from July 1, 2022 to September 30, 2022 and reconciled the amount of disbursements on the Progress Report. No exceptions noted.

Use of proceeds	Per Progress Report	Per schedule of disbursements
Capital expenditures	1,196,171,264	1,196,171,264

4. We traced the reported application of IPO proceeds amounting to P1,196,171,264 for the period from July 1, 2022 to September 30, 2022 to the Company's accounting records and corresponding supporting documents (e.g. disbursement vouchers, billing statements, invoices, official receipts and bank statements). No exceptions noted.
5. We have examined and identified the nature of the disbursements based on the corresponding supporting documents and noted that the disbursements were classified appropriately according to its nature.


The details of the disbursements incurred from January 1 to September 30, 2022 showed that the Company used the Offering Proceeds for the following projects: (1) AFAB Solar Rooftop Phase 1; (2) Arayat Mexico Solar Farm Phase 1; (3) Arayat Mexico Solar Farm Phase 2; (4) Isabela Run-of River Hydro; (5) Batangas A Solar Farm; and (6) Batangas B Solar Farm with aggregate amount as follows:

	Amount
Costs incurred for the quarter ended March 31, 2022	870,158,551
Costs incurred for the quarter ended June 30, 2022	1,481,087,613
Costs incurred for the quarter ended September 30, 2022	1,196,171,264
	3,547,417,428

The remaining balance of the Offering Proceeds amounting to P2,567 million as at September 30, 2022 is expected to be applied on costs to be incurred in accordance with the planned use and estimated timing as disclosed in the REIT Plan and to the PSE.

6. We have obtained written management's representation and we have noted that there were no reallocations made on the Company's planned use of IPO proceeds and found that the disbursements of proceeds in the Progress Report as at and for the period from July 1 to September 30, 2022 is consistent with the planned application of proceeds indicated in the Use of Proceeds section of the REIT Plan and its subsequent revision of allocation as previously approved during the first and second quarters of 2022 by the Company's Board of Directors (BOD) on April 18, 2022 and July 14, 2022, respectively.

Isla Lipana & Co.



Pochan C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 6, 2022 at Makati City

SEC A.N. (individual) as general auditors 108839-SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2024 financial statements

T.I.N. 213-227-235

BIR A.N. 08-000745-128-2021; issued on December 9, 2021; effective until December 8, 2024

BOA/PRC Reg. No. 0142, effective until January 21, 2023

Makati City
October 14, 2022

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF SAN JUAN) S.S.

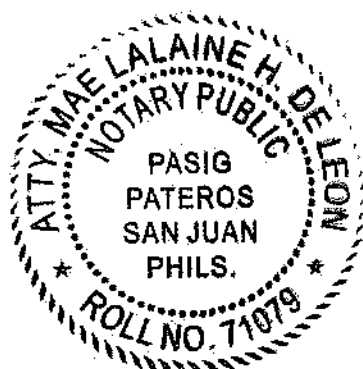
Before me, a notary public, for and in the City of San Juan this OCT 17 2022 personally appeared:

NAME	GOVERNMENT-ISSUED ID	Validity
Pochojo C. Domondon		Valid until 10/04/2023

who was identified by me through competent evidence of identity to be the same person described in the foregoing instrument who acknowledged before me that his signature on the instrument was voluntarily affixed by him seal for the purposes stated therein, and who declared to me that he executed the instrument as his free and voluntary act and deed.

WITNESS MY HAND AND SEAL this OCT 17 2022 day of 2022.

Doc. No.: 399;
Page No.: 21;
Book No.: 6;
Series of 2022.



NOTARY PUBLIC

ATTY. MAE LALAIN H. DE LEON
Appointment No. 176 (2021-2022)
Notary Public for and in the Cities of Pasig and San Juan
and in the Municipality of Pateros
Commission Expires on December 31, 2022
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mldelonnaw@gmail.com