



OUR VISION

To be an indispensable partner in the journey of everyone whose life we touch

OUR MISSION

We deliver the best value in products and services to our business partners. We conduct our business with respect, integrity, and excellence. We provide maximum returns to our shareholders and investors. We create opportunities for learning, growth, and recognition to the Phoenix family. We build programs to nurture the environment, and the welfare of the communities we serve.

OUR VALUES

TEAMWORK

We value relationships. We achieve goals through collaborative efforts.

SERVICE

We value all our stakeholders, and provide unrivaled customer experience.

STEWARDSHIP

We nurture our resources responsibly.

INTEGRITY

We adhere to the highest standards of ethics and conduct. Our reputation defines who we are.

INNOVATION

We welcome opportunities to create, at all times, new and better products, services, and ideas.

EXCELLENCE

We aim to be the best in everything we do.

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ABOUT THE COVER

The theme for the 2022 Phoenix Petroleum Annual Report is anchored on the Bisaya word **'padayon'**, which translates as 'keep going' or 'move forward'. This short word serves as a mantra to fortify the company's resolve to keep moving forward no matter what difficulty it may go through. It reminds its team and the rest of its stakeholders that hope holds power that can overcome any obstacle in life. It is also a fitting tribute to the company's roots as it celebrated in 2022 its 20th anniversary. From a small, fledgling company in Davao, Phoenix has gone on to become one of the most formidable organizations in the country, with presence across and beyond the Philippines.

The design, likewise, mirrors the concept of 'padayon'. The use of arrows and waves in Phoenix's brand colors connotes progression and movement. In addition to the overall visual appeal, fonts are interspersed with images of people at work, representing the diverse and positive corporate culture that continues to drive the company forward.

Indeed, Phoenix can proudly say 'Padayon!' as it looks back to 2022 and all the way to where it started. By remaining optimistic, and by motivating everyone to keep moving forward despite challenges, this annual report is a celebration of significant achievements, taking the form of a reflective retrospect of the company's humble beginnings and important milestones.

PHOENIX PETROLEUM PHILIPPINES, INC. WEAREA FORMIDABLE, EVER-EVOLVIN

HOMEGROWN

PHILIPPINES.

COMPANY IN THE

From our humble beginnings in Davao, we have grown to be a national brand, driven by our clear vision, entrepreneurial spirit, and aspiration to be an indispensable partner to our customers.

We are the first oil company to be publicly listed on the Philippine Stock Exchange in July 2007 after the oil industry was deregulated in 1998.

We are part of Udenna Corporation, our parent company, which has a business portfolio that includes interests in petroleum, shipping and logistics, real estate, education, infrastructure and development, and hospitality and gaming. We are a dynamic and multi-industry company that owns and operates businesses in the Philippines, Singapore, Vietnam, and Indonesia dealing in:

TRADING AND DISTRIBUTION

- Distribution of refined petroleum products, such as fuels, liquefied petroleum gas, lubricants, and CME to retail, commercial, and industrial channels
- Trading and supply of refined petroleum products

TERMINALING AND HAULING SERVICES

- Operation of depots and terminals
- Leasing of storage space
- Hauling and into-plane services of Jet A-1 fuels for airports and airlines

CONVENIENCE STORE RETAILING

• Ownership and management of the FamilyMart franchise in the Philippines

ASPHALT

• Operation, marketing, and distribution of asphalt and asphalt-related products in the Philippines

DIGITAL TRANSACTIONS

- Bills payment, money remittance, reloading of cellphone and gaming credits, bank deposits, and other transactions through the POSIBLE platform
- Lifestyle rewards program enjoyed through the free, downloadable
 LIMITLESS app that lets users earn and redeem points from participating merchants, and access exclusive promos and privileges

CAR REPAIR AND MAINTENANCE

• Light to medium car repairs and maintenance work, such as oil change, engine tune-up, electrical servicing, auto detailing, and car wash



FINANCIAL HIGHLIGHTS

INCOME STATEMENT DATA

	2017	2018	2019	2020*	2021*	2022
Revenues	44,543	88,611	97,823	78,300	132,257	127,552
Cost of Sales, Services and Expenses	43,022	86,274	96,379	77,916	133,142	130,765
Net Profit-TOTAL	1,521	2,336	1,444	384	(885)	(3,213)
Non-recurring Income/Expenses Excess of fair value over acquisition cost/ FV gains on Investment Properties Pre-acquisition Income	(650)	(10)	0	(43)	(87)	(119)
Net Income-Excluding Non-Recurring Income	871	2,327	1,445	341	(972)	(3,332)
Provision for Preferred Dividends	195	320	683	683	589	577
EBITDA	2,923	2,904	6,222	2,904	3,258	1,166

(All amounts expressed in Millions, unless otherwise stated)

FINANCIAL RATIOS

	2017	2018	2019	2020*	2021*	2022
Current Ratio ¹	1.2 : 1	1.1 : 1	0.8 : 1	0.8 : 1	0.8 : 1	0.7 : 1
Debt to Equity ²	2.7 : 1	3 : 1	3 : 1	3.6 : 1	4:1	5.1 : 1
Return on Equity ³	14.01%	16.73%	7.62%	1.95%	-5.16%	-19.87%
Return on Assets ⁴	4.05%	4.29%	1.90%	0.46%	-1.03%	-3.80%
Return on Sales	3.42%	2.64%	1.48%	0.49%	-0.67%	-2.52%
Net Book Value Per Share⁵	6.60	8.55	9.36	9.69	6.69	4.55
Earnings Per Share-(Adjusted) 6	0.97	1.42	0.57	0.02	-1.02	-2.69
Return on Equity-Common ⁷	15.4%	45.6%	17.3%	-3.2%	-16.2%	-59.5%

 Notes

 1 - Total Lubritude by Cubrent Liabilities

 2 - Total Lubritude by Average Total stockholders' equity

 3 - Net Income Divided by Werbage Total stockholders' equity

 4 - Net Income Divided by Werbage Total stockholders' equity

 5 - Total Libilities control by Werbage Total stockholders' equity

 6 - Net Income Divided by Werbage Total Assets

 7 - Total stockholders equity - (Common) divided by the Total Number of Shares Issued and Outstanding

 6 - Net Income Arter Tax (Inet of Preferred Stock Dividend Allocation) divided by Weighted Average Number of Outstanding common Shares

 7 - Net Income Arter Tax (Inet of Preferred Stock Allocation) divided by stockholders' equity-common

 * Re-stated Figures



	2017	2018	2019	2020*	2021*	2022
Current Asset	24,906	37,260	42,357	33,940	35,100	32,050
Non-current Asset	19,267	27,401	44,600	49,189	50,839	53,742
Total Assets	44,173	64,660	86,957	83,129	85,939	85,792
Current Liabilities	20,385	33,844	50,499	42,978	43,719	46,678
Total Liabilities	32,489	48,687	65,035	64,866	68,777	71,712
Stockholders' Equity	11,952	15,974	21,923	18,263	17,162	14,080
Bank Debts	28,171	39,900	49,896	48,243	46,137	48,828

STOCK INFORMATION

(Figures in millions except per share)	2017	2018	2019	2020*	2021*	2022
Weighted Average No.of Shares- Adjusted of Stock Dividends	1,372.49	1,426.59	1,405.61	1,438.19	1,440.27	1,440.27
Number of Shares Issued	1,431.54	1,403.30	1,406.20	1,438.98	1,441.92	1,442.22
Total Number of Shares Outstanding-Year End	1,431.54	1,403.30	1,406.20	1,438.98	1,441.92	1,442.22
Market Capitalization-Year End	18,610.00	15,071.49	16,790.08	17,987.22	15,659.25	12,403.09
Stock Price-Closing (Year End)	13.00	10.74	11.94	12.50	10.86	8.60
Treasury Stock- Shares	-	-	344.30	-	-	-

EBITDA



NET PROFIT



REVENUES

COST OF SALES





TOTAL ASSETS, TOTAL LIABILITIES, AND STOCKHOLDERS' EQUITY



VOLUME SALES



INDUSTRY HIGHLIGHTS



CAR SALES GROWTH

The auto industry posted a 26.62% increase in car sales growth in 2022.

Sources: Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI), Association of Vehicle Importer and Distributors (AVID), Truck Manufacturers Association (TMA), autoIndustriya.com

Source:

OIL PRICE ADJUSTMENTS





OIL INDUSTRY MARKET SHARE

Independent oil companies continue to expand their share of the market.

Source: Department of Energy



PETROLEUM PRODUCT DEMAND

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From our humble beginnings, Phoenix gradually evolved into a formidable force in the industry-bursting into the scene with disruptive innovations.

DENNIS A. UY Chairman and Chief Strategy Officer

CONTINUING TO CREATE VALUE

It has been more than 20 years since I started this company from the ground up. As we celebrated our two-decade anniversary last year, we were given a great opportunity to reflect on the growth of our organization, as well as that of the people who have helped build our brand into the household name that it is today.

From our humble beginnings, Phoenix gradually evolved into a formidable force in the industrybursting into the scene with disruptive innovations. Significantly evolved from how it started, Phoenix today is a multi-faceted consumer brand catering to a full lifestyle, while staying even more faithful to its vision of being an indispensable partner.

It has not been an easy ride on the way to this point though--and we are still trying to find our way out of the woods. Last year, in particular, was bumpy as several interplaying factors affected what could have been our laid-out path to recovery.

Fortitude Amidst Turbulence

Just when the COVID-19 pandemic was being managed through improved vaccination programs, the war in Europe broke out, which caused another worldwide wave of consequences. The oil industry was particularly affected, bringing prices to as high as USD 139 per barrel as supply uncertainties loomed. The market continued to fluctuate for the rest of the year, which was detrimental to many industries across the globe.

On top of pandemic-related pressures, the 2022 Philippine elections added another layer of uncertainty as the transition from one administration to the next raised concerns about the economy. Fortunately, the country's newly appointed economic team is equipped with robust knowledge and experience to tackle the challenges at hand.





Nonetheless, 2022 proved to be an uneasy economic period. While last year's gross domestic product reached 7.6%, exceeding projections, and is among the strongest in the region, the negative effects of geopolitical tensions have inevitably trickled down to raise commodity prices. In fact, the country's average inflation rate rose to 5.8% from 2021's 3.9%. The peso also slumped, hitting an all-time low of 59 against the dollar.

Like with other companies, the economic climate has been detrimental to the business. There was a need to limit and manage operating costs, hence, our focus for the whole year was efficiency. We prioritized capital-light investments, and sought out ways to maximize our assets, effectively making accountabilities more manageable.

Two Decades of Dedication

It was a challenge navigating our path to postpandemic recovery while being weighed down by economic headwinds. However, the year was not without its own highlights as we reached our 20th anniversary, which has been an introspective time for me and the rest of the team.

When it started, this business was so different back then. It even had a different name (DOTSCO or Davao Oil Terminal Services Corporation). But with hard work, and the eagerness to change the game and outdo ourselves, we gradually grew the company until it expanded and evolved, serving even more customers, businesses, and communities. With the trust and confidence of our partners, our homegrown company continued to grow while staying true to our vision of being an indispensable partner. Serving beyond the expectations of customers, we challenged the status quo, and expanded across and even beyond the Philippines.

Today, Phoenix is not only a formidable oil company, but a consumer business that addresses the varying needs of different markets. The past 20 years saw us transform from a small business with five gas stations, to the third largest oil firm in the Philippines, and to the multi-faceted consumer brand that we are now. That small company in Davao now has interests in varying industries, with presence across Southeast Asia. Indeed, Phoenix has flown high and far.

Maturing with Substance

Two decades deep into the business, we know now that challenges are always present. Over the years, we have encountered countless setbacks that have threatened our stability. We even powered through a history-making pandemic. Although these difficulties may have slowed us down, they have also given us different opportunities-to learn new strategies, to explore other paths, and to pursue worthwhile alternatives. Right this moment, we are in the process of more evolution as we continue to negotiate a tough climb.

Moving forward, we will maintain our strategy to drive efficiency, and carry out streamlined operations. With a more focused business, we can play on our strengths, and prioritize better. It may be a steep climb toward the point where we want to be, but we are determined to regain better footing, and fast track recovery. Long-term sustainability remains our primary goal in order to keep delivering value to all our stakeholders, and offer more game-changing initiatives.

I want to thank the Phoenix team, especially those members who have stayed on through the toughest of times. I also want to express the utmost gratitude to our partners who have trusted us, and who continue to believe in the values that we champion. I am likewise grateful to our creditors, regulators, and suppliers for the unending support, understanding, and confidence, enabling us to continue serving our purpose. It is through our different stakeholders that we have been able to weather the difficulties, and come out stronger on the other side. As our company matures, we develop more





strength and wisdom with every obstacle that we encounter while remaining faithful to our 5H culture of being Hungry, Hardworking, Honest, Humble, and Holy. We will maintain these very same values that catapulted our brand to new heights in the last 20 years as we set off towards a new, exciting era of improvement and evolution.

With your support, we are optimistic about overcoming any adversity, and building an even better version of Phoenix. Thank you, and may we all move forward with renewed strength and unshakeable faith. Padayon!

DENNIS A. UY Chairman and Chief Strategy Officer

CHARTING OUR COURSE FORWARD

In a world marked by rapid global changes, the fuel business industry, like any other, has faced its fair share of disruptions. However, rather than seeing these changes as impassable roadblocks, we view them as opportunities to be seized. Instead of waiting for the world to 'go back to normal', we at Phoenix have been creating ways to adapt according to evolving business landscapes and shifting customer demands.

The energy sector has faced significant setbacks in recent years-may it be involving prices, demand, and supply, among other concerns.

Since the COVID-19 pandemic started, our company has had to deal with demand fluctuations as customers' purchasing habits have shifted drastically. Sustained vaccination programs in the country provided a glimmer of hope, allowing us to believe that a post-pandemic era with a business and a society steadily getting back on its feet would soon be within reach. However, just as we thought we were well on our way toward a more stable period, the Russian attack on Ukraine in 2022 caused a series of detrimental effects, particularly on petroleum prices and supply, adding pressure along with the long-term effects of the pandemic.

Braving Headwinds

The oil and gas industry has always seen both boom and bust periods in economic activity. With this in mind, we have been relentless in ensuring we continue to serve our partners and customers, and keep one ear to the ground to keep track of the continuous changes and risks that come with these unpredictable times.

In 2022, our road to recovery was blocked by the geopolitical tensions in Europe, creating additional hurdles to achieving post-pandemic stability. Oil price volatility resulted in a 60% increase in crude prices, which skyrocketed to USD 123.70 per barrel in the first quarter of 2022, and later fell to USD 87.22 in the last quarter. This directly drove up the value of foreign exchange, hitting a record-high of Php 59 to USD 1.00 by late October. Consequently, pump rates surged by as much as 30%, the highest since 2008, causing the country's inflation rate to balloon to 8.1% in December, coming from only 3.0% in January 2021. Consumption also suffered, with demand for petroleum products in the Philippines yet to fully recover to pre-pandemic levels.

Despite eased COVID-19 restrictions, the undesirable economic conditions persisted, causing a dent in businesses, including ours. These challenging



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Phoenix is no stranger to challenges. Over the course of the last 20 years, the adversities the company has faced have made it to what it is today.

HENRY ALBERT R. FADULLON President circumstances caused supply limitations as we had to maximize our available resources, which led to our volume being rationalized by 42.3%, drastically reducing year-on-year revenues.

Nevertheless, our sustained commitment to cost efficiency and streamlined operations has been effective. We achieved a 1.5% reduction in operational expenses (OPEX) in 2022, while capital expenditures (CAPEX) significantly dropped by 61% from the year prior.

Diversity in our portfolio also proved advantageous. Our Singapore-based trading arm capitalized on market volatility, ultimately reaching an EBITDA of over Php 800 million-up by almost 160% versus the previous year.

Additionally, Phoenix Gas Vietnam, our LPG business in Vietnam, recorded a 2.6% year-on-year increase in net income after tax (NIAT), driven by branded volume. The commercial and industrial segments achieved double-digit growth owing to the significant improvement in Vietnam's economy during the second half of last year. These ultimately led to positive year-on-year growth based on total revenues.

Our local LPG business, Phoenix LPG Philippines, Inc. (PLPI), also thrived in the unpredictable market environment, achieving as much as 30% in gross margins, resulting in an 80% EBITDA growth year-onyear.

Furthermore, Phoenix Asphalt Philippines, Inc., our joint venture with Thailand-based TIPCO Asphalt Public Co., and PhilAsphalt Development Corporation, achieved double-digit volume growth, resulting in a 39% NIAT growth against the previous year. This 2023, we have made significant strides in reducing first-half OPEX by more than 60%, aligning with our efficiency goals.

Our domestic LPG business continues to be a shining star this year, maintaining a growth rate that is still above the market. Its volume grew by 7% resulting in a staggering 25% jump in its EBITDA line for the first half of 2023 compared to the same period last year. This growth is mainly due to the nearly 10% increase in margins enjoyed this year and is poised to bring in more value moving forward. PLPI is shifting its focus on canisters and branded cylinders, paving the way for more volume and margin growth.

Phoenix Asphalt has also maintained consistent positive EBITDA for the year, expanding its partner network across the country.

As for the non-fuel retail business (NRFB) sector, our lifestyle rewards app, LIMITLESS, continues to thrive with over 60 merchant partners. The app has processed more than Php 5.5 billion worth of transactions, and still serves its purpose of being a consolidating platform for Phoenix and other brands.

Meanwhile, the shift of our terminaling business to a profit center servicing third-party customers is in full swing. With a total storage capacity of 355 million liters, the aim for our terminals and depots, located in strategic locations in Luzon, Visayas, and Mindanao, is to deliver 44% of capacity leased out by the fourth quarter of this year to maximize these assets fully.

On the other hand, our fuel business has been experiencing challenges due to working capital limitations. The sustained impacts of geopolitical tensions on the global market have derailed our intentions to restore the business. Fortunately, our





new capital-light supply model has been essential in keeping operations sustainable. Generally, the downstream oil sector continues to be a fundamental component of the economy, and we believe that once we obtain the working capital support to revitalize this part of our portfolio, we will be in a better position to address the demand of consumers.

Building a New Path

As we navigate through the socioeconomic challenges of 2023, we have taken deliberate steps to repurpose the business to combat such hurdles, and to achieve sustainability for the long term, which has been our desire ever since.









Phoenix has reorganized its business into four major pillars-Fuels, LPG, NRFB, and Terminaling Service-in order to maintain a better perspective of our business, and identify vital points that need our attention.

Our ongoing initiatives involve several moving parts, including our unwavering focus on efficiency. We now operate a leaner structure, more streamlined business to manage our funds more effectively by reducing OPEX, and it is steering towards the direction that we aim for. We plan to maintain this faithfulness to efficiency until we reach more ideal economic conditions. We are also actively on the lookout for assets whose value can be further maximized. With this highlight on active portfolio management, we are able to generate additional resources to power up operations while keeping our focus on our core operations.

To regain a stronger footing, we recognize the importance of managing our accountabilities while maintaining optimum levels of operations. Hence, one of our major priorities is the liability management exercise (LME), which maps out our way to accessing more liquidity. This exercise entails renegotiating our obligations with our creditors by agreeing to sustainable payment schedules. The LME provides an opportunity to revitalize our business, ensuring that all stakeholders involved continue to get value from our company. With more flexibility in settling liabilities, the company will have more liberty to ramp up the businesses, and achieve long-term sustainability.

Phoenix is no stranger to challenges. Over the course of the last 20 years, the adversities the company has faced have made it to what it is today-resilient, steadfast, and fundamentally sound to hurdle even the most challenging crisis. The company has proven its credibility through the years, establishing itself as the 3rd largest oil company in the Philippines when fully resourced.



We've seen in the past how our diversified portfolio has benefited the company, which will remain the same in line with our vision of catering to a full consumer lifestyle. We will continue to observe prudence in OPEX and CAPEX, drive efficiency across the company, and sweat our assets in the months ahead to allow us more freedom to improve our business.

Maturing with Wisdom

Although 2022 was one of our toughest years. there is always a silver lining. In fact, we celebrated our 20th anniversary last year, which saw us reminiscing about our humble beginnings from two decades ago. This year, we turned 21 years old. That is the same age as someone reaching adulthood and experiencing the transformation and growth that comes with it. Inevitably, the path to adulthood can be difficult at times, but we mature and improve as a result of the challenges we face along the way. We learn from these difficulties, and develop more resiliency, strength, and a greater sense of independence. What is important is that, with every challenge, we take the lessons to heart, change for the better, adapt accordingly, and aim to achieve greater heights.

We are committed to revitalizing our business, but let us not forget the most vital assets—our brand and people. We will continue to harness



our capability as a leaner but more focused organization that harps on core competencies such as selling and marketing since these are the cornerstones of our business heritage. Phoenix, at its core, values its people, and its team of passionate and resilient individuals will remain its greatest asset.

Hopeful and Headstrong

As we keep progressing forward, I maintain a sense of optimism and hope that these challenges too shall pass. Knowing that a higher power keeps an eye on everything gives me courage and confidence because I have faith in us in the same way that I have faith in the divine.

As in the past, our 5H+1 culture will be our driving force while we navigate the path ahead with a hunger for more accomplishments, hard work, honesty, humility, holiness, and, as I have been emphasizing, hope that everything will be better. These values have helped us thrive over the past two decades and will continue to serve us well into the future. We are proud of what we have accomplished, we are humbled by eye-opening wisdom, and we are optimistic as we look forward to the better days ahead.

Like the mythical phoenix, we will rise again, and celebrate more successes. *Lagi nating tandaan kayang-kaya, basta't sama-sama. Padayon!*

HENRY ALBERT R. FADULLON President







Aiming for Growth

Since the start of the new normal, Phoenix has adapted to consumer demand shifts to meet the needs of its market. Seeing the developments in retail, Phoenix expanded its Phoenix Block model to Dahlia (Fairview, Quezon City) to cater to the full lifestyle needs of a new community. In addition, Phoenix locators grew, allowing more stations to become one-stop shops.

The company opened three more Metro Manila stations in April 2022. Phoenix Pioneer on Shaw Boulevard, Mandaluyong City; Phoenix Harvard on EDSA, Makati City; and Phoenix Super 8 on Ortigas Extension, Pasig City, had a grand, simultaneous opening with the Triple Treat Promo. Phoenix Canelar in Zamboanga and Phoenix Malaybalay in Bukidnon were likewise launched in 2022. Last year, 12 Luzon, three Visayas, and four Mindanao sites opened, bringing the total of stations opened to close to 700 by the end of 2022.

Phoenix LPG Philippines, Inc. (PLPI) saw consistent growth in 2022 due primarily to its effective canister sales. In addition, with the inclusion of new dealers and sub-dealers, retail store openings, and commercial and B2B clients, PLPI's network expansion hit new heights in 2022.

The Phoenix asphalt business increased asphalt output in 2022, and churned positive results despite market volatility. While cultivating business in the National Capital Region, South Luzon, Visayas, and Mindanao, and adding construction accounts, it also introduced the Cold Patch Asphalt Mix to more residential areas, retail shops, and construction companies.

FamilyMart Philippines opened new stores in 2022 to bring its offerings to more Filipinos, ending the year with 79 outlets across the country.

For the entire year, Commercial met or even exceeded the needs of all contractual customers, and yielded positive business results despite 2022's challenges. Fleet and freight companies are pushing shorter terms and cash deals to increase cash flow, and fleet accounts had reduced payment terms. Additionally, Commercial finished the depot-based Intermediate Fuel Oil (IFO) and Diesel Depletion Program to aid the Supply, Pricing, and Terminal Operations team in maximizing storage space.

Meanwhile, when pandemic restrictions were loosened, LIMITLESS ramped up its marketing efforts, and strengthened its relationships with B2B customers and retailers. Promotional activities included vaccination campaigns, flash sales, marketing promotions, and pop-up shops. In May, LIMITLESS started a new promo called 'Scoot for Cool', featuring a brand-new orange VESPA Primavera 150CC scooter as the grand prize. This was LIMITLESS' way of showing gratitude to all users who have used the app since it was first introduced. On June 12, in honor of Independence Day and its own anniversary, LIMITLESS hosted its second annual Freedom Sale. Showing its commitment to quality products and services, Phoenix Gas Vietnam (PGV) obtained ISO 9001:2015 accreditation in January 2022. With the PGV Industrial B2B Corporate Branding Initiative, which ended in 2022, PGV promoted its unique, professional, dynamic, and honest market-focused principles and traits in the industrial B2B sector. Ending the year, PGV upgraded the Go Dau outlet to enhance cylinder filling.

The Quality Management System, Environmental Management System, and Occupational Health and Safety Management System each earned Phoenix Petroleum ISO certifications in 2019 and 2020, bringing the company's total number of certifications to three. These cover all terminals and storage facilities owned or operated in the Philippines by the company.

More Offerings

Phoenix launched 11 new lubricant products in 2022 to diversify its client base. It debuted cutting-edge, globally registered synthetic lubricants for the quickly growing scooter market. Phoenix introduced new gasoline engine oils, heavy-duty diesel engine oils, bicycle lubricants, gear oils, and niche items.

FamilyMart released new food items as it has actively marketed itself as a food hotspot. Two of its famous snacks were even brought back, while plant-based food items were added to its in-store and GrabMart offerings. Meanwhile, FamilyMart Tea Creations satisfied Filipinos' milk tea and tea-based drink cravings. Ever a step ahead of the trends, POSIBLE released an app in 2022 branded for would-be merchants and entrepreneurs.

Valued Connections

Despite the aviation industry still reeling from long-term challenges, Phoenix Aviation accomplished operational success. Consignment and services agreements with a local Jet A-1 supplier assured operational continuity. The partnership with Cebu Air, Inc. (Cebu Pacific) also reached a milestone, while contracts with Philippine Airlines and Philippines AirAsia were given extensions.





In 2022, the Lubricants Team effectively tested quality with transit clients Carrascal Nickel Corporation and Taganito Mining Corporation. It also held its yearly training for mining companies on product comprehension, troubleshooting, employee safety, and product handling to improve aftersales service, and meet ISO accreditation standards.

Commercial pledged to provide expert services and help accounts avoid and resolve incidents. Technical enhancement training sessions were conducted, including safety and product handling refreshers and technical knowledge updates for partner wholesalers. Product expertise and trade application have improved sales success. In November 2022, the Commercial Team also sponsored the yearly ANMSEX/PSMEA conference in Baguio City to keep its long-term business ties with dedicated mining clients. Autoworx Plus partnered with home car repair pioneer MyCasa to improve its B2C and B2B automobile services. It also signed a five-year distribution agreement with Pollux Marketing to supply GS batteries to B2B and B2C clients.

To further its commitment to expanding its reach, especially in the country's other regions, POSIBLE has brought on board a number of major distributors. It also partnered with the Land Bank of the Philippines to process government-related cash transfers, and provide microfinancing, among other services.

By partnering with DITO, LIMITLESS now provides users with constant connectedness through technology-facilitated communication. LIMITLESS collaborated with DITO Telecom to give its enrolled users more chances to participate and win in its promotional campaigns. Furthermore, LIMITLESS signed a memorandum of cooperation for a digital donation campaign with the ABS-CBN Foundation. In November, LIMITLESS launched its 'Make 8 GR8' Halloween offers with a promotional partnership with Nightmares Manila.









Phoenix expanded its payment solutions offering with a partnership with eTap. Present during the signing of the memorandum of agreement were eTap Solutions' Chairman Percy Hernandez, Vice President Carlo Hernandez, and President Marlon Portugal; and Phoenix Petroleum's President Henry Albert Fadullon, Asst. Vice President for Consumer Business Partnerships Jay Mujar, and Vice President for Group Marketing and General Manager for Philippine FamilyMart Celina Matias

Phoenix collaborated with eTap Solutions, Inc. to offer more payment options. This vital partnership expanded the payment solutions at the company's touchpoints. In May 2022, the two companies signed a ceremonial Memorandum of Agreement to develop a mutually beneficial arrangement in which Phoenix would provide self-service payment terminals at its retail locations nationwide. Phoenix subsidiary FamilyMart stationed five eTap machines for the pilot test. The first drive-thru eTap terminal opened at Phoenix Harvard station in Makati. eTap machines at Phoenix locations may also top up e-money and load prepaid cards.

Recognizing valuable partnerships, Phoenix Gas Vietnam gave its own award to a local business partner. The '5 Star Partner' award was given to Pacific Petroleum Export and Import Trading Joint Stock Company to recognize its valuable contribution to the growth of the business.

Innovative Engagements

When the first home chefs got together for the 'Let's Cook, Pare! (LCP): First Out-of-Home Cooking Fair and Grand Family Day,' Phoenix SUPER LPG was one of the main supporters. At the end of 2022, PLPI hosted a forum for its wholesalers and the Department of Energy's Oil and Industry Management Bureau to discuss the specifics of the new LPG legislation (RA 11592).

During the 'ber' months, FamilyMart launched the 'Fam Salebration', and gave Php 9 food deals and other promos for its 9th anniversary. FamilyMart,



Over 140 Davao-based employees gathered for the first time, since the onset of the pandemic, for the third Phoenix town hall meeting in 2022 held at the Phoenix headquarters in Davao City on December 1. The meeting was also live-streamed via Zoom for employees from other parts of the country and abroad.

being the merchant with the most offered items on GrabMart, was also recognized by Grab Philippines with the 'Happy Hoarding Sales Champion' award.

After a hiatus due to the pandemic, Asia's largest franchise show returned to the stage, and Phoenix participated as a platinum partner of the Franchise Asia Philippines Expo at the SMX Convention Center in October 2022.

Within the company, Phoenix Petroleum held several celebrations that recognized its internal stakeholders. Dubbed 'Phoenix: Unstoppable! Di Papaawat, Di Na Mapipigilan!', the second Digital National Convention aimed to plan out business initiatives and strategies for 2022. To help Phoenix teams keep up with rapidly developing technologies and trends, a panel of business strategy specialists discussed their experiences during the pandemic. Known industry speakers from the country's most prominent businesses, such as Emilio Macasaet III

of Field Partners, Grace Vera Cruz of Grab Philippines, and Gareth McGeown of Coca-Cola Beverages Philippines, conducted various live-streamed breakout sessions after the convention's virtual opening ceremony. At the yearly convention, the company celebrated the successes of its employees, partners, suppliers, dealers, and franchisees, and learned from them to better guide their business and professional goals in the coming year. The Digital National Convention, participated in by 2.783 attendees, kicked off a vear-long set of initiatives designed to strengthen relationships with employees and business partners.

Prioritizing health and safety, Phoenix Petroleum decided to keep the work-fromhome (WFH) set-up for a percentage of its workforce across the country until the end of 2022. Virtual engagements became efficient as the company's employees

demonstrated productivity and integrity without regularly going to the office. However, after two years of minimal inperson meetings, Phoenix finally held its first employee engagement in a hybrid set-up in August 2022. Held in the Taguig headquarters, select employees from across Luzon attended the town hall meeting while the rest of the Phoenix team participated via Zoom. Phoenix convened a second in-person town hall gathering in its Davao City office in December, With looser COVID-19 protocols, over 140 Davao-based staff met for the first time since the pandemic outbreak in 2020. The rest of the Phoenix workforce used Zoom to live-stream the gathering.

For all the hard work, the CME Business Teamwas recognized under the Phoenix Continuous Improvement Awards for a stellar project proposal.



The opening and ribbon-cutting ceremony of the second Phoenix Digital National Convention were led by Phoenix President Henry Fadullon and Phoenix Vice President for Group Marketing Celina Matias.



Coca-Cola Beverages Philippines President and CEO Gareth McGeown (left) and Field Partners Chairman and CEO Emilio Macasaet III (below) talked about overcoming and breaking barriers at the second Phoenix Digital National Convention

At the end of the year, foregoing the traditional Christmas party, Phoenix held a celebration that was centered on giving back. With the theme 'An Unstoppable Season of Giving Back', employees showcased the Phoenix core values and 5H culture by implementing projects for their preferred beneficiaries. Phoenix employees nationwide were grouped into five teams, representing five brands under the Phoenix family-Phoenix Fuels, Phoenix SUPER LPG, Phoenix Asphalt, FamilyMart, and LIMITLESS. Each team was provided a budget to implement a corporate social responsibility (CSR) project related to the brand they represent. Video documentation of each group's initiative was shown during the program, detailing how they worked together to help others. The winning team, Phoenix Asphalt, used the brand's Cold Patch Asphalt Mix to improve its beneficiary's pavement structure so that its PWD residents, especially those in wheelchairs, will have smoother transport within the area.

Also in December, Phoenix Petroleum made a donation to CRIBS Foundation in the name of partners, instead of giving out traditional gifts. This was done through LIMITLESS to promote the flexibility and value of the platform.



RETAIL BUSINESS

Phoenix's goal is to continue expanding its network of service stations. One way of supporting these new dealerships is to introduce special promos even in the face of ever-changing gas prices

Reaching Further

PULS

When the COVID-19 pandemic happened, gasoline dealers experienced fluctuating retail demand as customers' purchasing habits shifted drastically. Adding to that, a sharp increase in gasoline prices was brought on by conflicts in Europe. On the other hand, there was a bright side to this as demand for food and other products in convenience stores across the country increased at an unprecedented rate. With this, Phoenix retail stations continue to evolve in order to cater to the changing needs of customers.

True to its goal of making more stations multi-purpose hubs, Phoenix opened the Phoenix Block retail model in three more locations; Dahlia (Fairview, Quezon City), Marcos Highway (Antipolo), and the Phoenix Red V Ibabang Dupay Station in Lucena, Quezon. A Phoenix Block is a commercial hub creating multidimensional touchpoints and offerings, housing three or more Phoenix brands, such as Phoenix SUPER LPG, FamilyMart, Autoworx Plus, and LIMITLESS and POSIBLE for digital transactions, among other retail touch points. As of 2022, there are five Phoenix Blocks in operation. The first two were inaugurated in 2021, one located in Bangkal, Makati City, and one along Sucat Skyway.

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Outside the metro, Phoenix opened several more stations across the country, including Phoenix Telabastagan in Pampanga, Phoenix Canelar in Zamboanga, and Phoenix Malaybalay in Bukidnon.

PHOENIX



On April 18, 2022, Phoenix held simultaneous openings of three of its stations in Metro Manila. The Phoenix Harvard station along EDSA cor. Harvard St., Makati City (left photo) features an Autoworx Plus service center, and an eTap payment center. Its opening was attended by Phoenix AVP for Consumer Business Partnerships Jay Mujar and officers from PetroContinental.



The ribbon-cutting ceremony at the Phoenix Pioneer station in Mandaluyong was led by PetroContinental GM for Retail Bong Gatbonton (2nd from left), Maria Chanyungco of A.V. Santiago Development Corp. (3rd from left), and Phoenix Shareholder Representative Ericson Inocencio (rightmost).



The opening of the three gas stations were witnessed live across the country through traditional face-to-face format, digital streaming via Zoom and Facebook, and a live broadcast via FM radio (Monster RX 93.1)



Phoenix AVP for Retail Sales CO\DO Tristan Tiongson (rightmost), and PetroContinental's Grace Menorca (2nd from left) and Perla Flores (center) attended the opening and ribbon-cutting of Phoenix Super 8 in Pasig

Meanwhile, the variety of Phoenix locators also expanded, helping make more stations one-stopshops. The number increased to 110, with 20 new ones added last year.

Phoenix's goal is to continue expanding its network of service stations. One way of supporting these new dealerships is to introduce special promos even in the face of ever-changing gas prices to give its consumers a chance to save money at the pump, and discover the quality of Phoenix fuel products.

As for the rest of the station openings, in April 2022, Phoenix simultaneously opened three new stations in Metro Manila. All in prime spots, Phoenix Pioneer on Shaw Boulevard, Mandaluyong City; Phoenix Harvard on EDSA in Makati City; and Phoenix Super 8 on Ortigas Extension in Pasig City were opened with the Triple Treat Promo last April 18, 2022. Observing safety protocols, the retail team opened the new gas stations via three channels witnessed live across the country; traditional face-to-face format, which extended to digital streaming via Zoom and Facebook, and broadcasted live via FM radio (Monster RX 93.1) all at the same time.



Phoenix gave Php 3 off per liter as a special deal, sent out e-vouchers, and even gave away free FamilyMart coffee to motorists. All fuel products, including those with PULSE Technology, were also on sale for a limited time in these locations. Additionally, the first Wendys' dine-in and drive-thru concept store in a gas station in Pasig City was opened in the fourth quarter of the year at Phoenix Pioneer-Shaw.

Outside the metro, Phoenix opened several more stations across the country, including Phoenix Canelar in Zamboanga, and Phoenix Malaybalay in Bukidnon. A total of 19 new stations were opened in 2022, with 12 in Luzon, three in Visayas, and four in Mindanao. As of the end of 2022, the total number of Phoenix stations was close to 700.











Phoenix Petroleum continues to grow its retail business in Cebu with the opening of its new station at Ouano Ave., North Reclamation Area, Mandaue City, Cebu on July 29, 2022. Phoenix NRA is operated by FIrst Energy, and is the 28th Phoenix station in Cebu.



COMMERCIAL BUSINESS

The commercial business served 100% of contracted customer requirements for the full year

Steady Steps to Success

The petroleum industry had a rough start in 2022 with the unpredictability of the COVID-19 pandemic and the eruption of conflict in Europe. The Phoenix commercial team was not spared from the challenges when fuel costs rose at unprecedented rates. Nonetheless, the business exemplified fortitude and innovation to prevail, meeting the needs of customers despite setbacks.

The commercial business served 100% of contracted customer requirements for the full year. The business unit delivered Php 306 million in contribution margins, achieving 219 million liters, and surpassing expectations month-onmonth, given the hurdles of 2022, resulting in a Php 249 million EBITDA. Businesses in the fleet and wholesale sectors have been driving the trend toward shorter terms and cash transactions to boost cash inflows. Reduced payment conditions for fleet accounts were also implemented.

As part of its customer promise, Commercial remained true to its commitment to providing technical services and assistance to accounts, not only in incident resolution, but also in prevention. Part of the technical enhancement training includes a refresher on safety procedures and product handling, and equipping partner distributors with technical knowledge to support capability improvements. The technical team also initiated enhanced internal training on lubricant products, resulting in an 81.82% post-evaluation score. This has helped employees increase their sales performance, driven by in-depth product knowledge and sales application to trade.







With the support of its partner accounts, the commercial team organized free DITO sim activation and distribution activities in their areas, helping bring the total number of DITO customers to 12 million by the end of September. This activity resulted in 1,201 new subscribers from different entities, including Silver Star Shuttle and Tours, San Pedro Laguna City Hall, and Victory Liner-Caloocan.

Also last year, Commercial completed the Intermediate Fuel Oil (IFO) and Diesel Depletion Program at depots to help the Supply, Pricing, and Terminal Operations team make better use of available storage space.

As a silver sponsor of the Coca-Cola Philippines Golf Classic 2022 held at the Sta. Elena Golf Club in Cabuyao, Laguna, the Commercial and Industrial Team set up a booth, and conducted various events to raise money for the Coca-Cola Foundation. The sponsorship goal was to strengthen Phoenix's valuable relationship with Coca-Cola Philippines, and show how thankful the company is for the chance to be the foundation's exclusive fuel supplier at its facilities all over the country.

Additionally, to maintain its long-term business relationships with committed mining clients, the commercial team supported the annual ANMSEX/ PSMEA conference in Baguio City in November 2022. It also used this event to showcase other Phoenix offerings, such as Phoenix Asphalt and its lifestyle rewards app, LIMITLESS.

LUBRICANTS BUSINESS

Aside from variety and efficient supply, Phoenix lubricants also guarantee high quality

Producing the Best

To future-proof its goals, Phoenix Petroleum continues to explore the evolution in the energy sector as it negotiates challenges, such as those caused by the pandemic, and international geopolitical issues.

In 2022, Phoenix released 11 new lubricant products, diversifying into a new market to broaden its customer base. It introduced cutting-edge, internationally registered products that meet the demand for synthetic lubricants, catering to the rapidly expanding scooter market. Phoenix has at least one brand-new offering in each category; gasoline engine oils, heavy-duty diesel engine oils, motorbike lubricants, gear oils, and specialty goods.

Proving that collaboration is key, the team was able to reduce the service cost and eliminate run-outs at client locations, thanks to its partnership with a local lubes provider, to procure high-demand lubes products.

Aside from variety and efficient supply, Phoenix lubricants also guarantee high quality as its automotive diesel and gasoline engine oils are certified by the American Petroleum Institute (API), and the Japanese Automotive Standards Organization (JASO), whose certification marks can be found on the packaging labels of the products.





Furthermore, the team conducted several quality tests in 2022 to gauge the performance of Phoenix lubricant products against competitors. The results of the quality tests were comparable to or even better than those of the popular brands from the transport and mining industries. In addition, the lubricants team successfully conducted quality testing in tandem with transport accounts, Carrascal Nickel Corporation, and Taganito Mining Corporation. Tests were undertaken regularly-including tests for all fuels, lubricants, and equipment-to prevent unnecessary losses or mishaps that could disrupt its clients' operations. All standard operating procedures were followed and carried out during unexpected delivery visits. As a result, Phoenix put more trust in its designated partner for logistics to carry out the duties it had entrusted to them.

To provide better after-sales care to clients, and as part of ISO certification requirements, the lubricants team also held its annual workshop for mining businesses on relevant topics, including product understanding and troubleshooting, employee safety, and product handling. Retailers can benefit from product training by adding to their product knowledge, and sharpening their technical marketing skills. It even helped in the improvement of the inventory turnaround rate. Distributor transactions shifted from credit to cash sales, increasing Phoenix's revenue flow.

Lastly, the lubricants team joined the Asian Lubricants Industry Association (ALIA) annual meeting in April 2022 in Thailand. The team was able to gain insights on the latest developments in the lubricant industry in Asia, and the best practices that Phoenix can apply in its own lubricants business.



AVIATION BUSINESS

Phoenix Aviation also achieved a milestone with its continuing partnership with Cebu Air, Inc. or Cebu Pacific

Continuing Connections



The past year was one of operational progress for Phoenix Aviation as it navigated another challenging year for both Phoenix Petroleum and the aviation industry. Cooperation with a local Jet A-1 supply partner ensured business continuity with consignment and services agreements.

Phoenix Aviation also achieved a milestone with its continuing partnership with Cebu Air, Inc. or Cebu Pacific. These two proudly Philippine-based companies have worked together for almost two decades, and Phoenix Petroleum sees its partnership with Cebu Pacific as extremely valuable. Another milestone for 2022 is the renewal of contracts with Philippine Airlines and Philippines AirAsia whose refueling requirements across the Philippines are being served by Phoenix.


CME BUSINESS

In 2022, 26 graduating engineering students from Misamis Oriental and Lanao del Norte were able to learn more and gain valuable onthe-job training through the project

Achieving Goals

The CME business promotes corporate social responsibility (CSR) programs that help local communities. One of which is through the CME business internship program. In 2022, 26 graduating engineering students from Misamis Oriental and Lanao del Norte were able to learn more and gain valuable on-the-job training through the project.

In April 2022, the CME Business, Phoenix Philippines Foundation, Inc., the Local Government of Villanueva, Misamis Oriental, and the Region 10 Environmental Management Bureau (EMB) signed a memorandum of agreement (MOA) to restore Tag-anga Creek. The agreement helps enhance the ecological status of Tag-anga Creek, a waterway that empties into Macalajar Bay.

Towards the end of the year, the management awarded the CME Business team with Continuous Improvement Awards for its efforts in helping Phoenix achieve its goals of profitability, cost reduction, improved services, and accelerated innovation through the implementation of the CI Ways of Working.





In terms of network development, PLPI reached new heights in 2022

Finishing Strong



The easing of pandemic restrictions benefitted Phoenix's liquefied petroleum gas (LPG) business, while consumer spending remained stable throughout 2022. Phoenix LPG Philippines, Inc. (PLPI) saw a steady increase in demand for its LPG products line last year, largely thanks to its successful canister sales.

In terms of network development, PLPI reached new heights in 2022 with the addition of five new dealer appointments, 2 sub-dealer appointments, 1,466 retail outlet openings, 907 commercial accounts opened, and 39 B2B accounts won. The business ended 2022 with 620 active SUPER Hubs, 514 fuel station partners, 243 Grainsmart partners, 101 active dealers, 39 sub-dealers, 4,100 retail outlets, and 4,001 commercial accounts.

Before the year ended, Phoenix SUPER LPG participated as one of the major sponsors of the first meeting of home cooks, the 'Let's Cook, Pare! (LCP): First Out-of-Home Cooking Fair and Grand Family Day'. The social media-based LCP community gained traction among foodies during the height of the pandemic when cooking became one of the go-to stress relievers of Filipinos.

PLPI finished 2022 by organizing a forum for the Oil and Industry Management Bureau of the Department of Energy, and PLPI distributors to review the finer points of the new LPG law (RA 11592). In addition to regulating the LPG industry, the law protects consumers against illegal refilling, under-filling, and selling counterfeit LPG goods. All LPG industry players, including importers, wholesalers, wholesale distributors, truckers, refill stations, trademark holders, marketers, dealers, and retailers, are responsible for adhering to the strict safety requirements set by the new law.





Unlimited Potential

PNX Petroleum Singapore Pte Ltd. was established to facilitate internal fuel requirements and establish a regional footprint in Southeast Asia by adhering to international trading standards. In 2022, its revenue stayed consistent with the prior year. However, its margins improved significantly. It ended the year with its best annual net profit, capitalizing on volatility in the second and third quarters.

Moving forward, this trading and supply arm of the Phoenix group will constantly explore more partnership opportunities and prospective investments with leading companies in Southeast Asia.





Phoenix Gas Vietnam's exceptional performance in recent years further demonstrated the global caliber of Filipino enterprise

Reaching for More

With strong government push and huge potential in the retail and petrochemical markets, Vietnam is quickly becoming one of the region's largest LPG consumers. Since its founding in 2019, Phoenix Gas Vietnam (PGV) has been hard at work, streamlining all aspects of the business, to guarantee that its clients receive the best in terms of quality, safety, and service.

In January 2022, Phoenix Gas Vietnam received the ISO 9001:2015 certification from certifying body Universal GmbH through PQI Vietnam, demonstrating the company's dedication to providing customers with high-quality goods and services. Included are the PGV branches in the cities of Ho Chi Minh, Danang, Cam Ranh, Nha Trang, and Go Dau. Receiving this ISO accreditation is a major accomplishment for PGV.

Phoenix Gas Vietnam's exceptional performance in recent years further demonstrated the global caliber of Filipino enterprise, and confirms that Phoenix's international outlets uphold the same standards of quality and efficiency as its base of operations in the Philippines.

Efforts to digitize PGV's operations were also completed in 2022. Orders, invoices, and internal memoranda can be processed and approved digitally. This is in keeping with PGV's long-term goal of developing carbon-neutral technologies. Besides helping the planet, this also significantly increased productivity and redundancy at work.



The PGV Industrial B2B Corporate Branding Initiative campaign was also concluded in 2022. The purpose of the campaign was to improve PGV's reputation in the Industrial B2B sector by communicating its distinct, professional, dynamic, and credible principles and qualities, which are all centered on the market's needs. The new branding campaign included everything from the company's official TV commercial to its profile handouts, brochures, presentation templates, sales kit, and office and terminal uniforms.

PGV is an award-winning organization. But last year, it paid it forward by giving out its own accolades to business partners. It rewarded its top-performing retail LPG distributors through 'The 5 Star Partner' recognition for their considerable contributions and dedication to the company in the last three years despite difficult economic situations.

Lastly, PGV began the Go Dau terminal upgrading project to improve cylinder filling. Among PGV's terminals, this one is, by far, the largest. In preparation for its expansion plan beginning in 2023, this project's completion is expected to result in a 500% increase in filling capacity.







In 2022, Phoenix Asphalt reached the Php 1 billion mark, earning Php 1.076 billion in revenue

Exceeding Expectations

Fluctuations in global oil prices can affect the cost of bitumen production. However, despite market instability, Phoenix Asphalt saw bitumen volume increase by 16% in 2022, reaching more than 23,000 MT, compared to 2021. It also expanded its current business in the National Capital Region, South Luzon, and Visayas areas, and established additional construction accounts in Luzon and Mindanao.

Aside from targeting construction businesses, one of its effective strategies was introducing the Cold Patch Asphalt Mix to residential neighborhoods and a popular retail outlet.

In 2022, Phoenix Asphalt reached the Php 1 billion mark, earning Php 1.076 billion in revenue.





In November 2022, Phoenix also inked a fiveyear distribution deal with GS Battery distributor Pollux Marketing

Gaining Good Partnerships

Phoenix Petroleum's Autoworx Plus teamed up with MyCasa, the pioneer and leading company specializing in home service car maintenance, to provide better automotive services to its B2C and B2B customers.

In August 2022, a formal signing ceremony marked the beginning of the partnership between the two service providers. Autoworx Plus locations in Timog Ave., Quezon City; Multinational Ave., Paranaque; and a new facility in Pasig City have been identified to offer mobile auto repair services to MyCasa clients in the Metro Manila area. By combining MyCasa's home auto care services with those of Autoworx Plus, Phoenix would be better able to break into untapped areas, and expand its client base.

In November 2022, Phoenix also inked a five-year distribution deal with GS Battery distributor Pollux Marketing. GS Battery is Japan's number one battery, and its prices are competitive against other battery brands. Autoworx Plus locations in Luzon are set to stock GS Battery products.

Autoworx Plus and MyCasa's partnership with Pollux Marketing is set to serve both B2B and B2C customers as MyCasa's customer care operations deliver GS batteries to customers' homes.



The signing of the memorandum of agreement between Phoenix and Pollux Marketing was led by (L-R) Pollux Sales and Marketing Head Mac Brian Kaw, Pollux owner and operator Leonard Ho, Phoenix Senior Vice President Atty. Raymond Zorrilla, and Phoenix AVP for Consumer Business Partnerships Jay Mujar.



Present during the signing of the partnership agreement of Phoenix Petroleum and MyCasa were (from left) Phoenix Business Development Manager Berditho Bagano, MyCasa President Arby Andaya, Phoenix President Henry Albert Fadullon, and Phoenix AVP for Consumer Business Partnerships Jay Mujar.





FamilyMart spent the past few years aggressively promoting itself as a food hotspot in addition to a convenience store chain, releasing new food items consistently

Exciting Treats for Everyone

B B B

Going above and beyond expectations, FamilyMart Philippines has been hard at work to enhance its products and services over the past few years, more so in 2022. It was also firm on its intent to bring such products to more Filipinos with the opening of new stores. In fact, just last year, it opened four new stores in Davao City, one in Manila, and another in Tarlac City. By end of 2022, the Japanese convenience store has opened 79 outlets across the Philippines.

FamilyMart spent the past few years aggressively promoting itself as a food hotspot in addition to a convenience store chain, releasing new food items consistently. To kick off the new year, FamilyMart began filling its aisles with novelty items that Filipinos had previously only been able to purchase on their trips to Japan. The Suntory Horoyoi line (including the fanfavorite peach variant), the triangular cheese wafers known as Cheeza, and the Strong Zero brand of 'chuhai,' a traditional Japanese liquor, were some of the new additions. These Japanese treats are offered in stores for walk-in consumers and on GrabMart for those working from home or staying in.





Offering the best possible value, FamilyMart rewarded its dedicated customers with exclusively FamilyMartbranded items. It offered complimentary acrylic bottles with any transaction over Php 2,000. The limited-edition bottle, which features Kohi-san, an original FamilyMart brand figure, was redeemable at any of the 48 FamilyMart shops in Metro Manila in January only.

In response to customer demand, FamilyMart brought back two of its most popular snack items; the revel bar and the s'mores. The convenience store chain reintroduced the baked products, increasing the size of each pastry portion, and making them chewier and fudgier.

Further expanding the menu, FamilyMart released a Famichicky in a bun version, with a choice of Teriyaki, Wasabi Mayo, Mayo Mustard, or Creamy Cheese flavors. The savory-sweet Yakitori bento meal, the salty-and-sweet Cloudy Cream Coffee, and the new curry and spicy takoyaki varieties are also new additions to the FamilyMart food offering.





In addition to its regular in-store and GrabMartdelivered items, FamilyMart also expanded its selection of plant-based meals to include four new options; Japanese Cream Stew, Baked Katsu Curry, Chicken Teriyaki Stir Fry, and Cold Peanut Soba Salad, as well as UCC Blended Creamy 3-in-1 Coffee Mix in Salted Caramel. Sozai Pans, Twister Fries, fresh fruits, and Ichigo Matcha Latte were also added to the growing FamilyMart food and beverage selection. FamilyMart Tea Creations was also launched in 2022, satisfying the Filipino's love of milk tea and other tea-based drinks.

To thank Filipinos who voted in the Philippine elections on May 9, FamilyMart gave a special discount for voters. On May 9th and 10th, those with a minimum purchase of Php 199 were able to avail of takoyaki or a caramel macchiato for just Php 9.

In the monsoon season, Grab drivers received a complimentary 12oz coffee when they picked up at least Php 600 worth of GrabMart groceries from FamilyMart. This was FamilyMart's way of honoring delivery drivers, particularly during bad weather when many customers could not easily go out.

FamilyMart and Grab have collaborated on numerous projects, and this partnership resulted in the 'Happy Hoarding Sales Superstar' recognition for FamilyMart at the 2022 Grab Awards.

Other milestones for FamilyMart in 2022 were the launch of 'Fam Salebration' during the 'ber months', and the special promo for the FamilyMart 9th anniversary wherein 9-peso deals for food and other items were offered.





Big distributors were brought on board in line with POSIBLE's dedication to strengthening its reach and exploring new touchpoints

Exploring New Touchpoints



In 2022, POSIBLE played an even more significant role in ensuring that all Filipinos have easy access to digital financial services. Staying ahead of the curve, it launched a dedicated negosyo mobile application called POSIBLE nEXT (or POSIBLE Network Extension) for prospective retailers and entrepreneurs with low starting capital looking to improve their business. Services like e-money cash-in and cash-out, bills payment, loading prepaid phones and utilities, and selling ePINs and gaming PINs can be done anytime, anywhere using the app.

In addition, big distributors were brought on board in line with POSIBLE's dedication to strengthening its reach and exploring new touchpoints, particularly in the regional areas of the country. Among these were YFC-Boneagle International, Inc., a technology-focused company known for producing and distributing telecommunication products; SWISS PHARMATECH, which carries the brands ValueMed Generics Pharmacy (a franchise chain of more than 100 drugstores) and the ValueMart convenience stores; CITISTORES INC., which consists of 32 Centro department stores and UNO factory outlets; and Cebu United Consumers Cooperative (CUCC), a consumer cooperative with more than 2,000 franchisee partners across the country.

POSIBLE also secured an agreement with LandBank of the Philippines to collaborate on innovative solutions, including microfinance, and cash-in and cash-out acceptance of government-related transactions. This came soon after integrating more than 30 new partner billers and services under its bills payment service.





LIMITLESS

LIMITLESS planned to jumpstart a new strategy toward improving its consumer experience by providing products and services with extra value

The Power of Digital

With the loosening of pandemic restrictions in 2022 came an increase in strategies that promoted LIMITLESS, and bolstered its marketing connections with B2B clients and retailers. Vaccination drives, flash sales, brand campaigns, and pop-up shops were just some of the events that helped push the brand. Using promotions, a gifting option, loyalty points, a broader range of touchpoints, increased security, and constant improvements in line with the e-commerce industry trend, the company retains enthusiastic merchants, partners, and end users.

LIMITLESS teamed up with DITO to give its users consistent connectivity to enable deeper relationships through technology-driven communication. By partnering with DITO Telecom, the LIMITLESS lifestyle app gave its registered users additional opportunities to win the brand's largest promo prizes through the #celebrateLIMITLESSconnections promotion. Its active members received points, perks, and prizes through e-raffle tickets, and free DITO vouchers per valid transaction, then redeemed via the LIMITLESS app. Final draw prizes included a year's supply of Phoenix fuel or Phoenix SUPER LPG, a FamilyMart shopping package, three Samsung S series phones, and 25 LIMITLESS certificates. LIMITLESS also made Valentine's Day extra special by celebrating the debut anniversary of Phoenix PULSE Technology, Phoenix Petroleum's fuel additive product. The LIMITLESS 'Thank You 4 The Love' promo was launched on Valentine's Day via Facebook Live. It gave its registered users free Phoenix fuels, Phoenix SUPER LPG, FamilyMart, or Autoworx Plus vouchers for eligible transactions.





To offer value to every app transaction, LIMITLESS launched the 'Scoot for Cool' promotion in May, offering its largest and most fabulous raffle prize-an orange VESPA Primavera 150CC. The exciting promo was opened to all new and active LIMITLESS members who have successfully registered and purchased e-vouchers totaling a minimum of Php 1,000 using the app. LIMITLESS extended the promotion until July to let more consumers join. This was LIMITLESS's way of saying thanks to everyone who used the software since its inception. Eliseo Pertis of Quezon City turned out to be the lucky owner of the brand-new scooter.

LIMITLESS planned to jumpstart a new strategy towards improving its consumer experience by providing products and services with extra value. To celebrate the country's Independence Day, LIMITLESS held its second Freedom Sale with markdowns on fuel, LPG, food, salon services, and more, offering vouchers for as low as Php 12 on the LIMITLESS app on June 12, which is also the brand's anniversary.



Congratulations to the winner of VESPA PRIMAVERA!



LIMITLESS

No pressure. It's only you and the camera!







LIMITLESS signed a memorandum of agreement with ABS-CBN Foundation on June 15, 2022 to launch a digital donation drive. Present during the signing activity were LIMITLESS Head of Commerce Kenneth Ocampo, Phoenix Petroleum Senior Vice President Atty. Raymond Zorrilla, ABS-CBN Foundation Managing Director Roberta Lopez-Feliciano, and ABS-CBN Foundation Head for Marketing and Donor Relations Paul Mercado.

Also in June, LIMITLESS and ABS-CBN Foundation inked a memorandum of cooperation for a digital contribution drive. The partnership allowed LIMITLESS members to donate their points to the foundation, a media-backed non-profit organization. With users empowered to help others with only a few clicks on the app, LIMITLESS made giving easy and practical. Phoenix Petroleum fully supported the partnership by donating LIMITLESS vouchers to the foundation to further help many communities.

Later in the year, LIMITLESS kicked off its 'Make 8 Gr8' Halloween offer with Nightmares Manila, an enormous 5-in-1 walk-through entertainment place with live performers, horror movie-style shocks, and Hollywoodquality special effects. Mixing fright and fun, LIMITLESS gave its members who had fun at Nightmares Manila a free Php 500 FamilyMart e-coupon and e-voucher deals for Nightmares Haunted Attraction weekday and weekend packages.

In December, instead of the usual giving of physical gifts to its business partners, Phoenix Petroleum donated to CRIBS Foundation under the name of its partners through LIMITLESS. Aside from that, the company also donated to the organization for every use of the app (purchase or gifting of e-vouchers) on behalf of the members.

Throughout 2022, the LIMITLESS team remained true to its customer value proposition by pushing innovative marketing and sales strategies and approaches that explore the power of the digital platform.



Deveload as the App Stone Browned as the App Gallery

20 ANNIVERSARY MILESTONES



The Phoenix Rises from the South

Davao-based entrepreneur Dennis Ang Uy launched Oilink Mindanao in 2002. His first petroleum business foray with a partner failed. Nonetheless, the setback allowed him to start DOTSCO, Davao Oil Terminal Services Corporation. In 2006, he rebranded his company Phoenix Petroleum Philippines, Inc.

Ring The Changes

On July 11, 2007, President and Chief Executive Officer Dennis Uy registered Phoenix Petroleum under the ticker symbol PNX with the Philippine Stock Exchange. Since the Oil Deregulation Law was passed in 1998, Phoenix was the first privately owned oil business publicly traded in the Philippines. The firm grew from its initial base in Davao to other cities in the Philippines because of the overwhelming response to its initial public offering.



2002 2004 2007 2014 2016 2017



Spread One's Wings

In 2004, Cebu Pacific and Phoenix Petroleum entered a five-year guaranteed contract for Phoenix to offer storage and terminalling services to the airline's Davao location. Currently, Phoenix provides integrated Jet A-1 storage, handling, bridging, and into-plane services to 12 Cebu Pacific airport sites in the Philippines.





Hail The Pinoy Tsuper Hero

Phoenix Petroleum, ABS-CBN Lingkod Kapamilya Foundation Inc., and Bayan Academy of Social Enterprise and Human Resource Development collaborated to launch a groundbreaking advocacy initiative called Pinoy Tsuper Hero. The initiative's goal was to elevate driving to a heroic profession by inspiring drivers to embrace their inner "superhero."

Sarap magluto with the Popstar Royalty

the Popstar Royalty In 2017, Phoenix started its aggressive expansion strategy by acquiring Petronas Energy Philippines, Inc., renaming it Phoenix LPG Philippines, Inc. It launched the Phoenix SUPER LPG brand with its German-made SRG regulator. Popstar Royalty Sarah Geronimo became the brand ambassador, promoting SAFE, SIGURADO, and SIMPLE cooking.

A Whole New Ballgame

Proudly represented by the Phoenix Fuel Masters, Phoenix Petroleum was accepted into the Philippine Basketball

Association in January. The Team made its PBA debut in the 2016 Commissioner's

Cup. Since then, Phoenix Fuel Masters has

come a long way and made a significant

impression in the league.

Broadened Horizons

Phoenix's initial foray into the ASEAN Region began in Singapore. It formed a tradingand-supply subsidiary named PNX Petroleum Singapore Pte Ltd. Its various services include price risk management to supply and shipping.





Marking A Milestone

Phoenix Petroleum's 10th Listing Anniversary was marked by Filipino President Rodrigo Duterte's first visit to the country's sole stock market. Phoenix's 10-peso-per-liter fuel promo marked the listing anniversary.



Breaking New Ground

Phoenix Petroleum bought 75% of Origin LPG Vietnam LLC through PNX (Vietnam) Pte. Ltd. Phoenix Gas Vietnam is involved in LPG trading, and storage, among other offerings. It has presence in Central and South Vietnam.



Raising the Bar High

Phoenix Petroleum won the 40th Agora Awards for its innovative promotion of highquality products (Phoenix PULSE Technology Fuels and Phoenix SUPER LPG) and customer engagement. The company also won several Stevies from the International Business Awards and the Philippine Quill Awards, and is even in the Franchise Excellence Awards Hall of Fame

lockdown safety initiatives. Phoenix worked with LGUs and NGOs to provide fuel, food, and PPEs to frontline workers, health workers, and impacted communities in addition to vaccinating and assisting its own employees.

Phoenix helped out during the COVID-19 pandemic. The firm was one of the first to offer alternative work

arrangements for its employees, and led several

Holding **One's Own**

Phoenix Petroleum's market share continued to grow over the years, and in 2020, it became the country's third largest oil firm despite the pandemic's challenges. This was a significant milestone for what started as a small, relatively unknown brand from the South.



A LIMITLESS Digital World

LIMITLESS was launched on June 12, 2020, Philippine Independence Day, when digital transactions were gaining more popularity amid pandemic restrictions. This strengthened Phoenix's foray into digitalization, gradually introducing innovations such as a digital lifestyle rewards program, and non-expiring, giftable e-vouchers.

2021

2018

2019



Putting The Pedal **To The Metal**

When Phoenix PULSE Technology was released in February, it brought the company's products on par with those of industry leaders. Phoenix created its own improved product formulation, and brand strategy, positioning itself as a viable option for the industry's major players. It also unveiled celebrity racer Rhian Ramos as the Phoenix PULSE Technology brand ambassador







All In The Family

Phoenix acquired the Philippine franchise of the third biggest convenience store, FamilyMart, in 2018. That same year, digital commerce was another new territory for Phoenix, having also acquired POSIBLE.



Proud To Be Pinoy

In March, Siklab Atleta Pilipinas Sports Foundation, Inc. was established to help Filipino athletes achieve Olympic gold. Three years later, the goal was achieved as Hidilyn Diaz brought home the country's first gold medal from the Tokyo 2020 Olympics. As a reward, Phoenix presented Diaz, along with three other Olympic medalists, with cash and fuel incentives

A Well-rounded Lifestyle

The Phoenix Block was conceptualized as a multipurpose retail complex, catering to a full lifestyle. It features a Phoenix gas station, a FamilyMart convenience store, a Phoenix SUPER LPG Hub, an Autoworx Plus auto care shop, POSIBLE digital payments, and LIMITLESS digital transactions. The first Phoenix Block was opened at Sucat Skyway, and four other iterations of the lifestyle hub later opened across Metro Manila.





2020



Full Speed Ahead

The Phoenix Lubricants line continues to expand with products for consumer and commercial vehicles, and even expanded abroad through a foreign subsidiary, Phoenix Petroleum Indonesia. Phoenix's own brand of auto service shops, Autoworx Plus, was also introduced.

Gaining Ground Down South

Phoenix opened its landmark 650th station located on the corner of Alabang-Zapote Road and Filinvest Avenue, Muntinlupa, along with the opening of three new stations (Madrigal Ave. and West Service Road in Muntinlupa, and in Alabang West in Las Piñas) through a campaign called Big Bang sa Alabang. This signaled the brand's expansion in the southern portion of the metro. delivering value-for-money fuels closer to more customers

Healing Together

Phoenix formed a 40-40-20 joint venture with Thailand-based TIPCO Asphalt Public Co. Ltd. and PhilAsphalt Development Corp. in 2018 to operate, sell, and supply bitumen and related products in the Philippines. Phoenix Asphalt Philippines, Inc. has since built an asphalt factory, and has been supplying a growing list of contractors with high-quality products.

Paving The Way To More Opportunities

AWARDS AND Recognition

Phoenix Petroleum continues to earn citations for adapting operations and communication approaches to the ways of a continuously evolving landscape

Validation of Value



In August 2022, Phoenix took home two Awards of Excellence and three Awards of Merit during the 19th Philippine Quill Awards. Hosted by the International Association of Business Communicators (IABC) Philippines, the Philippine Quill Awards are widely regarded as the country's most distinguished business communication awards ceremony.

'Winnovation: Partner, Kayang-kaya Basta't Sama-sama -Phoenix National Convention', which highlights the innovative virtual event for partners, won an Award of Excellence and a nomination for the Top Award in the Communication Skills category. Phoenix's journey to digitalization was chronicled in 'Transforming the Business', which was also recognized with an Award of Excellence. In addition, 'Born to Thrive, Built to Survive - The Phoenix Petroleum 2020 Annual Report', 'Para sa Customer, Only Da Best - Serving Delightful Customer Experience', and 'Rising Amidst the Pandemic: Kayang Kaya Bastat' Sama-sama' each won an Award of Merit for showcasing the company's creative and adaptive storytelling, as well as for highlighting customer experience innovations.

FamilyMart Philippines' 'Para sa Customer Only Da Best' campaign also won a Gold award at the 16th Annual Stevie Awards for Sales & Customer Service, under the Sales Turnaround of the Year category. The entry is one of only three Philippine-based campaigns included in the list of winners.

Phoenix Petroleum also won the Philippine Amazon Web Services (AWS) Innovate X Action accelerator challenge in 2022. The victory reinforces Phoenix's commitment to innovation to improve customer experience. Participating companies spent two days at an AWS Innovate X Action accelerator workshop and competition focused on brainstorming and developing new products and services in response to specific consumer demands. Phoenix's customer refueling prototype won the challenge. The prototype used Phoenix's app-based lifestyle rewards program, LIMITLESS, winning the company \$10,000 in AWS credits.





The Phoenix team received the Amazon Web Services (AWS) Innovate X Action accelerator award from AWS Innovation Programs Lead ASEAN Reuben Jayasinghe, Growth Lead Innovation Programs APJ Chiara Longhi, and Account Manager Lea Delos Reyes

Throughout 2022, Phoenix Petroleum garnered numerous awards and accolades from established industry institutions and organizations. One significant highlight was that of President Henry Albert Fadullon who was honored with the Global Filipino Executive Circle of Excellence Award at the Asia CEO Awards 2022.

Printing Industries Association of the Philippines, Inc. also cited Phoenix Petroleum's 2021 Annual Report in the Print Excellence 2022 under the Annual Report category.

In a ceremony honoring the best businesses on the Grab app, FamilyMart racked up the 'Happy Hoarding Sales Superstar' award. To receive this distinction, a business must have had the most items available for sale in GrabMart for a year. Among the first consumer value retailers to provide delivery services, FamilyMart joined the Grab app in 2020.





Henry Albert Fadulion

Phoenix President Henry Albert Fadullon was honored with the Global Filipino Executive Circle of Excellence Award at the Asia CEO Awards 2022. Phoenix VP for Group Marketing Celina Matias received the award on his behalf during the awarding at the Marriott Grand Ballroom in Pasay City on October 11, 2022

Aside from award-giving bodies, Phoenix also gained citation from regulators and government units, which are key partners in maintaining business operations. On the 50th anniversary celebration of the Armed Forces of the Philippines-Commissary and Exchange Service (AFPCES), Phoenix Petroleum was honored as the organization's second Top Trade Partner because it has shown exceptional dedication and made significant contributions to the AFPCES's overall sales performance.

Phoenix Petroleum also received an award of recognition from PhilHealth Region XI during its Handog Pasasalamat— Stakeholders Night: Pasidungog held at D'Leonor Hotel in Davao City in November 2022. The award recognizes the company's consistent efforts and invaluable support by being one of the top-remitting and compliant companies in Davao City. This has been instrumental in attaining the city's National Health Insurance program goals.

Lastly, the Local Government of Iligan City presented Phoenix LPG Philippines, Inc. (PLPI) with the Employer of the Year Award for 2022. PLPI received this honor for setting a remarkable example of human resource management, and making a substantial and long-lasting contribution to Iligan City's economic growth.





SUSTAINABILITY REPORT

CONTINUED COMMITMENT TO SUSTAINABILITY

The petroleum business is a significant global segment affecting all 17 SDGs. Companies that deal with fuel and energy have some areas in which it excels in terms of their contribution, and Phoenix, for its part, has selected some goals to make a better impact on the community.



SDG 1. End poverty in all its forms

Helping the hardest-hit sectors and communities

Daily wage earners in the public transportation sector and delivery personnel are among those most negatively impacted by COVID-19 and the health measures enacted to contain the spread of the virus. Many jeepney drivers had to cut back on their expenses because of the loss of revenue after public transportation was temporarily halted, and then permitted to return but at a reduced capacity.

The Pinoy Tsuper Club, also known as PTC, is a program run by Phoenix Petroleum that offers discounts and other types of assistance to the group of drivers who use the company's products. It is a type of community assistance with the community consisting of public transportation





drivers and delivery workers—those whose livelihood depends on transport or delivery. The program offers its participants a variety of perks, including rewards, insurance, and privileges, as well as the opportunity to increase their benefits by becoming a Tsuper Hero. PTC members receive points for every liter of fuel they purchase, and they redeem the points for various rewards. PTC's rewards system gives its members more value than competing rewards programs.

In 2022, the PTC had 5,725 active members across five membership card categories. The classic PTC Card had the largest membership with 2,324 active members, followed by the PTC-LALAMOVE Card and the PTC-GRAB Card. The total number of transactions in 2022 was 302,432. The number of liters redeemed was 3,149,738. Based on this quantity, the total issued discount was approximately Php 500,000. Although the benefits may differ depending on the vehicles used by the drivers, PTC members are assured to acquire value from this rewards program.



SDG 3. Ensure healthy lives and promote well-being for all at all ages

Working together for the greater good

Phoenix Petroleum announced in early 2022 that, despite the loosening of pandemic restrictions, the alternative working arrangements implemented would be maintained until July 2022 on the grounds of safety and staff preference. When the pandemic struck in 2020, Phoenix was among the first companies to declare that its employees could work from home.

Even though most businesses have changed their policies since the pandemic began, Phoenix chose to keep its work-from-home arrangement for 49% of its employees across the country until the end of 2022. Virtual engagements have proven more efficient, and the company's employees have demonstrated that they can function effectively without needing to report to the office daily. The policy applied to knowledge workers who were not required regular access to the workplace. Employees performed their jobs from the comfort of their homes. However, they were expected to be present in the workplace for crucial meetings and follow all standard health and safety procedures.



SUSTAINABILITY REPORT

Externally, to help ensure healthy lives and promote well-being, Phoenix regularly organizes blood donation drives. In 2022, a bloodletting activity was conducted at the Laz Terrazas Gym in Ma-a, Davao City, through a joint effort by the Phoenix Foundation, the Philippine Red Cross, and the Philippine Coast Guard Auxiliary. More than a hundred units of blood were donated during the event. In addition, the Foundation sponsored another bloodletting event at Abreeza Plaza in Davao City in November 2022, during which 92 blood bags were collected.

On the other hand, Phoenix also provides different kinds of assistance to local communities. To help the community of Sitio Salacaban in Misamis Oriental, Phoenix employees participated in a Philippine Coast Guard outreach initiative. The Phoenix Team was kind enough to contribute sacks of rice, which was added to the food supplies given to the community's low-income families.

Another way of helping is volunteering to assist the less fortunate during the holiday season. The Phoenix family's virtual Christmas gathering in 2022 was unique compared to other similar events. Employees from Phoenix locations across the country were divided into five teams under the theme of "An Unstoppable Season of Giving Back." Each team was tasked with carrying out a corporate social responsibility (CSR) initiative connected to the brand they were responsible for representing. For instance, the winning team, Phoenix Asphalt, utilized the Cold Patch Asphalt Mix to enhance the sidewalk structure at their chosen beneficiaries' location. This made it easier for people with disabilities, particularly those who use wheelchairs, to move around the neighborhood.









SDG 5. Achieve gender equality and empower all women

Pushing Through Obstacles and Limits

Sustainable Development Agenda No. 5 defines gender equality as "women's complete and effective participation and equitable possibilities for leadership at all stages of decision-making in political, economic, and public life." Women are underrepresented in technical positions and managerial roles in highly specialized industries such as petroleum, oil, and gas.

However, in 2022, there was a slight shift in the proportion of women working in the energy sector. That same year, Phoenix achieved standards that were either on par with or above those of the region. By 2022, Phoenix had hired 232 women and 361 men. The ratio of female employees to male employees is 39% female to 61% male. Considering the male-dominated industry that it is, this is a staggering number for Phoenix. At the managerial level, there are 34.69% female employees. This number is 19.69% higher than the worldwide average statistic. Women comprise 28.57% of company executives. By comparison to other energy and gas firms around the world, this is 13.57% higher. Women also comprise 18% of Phoenix's Board of Directors, which is on par with global figures. It is also important to note that male and female Phoenix employees are equally paid based on their positions.

These demonstrate that Phoenix, a proudly homegrown company, fiercely supports equality for all employees regardless of gender preference, ethnicity, educational background, or age. At Phoenix, everyone is given an opportunity to succeed, and the ability to do one's job well and contribute to accomplishing the company's objectives is prioritized above all else.





PHOENIX 2022 BY THE NUMBERS

PINOY TSUPER CLUB (PTC)



ENSURING HEALTHY LIVES







CORPORATE SOCIAL RESPONSIBILITY

DOING GOOD AND Making a difference

There is a growing understanding, reflected in today's corporate social responsibility (CSR) programs, that businesses, particularly the energy industry, need to work hand-in-hand with social institutions to serve their customers better. With this, the mission of Phoenix Philippines Foundation, Inc. is to improve people's lives through education, environmental preservation, community outreach, safety, and health. With the better management of the COVID-19 pandemic, Phoenix's CSR programs have begun to transition back from vaccination drives to their usual, pre-pandemic causes.

The foundation has been holding yearly bloodletting events in various cities around the country since 2008. Last year, in Ma-a, Davao City, the Phoenix Foundation teamed up with the Philippine Red Cross and the Philippine Coast Guard Auxiliary to host a bloodletting event. More than a hundred bags of blood were collected at the bloodletting drive. Additionally, in November, in Abreeza Mall in Davao City, Phoenix employees participated in a bloodletting exercise organized by the foundation. In one day, the activity collected 92 blood bags from donors.







To reduce pollution and promote a healthy environment for all, the foundation, through Phoenix employees and community partners, participated in a creek clean-up campaign in Villanueva, Misamis Oriental, and other coastline cleaning efforts in Davao, Iligan, and General Santos City. Members of the Phoenix LPG operations team in Naga City, Cebu also participated in a clean-up effort. At the Pangdan River in Brgy. Balirong, the team filled sacks with trash and debris along the riverbank.

I TRANSPORTER IN









CORPORATE SOCIAL RESPONSIBILITY

Aside from protecting the country's water resources, the foundation also makes an effort to nurture forests. Phoenix employees in Cebu joined the local government and commercial organizations to plant more than 2,000 fruit-bearing saplings in Talisay City, Cebu.

The foundation further advocates environmental protection through education. It promoted the International Coastal Clean-up Day under Presidential Proclamation No. 470 by holding related activities and events with the theme 'Fighting for Trash-Free Seas, Pilipinas'. Meanwhile, the Phoenix Villanueva Terminal team participated in the Adopt-a-School closure program at Sto. Rosario Elementary School in Tagoloan, Misamis Oriental. The team provided an information education and communication exercise for residents of Villanueva, Misamis Oriental, who live beside the Tag-anga Creek. After the talk, the participants held a spontaneous clean-up drive along the body of water.

Phoenix employees joined the Philippine Coast Guard outreach campaign at Sitio Salacaban, Misamis Oriental. The team generously contributed by donating bags of rice in the food boxes given out to the needy.











PUSHING HE LINTS





MARCH

March came with many milestones for the Fuel Masters. The LIMITLESS Appmasters 3x3 team, which had previously won the first conference championship, finished first in their group in the second conference phase. On the other hand, in a decisive game, the Phoenix SUPER LPG Fuel Masters defeated Northport, and earned a spot in the playoffs.



MAY

In May, the Gilas Pilipinas men's 3x3 team, led by PBA 3x3 First Conference Winner LIMITLESS Appmasters, competed in the 31st Southeast Asian Games in Vietnam. Brandon Ganuelas-Rosser, Jorey Napoles, Reymar Caduac, and Marvin Hayes made up the LIMITLESS Appmasters, and proudly represented the Philippines in the SEA Games 3x3 tournament. The team earned a bronze medal with a 14-10 win over Indonesia. In recognition of LIMITLESS Appmasters' hard work, selflessness, and dedication in representing the Philippines in the 31st Southeast Asian Games 3x3 tournament, the Philippine Basketball Association (PBA) proudly presented the team with a plaque of appreciation.





NOVEMBER

November was an exciting month for the Fuel Masters. The Phoenix team dismantled Terrafirma with surgical precision, winning 135-84, a 51-point gap, which set a franchise record for the highest-winning margin and, at the time, was the fifth most significant victory margin in PBA history. The Fuel Masters jumped off to an early lead and never let up, finishing with a 6-6 win-loss record and cutting down Terrafirma in the elimination round. This performance improved its playoff positioning. As a result of finishing in a tie for sixth place in the conference, the team secured a spot in the quarterfinals of the Commissioner's Cup.







In the same month, the Phoenix Fuel Masters started a new basketball program called 'Phoenix Pinoy Hoops Basketball Camp: Family & Friends Edition'. Created for kids aged 6 to 16 years old, the four-day, four-weekend sports clinic attracted more than 40 participants, all children of Phoenix employees, business partners, and friends.





The camp was held until December, with various members of the Fuel Masters team leading each session. Sean Anthony, Tyler Tio, Jason Perkins, Javee Mocon, Kaleb Wesson, team manager Paolo Bugia, assistant coach Willie Wilson, and head coach Topex Robinson were all present during the basketball camp. Each team member ran a clinic to teach fundamental basketball skills and instill values in Phoenix's youth, while giving families a fun way to bond through teamwork. The last training day consisted of a tournament-style competition and other activities, so the participants' abilities were fine-tuned through brief practice matches and competitive drills. Winners of the various competitions were announced on the last day. Isaiah Lanot (13 and up), Juan Augusto Barreto (Intermediate), and Joaquin Antonio Alvarez (Kids) were named Most Valuable Players. A team relay activity, and a parent-and-kid shooting challenge to promote quality time between kids and their families were also featured during the last day of the camp.

BOARD OF DIRECTORS

Left to Right

Minoru Takeda Independent Director

Nicasio I. Alcantara Independent Director

Cherylyn C. Uy Director

Romeo B. De Guzman Director

Dennis A. Uy Director, Chairman of the Board, Chief Strategy Officer


Left to Right

Domingo T. Uy Director

Henry Albert R. Fadulion Director and President

Monico V. Jacob Director

Consuelo Ynares-Santiago Independent Director

Atty. Jose Victor Emmanuel A. De Dios Director

Stephen T. CuUnjieng Director



Dennis A. Uy Director, Chairman of the Board, Chief Strategy Officer

Mr. Dennis A. Uy is the founder of the Company who served as President and Chief Executive Officer from its inception in 2002 until 2020, when he became the Chairman and Chief Strategy Officer. He is the Founding Chairman and CEO of Udenna Corporation, the parent company, with a diverse business portfolio that includes interests in petroleum retail and distribution; shipping and logistics; property development; education; food; tourism and gaming; infrastructure; telecommunications; media and entertainment; and energy. Four of the Udenna companies are listed on the Philippine Stock Exchange.

Mr. Uy is the Chairman of Chelsea Logistics and Infrastructure Holdings Corporation, a dominant player in the shipping and logistics industry.

He is Chairman of Udenna Land, Inc., which develops and manages real estate projects, such as Clark Global City, Calaca Industrial Seaport Park, and Udenna Tower. He is Chairman and President of Udenna Infrastructure Corporation, Chairman of PH Resorts Group Holdings Corporation, the developer of the premier integrated resort Emerald Bay in Mactan, Cebu. He is also Chairman of Enderun Colleges, Inc., and Chairman of Eight-8-Ate Holdings, Inc., which owns and operates Conti's Bakeshop & Restaurant, and holds the local franchise of fast food chain Wendy's.

He is Chairman and Chief Executive Officer of DITO Telecommunity Corporation, the third major telco in the Philippines.

He is Chairman and Chief Executive Officer of DITO CME Holdings Corporation, Udenna's foray into the media and entertainment space.

He is Chairman and Director of UC38 LLC, which has a 45 percent participating interest in the Malampaya Deep Water to Gas Project, the largest producing gas field in the Philippines.

Mr. Uy is also Chairman of Phoenix Philippines Foundation, Udenna Foundation, Siklab Atleta Pilipinas Sports Foundation, and LIFE Fund.

He serves as Director of Alphaland Corporation, and Vice-Chairman of Atok-Big Wedge Co., Inc.

He was Presidential Adviser on Sports from 2016 to 2022, and has been the Honorary Consul of Kazakhstan to the Philippines since 2011. Mr. Uy is a graduate of De La Salle University with a degree in Business Management.



Domingo T. Uy Director

Mr. Domingo T. Uy is a co-founder and has been a member of the Board of Directors of the Company since 2002. Mr. Uy was elected Chairman of the Board of Directors of the Company on February 15, 2007. He is also a Director of Granland Resources Corporation, a corporation involved in real estate development. Mr. Uy is actively involved in socio-civic programs and is a Director of the Philippine National Red Cross, Davao Chapter. He is also a Past President of the Davao City Sta. Ana Lions Club and the Kang Ha Uy Association -Davao Chapter.



Henry Albert R. Fadulion Director and President

Mr. Henry Albert R. Fadullon was appointed Chief Operating Officer of the Company on April 17, 2017, and was consequently named President on June 1, 2020. Prior to this, he served Shell Shared Services (Asia) B.V. as General Manager for its global businesses. He has over 25 years of experience in the petroleum industry, having held various roles at Pilipinas Shell Petroleum Corp., a decade of which were spent overseas with postings in Malaysia, Oman, and London. He has a wealth of experience in Retail and B2B performing a variety of frontline and functional roles leading to General Management positions. He completed his BS in Industrial Management Engineering minor in Mechanical Engineering from De La Salle University.



Romeo B. De Guzman

Mr. Romeo B. De Guzman was elected Director of the Company in 2009. He is the Vice Chairman and Senior Strategic Adviser, and previously was Chief Operating Officer of the Company, bringing over 40 years of outstanding experience in the oil industry. Before joining the Company, he was with Pilipinas Shell Petroleum Corporation, where he was Vice President for External Affairs for Asia Pacific and a member of the Board of Directors up to December 2006. He was with the said company holding various management and executive positions. Prior to that, he worked at Getty Oil Philippines Inc. for 10 years. Mr. De Guzman is also the Chairman of the Board of Directors of Mirait Philippines, Inc. He holds a Marketing Management and MBA degrees from San Sebastian College -Manila.



Cherylyn C. Uy Director

Ms. Cherylyn Chiong-Uy is a graduate of Business and Finance from Ateneo de Davao University. Ms. Uy is one of the pioneers/incorporators of Udenna Corporation, the ultimate parent company of Phoenix Petroleum and which has subsidiaries engaged in the petroleum, shipping, logistics, services, and real estate businesses, among others. She is the Corporate Treasurer of Udenna Corporation and a member of the Board of **Directors of PH Resorts Group** Holdings, Inc. Ms. Uy is also one of the Executive Directors of Phoenix Philippines Foundation, Inc., the corporate social responsibility arm of the Company. She is the Corporate Treasurer of Udenna Management and Resources Corporation and Chelsea Shipping Corp.



Atty. Jose Victor Emmanuel A. De Dios Director

Atty. J.V. Emmanuel A. De Dios was elected regular director of Phoenix Petroleum in 2018, after being an Independent Director since 2007. He is the President and CEO of Manila Water Co. He was previously the CEO of GE Philippines, and prior to that was President and CEO of Nido Petroleum Pty Ltd., an Australian Stock Exchangelisted oil and gas company. He was Managing Director of Merritt Advisory Partners, Inc. and was a member of the Board of Directors of Davies Energy Systems, Inc. He also served as Chairman of the Board of the Philippine National Oil **Company Exploration Corporation** and was former Undersecretary of the Philippine Department of Energy. Atty. De Dios obtained his Master of Laws degree from Harvard Law School and completed his Bachelor of Laws at the Ateneo School of Law.



Stephen T. CuUnjieng Director

Stephen T. CuUnjieng was elected as a Director of the Company on January 15, 2018, after being a long-time adviser to the Board. He is Chairman of Evercore Asia Limited, and has substantial and wide experience in investment banking. He has acted as a Financial Adviser to several financial transactions of companies involving initial public offerings, major and strategic acquisitions, and mergers of various companies from various industries. He is a member of the Executive Advisory Board for Asia of the Wharton School of Business, and an Independent Director of Century Properties Group and Aboitiz Equity Ventures. He has received several awards and distinctions, such as the Best Independent Advisory Firm in Asia in 2016 for Evercore, and Deals of the Year for various acquisitions. He graduated from Ateneo de Manila University and Ateneo School of Law, and completed an MBA in Finance from the Wharton School of Business.



Monico V. Jacob Director

Monico V. Jacob has been a Director of the Company since March 7, 2008. He is President and Chief Executive Officer of the STI Education Systems Holdings, Inc., a publicly listed company; STI Education Services Group, Inc.; and West Negros University. He is also the Chairman of Philplans First, Inc., a pre-need company; Philippine Life Financial, Inc., a life insurance company; and Republic Surety and Insurance Co., a non-life insurance company. He likewise sits as an independent director of Jollibee Foods, Inc., Century Properties, Lopez Holdings, Inc., and 2GO Shipping. He sits as Director of Asian Terminals, Inc., Philhealthcare Systems, Inc., an HMO, Philippine Women's University, and IAcademy.



Consuelo Ynares-Santiago Independent Director

Ms. Consuelo Ynares-Santiago is a retired Justice of the Philippine Supreme Court. Justice Santiago (Ret) is currently an independent director of Anchor Insurance Brokerage Corp., a leading insurance brokerage company based in New York, USA; SMC Global Power Holdings, Inc., one of the country's leading power companies which is the power generation unit of San Miguel Corporation; South Luzon Tollway Corp.; and Top Frontier Investment Holdings, Inc. She is the Chair Advisory Council of the Office of Alternative Dispute Resolution under the Department of Justice. She earned her law degree at the University of the Philippines. After being admitted to the bar, she started her career as a Legal Officer at the Securities and Exchange Commission (SEC). After 5 years of legal practice, she decided to enter the Judiciary and spent 36 years of her career as a Municipal Judge, Metropolitan Trial Court judge, Regional Trial Court judge, and Associate Justice of the Court of Appeals, before becoming an Associate Justice of the highest court of the country, the Supreme Court. During her time in the Supreme Court, she became the chairperson of the Supreme Court's 3rd Division and also joined various committees, among them the Justice on Wheels Program as Chairperson, the Foreign Travel Committee as Chairperson, the House of Representative Electoral Tribunal (HRET) as Chairperson, and member of the Presidential Electoral Tribunal. She was also a consultant of the Judicial and Bar Council (JBC) and a Bar Examiner of Labor Law and Social Legislation during the 1996 Bar Examination and Taxation Law in the 1998 Bar Examination.



Nicasio I. Alcantara Independent Director

Nicasio I. Alcantara re-assumed the position of Chairman of the Board of Directors and President of Alsons Consolidated Resources, Inc. (ACR) on March 1, 2021, a position he previously held from May 1995 to May 2001. He is the Chairman and President of ACR Mining Corporation, Alsons Development and Investment Corporation, Sarangani Agricultural Company, Inc., Conal Holdings Corporation, Alsons Thermal Energy Corporation, Alto Power Management Corporation. and many other subsidiaries under the Alcantara Group. He is the Chairman of the Board of SITE Group International, Ltd. Mr. Alcantara serves as the Chairman of both the Corporate Governance Committee and **Related Party Transactions** Committee of BDO Private Bank. Inc. and a member of the Bank's Audit Committee. He is the Vice-Chairman of Aviana Development Corporation. Currently, he is a Director of Seafront Resources Corporation, The Philodrill Corporation, Enderun Colleges, Inc., Sagittarius Mines, Inc., and Phoenix Petroleum Philippines, Inc. Mr. Alcantara holds a Master's degree in Business Administration (MBA) from Sta. Clara University, California, and a Bachelor of Science degree in Business Administration from the Ateneo de Manila University.



Minoru Takeda Independent Director

Minoru Takeda, Japanese, is the Chairman of aNew Energy (an advisory company for Renewables/LNG), Senior Advisor of GLX LNG (LNG Trading Platform Company), Director of Oxalis Chemicals KK, and Sr. Advisor of Uyeno Kosan KK. Mr. Takeda was with ExxonMobil for 22 years and with Royal Dutch Shell group for 14 years. He was the Chairman of the Board of Showa Shell KK. Country Chairman of Shell Group of Companies in Japan, and GM of Shell Upstream International in charge of the ASEAN/India LNG Market Development. For Mobil Oil Corporation, in addition to holding key positions in Japan, he was Director of Mobil Oil New Zealand, and has experience in Global HQ Downstream Corporate Planning. He also spent over 4 years in Deloitte, as a Partner of Deloitte Tohmatsu Consulting, and served as CEO of Deloitte Tohmatsu Corporate Finance. He holds a BS and MS from Keio University and an MS from MIT Sloan School of Management. He was a Visiting Researcher at Harvard University, Energy and Environmental Policy Center.

EXECUTIVE COMMITTEE

Left to Right

Henry Albert R. Fadulion President and Chief Executive Officer

Ignacia S. Braga IV OIC-Chief Finance Officer and Treasurer

Atty. Alan Raymond T. Zorrilla Senior Vice President

Atty. Socorro T. Ermac-Cabreros Vice President for Corporate Legal and Corporate Secretary

Celeste Marie G. Ong Vice President for Human Resources





AS OF JUNE 2023

LEADERSHIP TFAM

Tristan Frederick T. Tiongson Assistant Vice President for Retail Sales CO|DO

Ignacio Raymund S. Ramos, Jr. Assistant Vice President for Terminal Operations and Engineering

Karen G. Almacen Assistant Vice President for Treasury John Joseph Gabriel C. Puzon Action.Able President and CEO





CODE OF CORPORATE GOVERNANCE

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.

The Board of Directors, officers, management, executives, and employees of P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. (the "Corporation") hereby commit themselves to comply and observe the fundamental principles of sound corporate governance and best practices contained in this Code of Corporate Governance ("CCG") which are necessary components in the attainment of its corporate goals and enhancing the value of the Corporation to all its stakeholders.

This CCG is adopted pursuant to Securities and Exchange Commission (SEC) Memorandum Circular No. 24, Series of 2019 issued on 18 December 2019. It supersedes the Corporation's Code of Corporate Governance adopted last May 30, 2017.

DEFINITION OF TERMS

Board of Directors - the governing body elected by the shareholders/ members that exercises the corporate powers of a corporation, conducts all its business and controls its properties. For purposes of this Code, reference to Board of Directors and/or Directors shall also include reference to Board of Trustees and/or Trustees, respectively, in applicable cases.

Corporate Governance - the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their shareholders/members and other stakeholders.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the board of directors and Senior Management accountable for ensuring ethical behavior and reconciling longterm customer satisfaction with shareholder/ member value to the benefit of all stakeholders and society. Its purpose is to maximize the organization's long-term success, thereby creating sustainable value for its shareholders/members, other stakeholders and the nation.

Enterprise Risk Management - a

process, effected by an entity's Board of Directors, Management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.

Executive Director - a director who has executive responsibility of day-to-day operations of a part or the whole of the corporation.

Independent director - a person who is independent of Management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

Internal control - a process designed and effected by the entity's Board of Directors/ Trustees, Senior Management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management of corporate information; and compliance with applicable laws, regulations, and the organization's policies and procedures.

Management - a group of executives given the authority by the Board of Directors/ Board of Trustees to implement the policies it has laid down in the conduct of the business of the corporation.

Members - the members of nonstock corporations.

Non-executive director - a director who has no executive responsibility and does not perform any work related to the day-to-day operations of the corporation.

Non-Proprietary Right - an interest, participation or privilege over a specific property of a corporation that allows the holder to use such property under certain terms and conditions. The holder, however, shall not be entitled to dividends from the corporation or to its assets upon its liquidation.

Proprietary Right - an interest, participation or privilege in a corporation which gives the holder the right to use the facilities and to receive dividends or earnings from the corporation. Upon the liquidation of the corporation, the holder shall have proportionate ownership rights over its assets.

Public Company - a company with assets of at least Fifty Million Pesos (Php50,000,000.00) and having two hundred (200) or more shareholders holding at least one hundred (100) shares each of equity securities. Registered Issuer - a company that: (1) issues proprietary and/or non-proprietary shares/certificates; (2) issues equity securities to the public that are not listed in an Exchange; or (3) issues debt securities to the public that are required to be registered to the SEC, whether or not listed in an Exchange.

Related parties - covers the covered entity's directors, officers, substantial shareholders and their spouses and relatives within the fourth civil degree of consanguinity or affinity, legitimate or commonlaw, and other persons if these persons have control, joint control or significant influence over the covered entity. It also covers the covered entity's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is a related party.

Related Party Transactions - a

transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party. **Significant Influence** - The power to participate in the financial and operating policy decisions of the company but has no control or joint control of those policies.

Stakeholders - any individual, organization or society at large who can either affect and/or be affected by the company's strategies, policies, business decisions and operations, in general. This includes, among others, non-proprietary certificate holders, customers, creditors, employees, suppliers, investors, as well as the government and the community in which the company operates.

DECLARATION OF CORPORATE PRINCIPLES

The Corporation adheres to the highest standards and principles of Integrity, Excellence, Service, Innovation, Teamwork and Stewardship to serve the best interest of its stakeholders.

This Code of Corporate Governance reflects that commitment of the Board of Directors ("the Board") of the Corporation to guide and assist them including management in effectively performing of its duties and responsibilities in order to achieve and enhance long-term success of the Corporation and shareholder value.

As the Corporation progresses, the CCG shall be kept under constant review and revision to keep up with the recent and emerging standards of good corporate governance.

THE BOARD OF GOVERNANCE RESPONSIBILITIES

PRINCIPLE 1:

THE CORPORATION SHALL BE GOVERNED BY A WORKING, COMPETENT, AND EFFECTIVE BOARD OF DIRECTORS

The Corporation shall be headed by a competent, working Board of Directors ("the Board") to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objective and the longterm best interest of its shareholders and other stakeholders.

- 1.1 The Board of Directors (the "Board") of the Corporation shall be primarily responsible for the governance of the Corporation. It shall independently act and make its decision with full knowledge of the facts on the objective of enhancing shareholder value.
- 1.2 It shall be composed of directors possessing expertise and/or experience in their respective fields or sectors that may be relevant to the industry of the Corporation in order to properly fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.
- 1.3 Directors shall be pre-qualified before they are nominated to the Board. Nominations may be made by any member of the Board, stockholder, officer or employee in accordance with the By-laws to ensure the qualification of the nominee

and enable them to effectively participate in the deliberations of the Board and carry out their roles and responsibilities.

- 1.4 The Corporation shall ensure to formulate a policy on regular training of its directors, including orientation program for first time directors particularly on corporate governance to ensure compliance and adherence to standards.
- 1.5 The Board shall be assisted by its duly elected or appointed, as the case may be, Corporate Secretary who should be a separate individual from the Compliance Officer. The Corporate Secretary shall not be a member of the Board and shall likewise comply with the trainings for corporate governance.
- 1.6 The Board shall ensure that is is assisted in its duties by a Compliance Officer who shall be part of management in charge of compliance function. The Compliance Officer shall be primarily liable to the Corporation and its shareholders.

PRINCIPLE 2:

ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the Corporation's articles and by-laws and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders and other stakeholders.

- 2.1 It is imperative that each of the director or member of the Board shall observe two key elements of the fiduciary duty: the *duty of care* and *duty of loyalty.*
 - 2.1.a **Duty of Care** each director shall be required to act on a fully informed basis, in good faith, with due diligence and care.

2.1.b Duty of Loyalty - each director is expected to act in the interest of the Corporation and all its shareholders. Hence, it is imperative that directors shall have no conflicting businesses or interest inimical to the interest of the Corporation.

- 2.2 The Board shall oversee, monitor and approve the development of the Corporation's business objectives, plans of action, policies and procedures, annual budgets and business strategies and monitor their implementation and corporate performance, capital expenditures in order to sustain the Corporation's viability and strength.
- 2.3 The Board shall be headed by a competent and qualified Chairperson who shall be elected among the members of the Board in accordance with the Corporation's Bylaws. The Chairperson's role and responsibilities shall include among others:
 - 2.3.a Ensures that agendas during regular and special meetings involve strategic matters which shall include and discuss risks, governance concerns, issues, environmental effects.

- 2.3.b Ensures that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions.
- 2.3.c Facilitates healthy, relevant and constructive discussion on key issues to aid the Board in reaching a sound decision.
- 2.3.d Ensures periodic or regular evaluation of the performance of the Board.
- 2.4 The Board shall be responsible in adopting an reasonable and viable succession plan program for the directors, key officers and management to ensure growth, continuous and smooth operation of business at the same enhance shareholders' value. To maintain dynamism and adaptability to change and development, the Board shall likewise adopt a policy on retirement for directors and key officers as part of the management succession.
- 2.5 The Board shall set and approve remuneration or compensation plan of key officers including directors based on performance. However, no director should participate in discussions or deliberations involving his own remuneration.
- 2.6 The Board shall have sufficient disclosure on the procedure or process of nomination as well as election policy which shall include nominations from minority shareholders. The policy should include an assessment of the effectiveness of the Board's processes and procedures in nominations, elections and

replacement of a director as well as process of identifying quality directors which should be aligned with strategic direction of the Corporation.

- 2.7 The Board shall be responsible for ensuring an approved group-wide policy and system governing Related-Party Transactions (RPT) and other unusual and infrequently occurring transactions, particularly those which pass certain thresholds of materiality. It shall be imperative that a potential RPT must at all times guarantee fairness valuation and transparency of transaction such as risk profile, complexity of operations and structure.
- 2.8 The Board shall be primarily responsible for approving the selection and performance of management led by the Chief Executive Officer (CEO) and other control function such as Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive.
- 2.9 The Board shall establish an effective performance management framework to ensure that management including its key officers such as the CEO is at part with the standards set by the Board.
- 2.10 The Board shall set in place, oversee and establish the appropriate internal control system in the Corporation in order to monitor and manage potential conflicts of interest of management, the Board and shareholders. It shall approve upon recommendation of the audit committee an Internal Audit Charter.

- 2.11 The Board shall set in place, establish and oversee a sound Enterprise Risk Management (ERM) framework to effectively identify, monitor, assess and manage key business risks.
- 2.12 The Board shall likewise establish and formulate a Board Charter that will state, formalize and define its roles, responsibilities and accountabilities in carrying out fiduciary duties. The Board Charter shall guide the directors in the performance of their functions and should be publicly available and posted on the Company's website.

PRINCIPLE 3: ESTABLISHING BOARD COMMITTEES

Board Committees are set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns. Each committee shall have its respective Committee Charter.

3.1 There shall establish committees within the Board such as (a) Audit Committee (AC), (b) Corporate Governance Committee (CGC), © Board Risk Oversight Committee (BROC) and (d) **Related Party Transaction** Committee (RPTC) to support the Board in the effective performance of its functions. The establishment of the BROC and RPTC shall be duly assessed and evaluated by the Board depending on the

Corporation's size, risk profile, complexity of operations and its necessity.

- 3.2 The Audit Committee shall have oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The Committee shall be composed of at least three (3) appropriately qualified non-executive directors, preferably majority of whom are independent. All members must have relevant background, knowledge and experience in areas of accounting, finance and audit. The Chairman of the Audit Committee shall not be chairman of any other committees or the Board.
- 3.3 The Corporate Governance Committee shall have the responsibility in assisting the Board in the performance of and compliance with corporate governance responsibilities including the functions that formerly belongs to Nominations and Remuneration Committee. The Committee shall be composed of at least three (3) members, all of whom preferably independent directors, including the Chairperson.
- 3.4 Subject to the assessment and approval of the Board on its establishment depending on Corporation's size, risk profile and complexity of operations, the Board Risk Oversight Committee (BROC) shall be responsible for the oversight of the Corporation's Enterprise Risk Management system to

ensure its functionality and effectiveness. The BROC shall be composed of at least three (3) members, majority of whom shall be independent directors, including the Chairman. The Chairman shall not be a Chairman of the Board or of any other committee. At least one member of the committee must have relevant knowledge and/or experience on risk and risk management.

- 3.5 Subject to the assessment and approval of the Board on its establishment depending on Corporation's size, risk profile and complexity of operations, the Related Party Transaction (RPT) Committee shall be primarily tasked to review all material related party transactions of the Corporation. The RPTC shall be composed of at least three (3) non-executive directors, two of whom shall be independent directors including the Chairman.
- 3.6 All established committee shall have their respective Committee Charters stating in plain terms their purpose, memberships, structures, operations, reporting processes, resources and other relevant information. Each Charter shall include and provide standards for evaluating the performance of the Committees and shall be fully disclosed in the Corporation's website.

PRINCIPLE 4: FOSTERING COMMITMENT

The directors must devote time and attention necessary to properly and effectively perform their duties and responsibilities in order to show their commitment to the Corporation and to be familiar with the Corporation's business.

- 4.1 The directors shall attend and actively participate in all meetings of the Board, Committees and Shareholders in person in a manner acceptable to the Corporation in accordance with the rule of the Commission except on justifiable causes. It shall be the duty of the directors to review meeting materials and if called for, ask necessary relevant questions or clarifications and explanation.
- 4.2 The non-executive directors may concurrently serve as directors of other publiclylisted companies (PLC) up to a maximum number of five (5) PLCs to ensure sufficient time to prepare and attend meetings and fully oversee and monitor its long term strategy.
- 4.3 It is incumbent upon each director to notify the Board before accepting a directorship in other Corporation.

PRINCIPLE 5:

REINFORCING BOARD

The Board should endeavor at all times to exercise an objective and independent judgment on all corporate affairs.

- 5.1 The Board shall have at least three (3) independent directors or such number as to constitute at least one-third of the members of the Board, whichever is higher.
- 5.2 The Board shall ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.
- 5.3 Independent directors shall serve for a maximum cumulative term of nine years. After serving the maximum term, the director shall be perpetually barred from re-election as independent director of the Corporation. In the event, the Corporation decides to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual stockholders' meeting.
- 5.4 The Chairman of the Board as well as the Chief Executive Officer shall be held separately by individuals with their respective roles and responsibilities clearly defined.
- 5.5 The Board shall designate a "lead director" among the independent directors if the Chairman of the Board is not independent and in cases where the Chairman and the CEO are held by one person.
- 5.6 The director with a material interest in any transaction affecting the Corporation shall abstain from taking part in the deliberations of the transaction or corporate affair.

5.7 The non-executive directors shall have separate meetings with the external auditor and heads of internal audit, compliance and risk functions, without any executive directors present to ensure proper checks and balances within the Corporation. The lead independent director shall chair the meetings.

PRINCIPLE 6: ASSESSING BOARD PERFORMANCE

The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

- 6.1 The Board shall conduct an annual self-assessment of its performance including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment should be supported by an external facilitator.
- 6.2 The Board shall establish a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system that will allow feedback mechanism from the shareholders.

PRINCIPLE 7: STRENGTHENING BOARD ETHICS

Members of the Board are dutybound to apply high ethical standards, taking into account the interests of all stakeholders.

- 7.1 The Board shall adopt a Code of Business Conduct and Ethics which shall provide and set the standards for professional and ethical behavior, as well as regulate and define acceptable conducts and practices in internal and external dealings. The Code shall be disclosed and made available to the public through the Corporation's website.
- 7.2 The Board shall monitor proper and efficient implementation and compliance with the Code of Business Ethics and internal policies.

DISCLOSURE AND TRANSPARENCY

PRINCIPLE 8: ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

The Corporation should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

- 8.1 The Board shall establish corporate disclosure policies and procedures to ensure comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of the Corporation's financial condition, results and business operations.
- 8.2 The Company should have a policy requiring all directors and officers to disclose/report

to the company any dealings in the company's shares by the said directors and officers within five (5) business days.

- 8.3 The company's corporate governance policies, programs and procedures should be contained in its Manual on Corporate Governance, which should be submitted to the Commission and posted on the company's website..
- 8.4 The company should disclose all relevant information on its corporate governance policies and practices in the Annual Corporate Governance Report, which should be which should be submitted to the Commission, and continuously updated and posted on the company's website.
- 8.5 Policies on Related Party Transactions and other unusual or infrequently occurring transaction shall be disclosed in their Manual on Corporate Governance while the material or significant RPTs which were reviewed and approved during the year shall be disclosed in the Annual Corporate Governance Report.
- 8.6 There shall be a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. An independent third party shall be engaged to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

8.7 Corporate Governance policies, programs and procedures of the Corporation should be contained in its Code on Corporate Governance, which should be submitted to the regulators and posted on the Corporation's website.

PRINCIPLE 9: STRENGTHENING THE EXTERNAL AUDITOR'S INDEPENDENCE AND

IMPROVING AUDIT QUALITY

The Corporation shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

- 9.1 The Audit Committee shall establish a process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures.
- 9.2 The Audit Committee Charter shall include the Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity

and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter should also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.

9.3 There shall be a disclosure on the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.

PRINCIPLE 10: INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

The Corporation shall ensure that the material and reportable nonfinancial and sustainability issues are disclosed.

10.1 The Board should have a clear and focused policy on the disclosure of nonfinancial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. Companies should adopt a globally recognized standard/ framework in reporting sustainability and non-financial issues.

PRINCIPLE 11:

PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

The Corporation shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

11.1 The company should have a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.

INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS

PRINCIPLE 12:

STRENGTHENING THE INTERNAL CONTROL SYSTEM AND ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Corporation shall have a strong and effective internal control system and enterprise risk management framework to ensure the integrity, transparency and proper governance in the conducts of its business and affairs.

12.1 Subject to the assessment and approval of the Board as it may deem necessary taking into consideration the Corporation's size, risk profile and complexity of operations, the Corporation shall have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business.

- 12.2 The Board shall set in place an independent internal audit function for the Corporation that will provide an independent and objective assurance, and consulting services designed to add value and improve the Corporation's operations.
- 12.3 Subject to a company's size, risk profile and complexity of operations upon assessment and approval by the Board, the Corporation shall have a qualified Chief Audit Executive (CAE) appointed by the Board to oversee for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.
- 12.4 Subject to its size, risk profile and complexity of operations upon assessment and approval by the Board, the Corporation shall have a separate risk management function to identify, assess and monitor key risk exposures.
- 12.5 In managing the company's Risk Management System, the company should have a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations.

PRINCIPLE 13:

CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

The Corporation shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

- 13.1 The Board shall ensure that basic shareholder rights are disclosed in the Manual on Corporate Governance and on the Corporation's website.
- 13.2 The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.
- 13.3 The Board shall encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting should be available on the Corporation's website within five business days from the end of the meeting.
- 13.4 The Board shall make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. This shall be included in the Corporation's Manual on Corporate Governance.

13.5 The Board should establish an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. The IRO should be present at every shareholders' meeting.

DUTIES TO STAKEHOLDERS

PRINCIPLE 14: RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDERS RIGHTS

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. The stakeholders shall have the opportunity to obtain prompt effective redress for the violation of their rights.

- 14.1 The Board shall identify the Corporation's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability.
- 14.2 The Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.
- 14.3 The Board shall adopt a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.

PRINCIPLE 15: ENCOURAGING EMPLOYEES' PARTICIPATION

A mechanism for employee participation shall be developed to create a symbiotic environment, realize the Corporation's goals and participate in its corporate governance processes.

- 15.1 The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Corporation's goals and in its governance.
- 15.2 The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Further, the Board should disseminate the policy and program to employees across the organization through trainings to embed them in the Corporation's culture.
- 15.3 The Board shall establish a suitable framework for whistle blowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistle blowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

PRINCIPLE 16: ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Corporation shall be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

16.1 The Corporation recognizes and places importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Corporation to grow its business, while contributing to the advancement of the society where it operates.

EFFECTIVITY

This Code of Corporate Governance is approved and adopted this 30th day of July 2020 by the Board of Directors. It supersedes the previous Code on Corporate Governance that was approved and adopted by the Corporation on 30 May 2017.

Signed:

DENNIS A. UY Chairman of the Board

SOCORRO ERMAC CABREROS Acting Compliance Officer

FINANCIAL Statements

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2022 and 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 Group'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 Group or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group'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.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Sgd. **DENNIS A. UY** Chairman of the Board

Sgd. HENRY ALBERT R. FADULLON President & Chief Executive Officer

Sgd. IGNACIA S. BRAGA IV OIC-Chief Financial Officer

Signed this 17th day of August 2023





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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders P-H-O-E-N-I-X Petroleum Philippines, Inc. and Subsidiaries Stella Hizon Reyes Road, Barrio Pampanga, Davao City

Opinion

We have audited the consolidated financial statements of P-H-O-E-N-I-X Petroleum Philippines, Inc. and subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years in the period ended December 31, 2022, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the *Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 to the consolidated financial statements, which describes management's assessment of the impact of the Russia-Ukraine Conflict on the Group's business, continuing impact on the Group's consolidated financial statements of the business disruption brought by the COVID-19 pandemic, and the increasing liquidity risk arising from the Group's high debt-leveraged status. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

(a) Revenue Recognition

Description of the Matter

The Group's revenue is primarily generated from the sale of goods [fuels, liquefied petroleum gas (LPG), lubricants and other petroleum products], which is recognized as revenue as the goods are delivered. The Group's total revenue for the year ended December 31, 2022 amounted to ₱127,551.5 million, of which, ₱125,404.3 million or 98.3% pertains to sale of goods.

The Group focuses on revenue as a key performance measure, which could create an incentive for management to overstate revenues, particularly from sale of goods. In our view, revenue recognition is a key audit matter due to its significance to profit and high volume of revenue transactions. Relative to this, we consider that there is a higher risk associated with revenue occurrence and appropriate recognition of sales in the correct accounting period.

The Group's revenue recognition policy and disaggregation of revenues are disclosed in Notes 2 and 24, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition included, among others, the following:

- Updating our understanding of the Group's revenue recognition policy and procedures;
- Testing the operating effectiveness of internal controls, including information technology general and application controls, related to revenue recognition process;
- Reviewing the existing contracts with customers and evaluating the appropriateness of the Group's revenue recognition policies and application in accordance with PFRS 15, *Revenue from Contracts with Customers;*
- Performing sales cut-off procedures immediately before and after the year-end by examining the sales invoices as evidence of delivery to ensure that revenue was recognized in the correct period;
- Performing detailed revenue transaction testing by agreeing sample revenue items to supporting documents, including sales invoices, contracts and third party correspondence; and,
- Performing substantive analytical review procedures over revenues such as, but not limited to, yearly and monthly analyses of revenues, verifying validity of the underlying data used in the analyses, and following up variances from our expectations.

(b) Impairment of Goodwill

Description of the Matter

The Group has recognized goodwill amounting to ₱4,412.0 million (net of allowance for impairment of ₱220.4 million) as of December 31, 2022. Under Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, the Group is required to annually test the amount of its goodwill for impairment. The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of management process in assessing the recoverability of goodwill. In addition, the assumptions used in determining the cash-generating units (CGUs) where the goodwill is allocated and estimating the recoverable amount involves significant judgment. The recoverable amount of the CGUs has been computed using discounted cash flows method. This valuation method uses several key assumptions, including estimation of future sales volume and prices, operating costs, terminal value, growth rates and discount rates.

The Group's disclosures about Goodwill and the policy are included in Notes 15 and 2, respectively.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to goodwill included, among others, the following:

- Involving our own valuation specialist to assist in evaluating the appropriateness of assumptions used in estimating the recoverable amount of CGUs;
- Evaluating the appropriateness of assumptions and methodologies used by the management, in particular, those relating to the estimates of future sales volume and prices, and operating costs as well as the discount rates used; and,
- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgments.

(c) Evaluation on Impairment of Investments in Joint Ventures, Property, Plant and Equipment, Investment Properties, and Right-of-Use Assets

Description of the Matter

In view of the continuing impact of COVID-19 pandemic, most health and safety restrictions have been relaxed and businesses have re-opened as of the end of 2022. However, just when the economic restrictions relaxes and recovery was on its way, in early 2022, the escalating geopolitical tensions in Europe caused an unprecedented increase in fuel prices that hit oil-exporting developing countries like the Philippines. Due to this, the Group's operations were significantly affected by lower fuel consumption of airlines, shipping lines, land transportation, and among others which resulted in a net loss of ₱5,620.6 million and ₱885.6 million in 2022 and 2021, respectively. These events and conditions are possible impairment indicators requiring evaluation of possible impairment of investments in joint ventures, property, plant and equipment, investment properties, and right-of-use assets, which involves judgment, estimation and assumptions on future operating results and cash flows, such as sales volume and prices, and the determination of a suitable discount rate to calculate the present value of those cash flows.

In addition, because of the lingering effects of the pandemic and geopolitical tensions, there is higher uncertainty on the future economic outlook and market outlook of the Group. Accordingly, evaluation on impairment of investments in joint ventures, property, plant and equipment, investment properties, and right-of-use assets with carrying values as of December 31, 2022 of ₱1,644.9 million, ₱32,797.1 million, ₱913.6 million, and ₱1,191.1 million, respectively, is a key audit matter.

The disclosures in relation to management's assessment of impairment of investments in joint ventures, property, plant and equipment, and right-of-use assets are included in Note 3.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of possible impairment of investments in joint ventures, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill included, among others, the following:

- Reviewing management's assessment of possible indicators of impairment on investments in joint ventures, property, plant and equipment, investment properties, and right-of-use assets in accordance with the requirements of PAS 36;
- Evaluating the appropriateness and reasonableness of assumptions used in estimating recoverable amounts of non-financial assets, such as projected cash flows, discount rates and length of forecast period;
- · Comparing key assumptions against industry forecasts and with historical information; and,
- Reviewing the appropriateness of the Group's disclosures on impairment assessment of investments in joint ventures, property, plant and equipment, investment properties, and right-of-use assets.

(d) Prior Period Reclassification and Impairment of Advances to Supplier

Description of the Matter

In 2022, the Group made prior period adjustments that resulted in retrospective restatements of certain accounts in the 2021 and 2020 comparative consolidated statements of financial position and 2021 and 2020 comparative consolidated statements of financial position and 2021 and 2020 comparative consolidated statements of comprehensive income. These adjustments include reclassification to Trade and Other Receivables account of advances to certain supplier amounting to ₱3,209.7 million, which was previously recognized as deduction from the Trade and Other Payables account. The error occurred in 2017 when the Group erroneously classified advances to a certain supplier as part of Goods receipt/invoice receipt (GRIR), a clearing account, under Trade and Payables account, which was only identified in 2022 when the GRIR account resulted in a debit balance. Upon further investigation and review of management, the account was identified to be impaired since 2017 due to the winding down of the supplier's business. Accordingly, allowance for impairment on the full amount of the advances was recognized as of January 1, 2020, which is the beginning of the earliest period presented. The amount of the prior period error constitutes 17.1% of the balance of the Trade and Other Receivables account of ₱18,718.9 million as of December 31, 2022.

The disclosures on the nature of the prior period adjustments and the analysis of the impact on the affected accounts in the Group's consolidated financial statements are included in Note 2.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the prior period reclassification and impairment of advances to supplier included, among others, the following:

- Obtaining an understanding of the nature and root cause of the prior period adjustments;
- Performing detailed transaction testing by agreeing sample advances transactions to supporting documents, including supplier's credit memo, bank statements and third party correspondence to ascertain appropriateness of the adjustments;
- Reviewing management's assessment on the recoverability of the advances to evaluate the appropriateness of the allowance for impairment; and,
- Evaluating the adequacy of the financial statement disclosures.

(e) Going Concern Assessment

Description of the Matter

The Group incurred a net loss of ₱3,213.3 million for the year ended December 31, 2022 and reported a deficit of ₱1,544.7 million as of December 31, 2022. In our view, the management's assessment of the going concern basis of accounting is a key audit matter due to the following factors:

- Despite the easing of restrictions, most of the businesses are still recuperating from the adverse impact of the COVID-19 pandemic and are yet to resume pre-pandemic level of operations; and,
- The Group is highly debt-leveraged, which exposes the Group to increasing liquidity risk.

In consideration of the above, the management's assessment in determining whether a material uncertainty exists on the Group's ability to continue as a going concern entity involves complex judgment and high degree of estimation uncertainty. The management's assessment includes, among others, financial forecasts and cash flow projections to determine the Group's ability to operate profitably in the subsequent reporting periods and generate sufficient cash flows to service debts and fund its operations.

Taking into account the sensitivity analyses performed by the management, the Group has concluded that there are no material uncertainties around the going concern assumptions. The disclosures on the going concern assessment are included in Note 1 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risks related to the Group's ability to continue as a going concern included the following:

- Evaluating the appropriateness and sufficiency of management's going concern assessment, taking into consideration the current business environment and the Group's recovery and response plans;
- Evaluating key assumptions used by management by reference to historical information, after consideration
 of the actions undertaken and planned strategies of management in relation to the Group's operating and
 financing activities;
- Reviewing relevant documents and agreements supporting the transactions entered into by the Group as of the date of the audit report in relation to its recovery plans; and,
- Assessed the adequacy of the related disclosures in the notes to consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, which are expected to be made available to us after the date of the auditors' report, for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audits resulting in this independent auditors' report is Ramilito L. Nañola.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola Parther

> CPA Reg. No. 0090741 TIN 109-228-427 PTR No. 9566640, January 3, 2023, Makati City SEC Group A Accreditation Partner - No. 90741-SEC (until financial period 2025) Firm - No. 0002 (until Dec. 31, 2024) BIR AN 08-002511-019-2020 (until Dec. 21, 2023) Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

August 16, 2023

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021 (With Corresponding Figures as of January 1, 2021) (Amounts in Philippine Pesos)

ΑSSETS	Notes		December 31, 2022		December 31, 2021 (As Restated - see Note 2)		January 1, 2021 (As Restated - see Note 2)
CURRENT ASSETS							
Cash and cash equivalents	6	₽	4,180,736,772	₽	4,903,236,346	₽	P 5,788,390,677
Trade and other receivables - net	7		18,718,914,355		18,465,175,812		17,514,071,043
Inventories	8		1,448,973,140		5,099,866,600		5,109,202,043
Due from related parties - net	30		2,861,779		2,949,357		30,903,191
Restricted deposits	9		78,069,076		77,399,689		-
Input value-added tax - net Derivative financial assets	2 22		3,951,612,713		3,994,411,784		2,762,965,882
Prepayments and other current assets	10		96,513,941 2,896,265,261		- 2,477,687,008		- 2,536,270,438
Prepayments and other current assets	10		31,373,947,037		35,020,726,596		33,741,803,274
Non-current asset classified as held for disposal	l 18		675,697,000		79,116,467		197,783,908
Total Current Assets	1 10		32,049,644,037		35,099,843,063		33,939,587,182
NON-CURRENT ASSETS			52,045,044,057		33,033,043,003		33,333,307,102
Property, plant and equipment - net	11		32,797,051,654		33,914,517,315		32,707,550,060
Right-of-use assets - net	12		1,191,123,363		1,243,236,713		1,049,422,173
Investment properties - net	16		913,579,640		687,151,965		595,990,275
Intangible assets - net	13		142,330,029		238,152,265		278,730,290
Investments in joint ventures	14		1,644,897,326		1,763,313,036		1,635,399,566
Goodwill - net	15		4,412,034,206		4,632,397,418		4,632,397,418
Deferred tax assets - net	29		1,930,281,336		1,016,669,281		494,377,468
Other non-current assets	17		10,711,046,222		7,343,694,173		7,795,489,101
Total Non-current Assets			53,742,343,776		50,839,132,166		49,189,356,351
TOTAL ASSETS		₽	85,791,987,813	₽	85,938,975,229	₽	83,128,943,533
LIABILITIES AND EQUITY							
CURRENT LIABILITIES	10	₽	20 207 700 766	₽	24 620 577 067	₽	20.004100 527
Interest-bearing loans and borrowings Trade and other payables	19 21	۲	29,203,788,366 19,285,458,425	₽	24,628,533,067 18,902,836,720	₽	29,804,188,527 12,337,205,260
Derivative financial liabilities	21		19,203,430,423		82,524,602		623,144,735
Lease liabilities	12		91,730,809		104,937,775		156,944,704
Income tax payable	12		97,093,775		-		56,610,267
Total Current Liabilities			48,678,071,375		43,718,832,164		42,978,093,493
NON-CURRENT LIABILITIES					10)/ 10)002)10 1		12,070,000,100
Interest-bearing loans and borrowings	19		19,624,220,044		21,508,069,843		18,439,188,606
Lease liabilities	12		1,259,611,713		1,274,583,335		1,108,272,143
Deferred tax liabilities - net	29		903,747,130		897,008,654		1,037,668,417
Other non-current liabilities	23		1,246,405,687		1,378,676,540		1,302,616,194
Total Non-current Liabilities			23,033,984,574		25,058,338,372		21,887,745,360
Total Liabilities			71,712,055,949		68,777,170,536		64,865,838,853
EQUITY	31						
Equity attributable to parent company							
Capital stock			1,456,716,332		1,456,415,332		1,453,477,232
Additional paid-in capita			10,886,771,041		10,884,918,470		10,862,198,461
Revaluation reserves			3,001,315,167		2,362,007,585		1,992,470,928
Retained earnings (deficit)		(1,544,703,677)		2,446,061,808		3,917,527,774
Non controlling interacts			13,800,098,863		17,149,403,195		18,225,674,395
Non-controlling interests Total Equity			<u>279,833,001</u> 14,079,931,864		12,401,498		37,430,285
			14,073,331,004		17,101,004,093		10,203,104,080
TOTAL LIABILITIES AND EQUITY		₽	85,791,987,813	₽	85,938,975,229	₽	83,128,943,533

For further notes and discussions, see the Audited FS Report on the Phoenix website.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020 (Amounts in Philippine Pesos)

REVENUES	Notes	2022	2021 (As Restated - see Note 2)	2020 (As Restated - see Note 2)
Sale of goods Fuel service and other revenues Rent income	24 24, 34 23, 34	 ₱ 125,404,250,781 1,941,388,786 205,889,621 127,551,529,188 	 ₱ 130,550,876,447 1,521,960,220 183,992,753 132,256,829,420 	 ₱ 76,771,358,402 1,398,596,723 129,555,791 78,299,510,916
COST AND EXPENSES Cost of sales and services Selling and administrative expenses Impairment losses on non-financial assets Impairment losses on financial assets	24 25 25 25	121,864,541,352 6,080,113,909 461,396,426 186,211,232 128,592,262,919	124,647,975,929 5,681,264,601 - - 130,329,240,530	70,914,083,897 5,726,278,521 - 82,210,745 76,722,573,163
OTHER CHARGES (INCOME) Finance costs Finance income Fair value gains on investment properties Equity share in net loss (income) of joint ventures Others - net	26 26 16 14 7, 18, 27	3,252,045,606 (136,744,758) (119,011,357) 92,809,946 - - 3,089,099,437	3,721,024,169 (79,062,813) (86,838,000) (19,861,739) 790,618 3,536,052,235	2,060,622,589 (359,793,768) (42,779,542) (94,862,696) (131,406,532) 1,431,780,051
PROFIT (LOSS) BEFORE TAX		(4,129,833,168)	(1,608,463,345)	145,157,702
TAX INCOME	29	916,569,234	722,851,705	238,631,364_
NET PROFIT (LOSS)		<u>(₱ 3,213,263,934)</u>	(₱ 885,611,640)	₱ 383,789,066
NET PROFIT (LOSS) ATTRIBUTABLE TO: Parent company Non-controlling interests		(₱ 3,281,663,780) 68,399,846 (₱ 3,213,263,934)	(₱ 881,979,485) (<u>3,632,155)</u> (₱ 885,611,640)	 ₽ 422,807,676 (39,018,610) ₽ 383,789,066
OTHER COMPREHENSIVE INCOME (LOSS) Item that will be reclassified subsequently to profit or los Translation adjustment related to foreign subsidiaries	ss 2	₽ 280,256,183	₱ 1,435,082	(₱ 87,219,875)
Items that will not be reclassified subsequently to profit or loss Gain on revaluation of land Remeasurements of post-employment defined benefit obligation Tax expense	11 27 29	474,602,884 93,376,437 (141,994,830)	445,022,305 17,250,952 (115,568,314)	1,194,480,257 (63,984,467) (339,148,737)
Other Comprehensive Income - net of tax		425,984,491 706,240,674	346,704,943 348,140,025	791,347,053 704,127,178
TOTAL COMPREHENSIVE INCOME (LOSS)		<u>(₱ 2,507,023,260)</u>	(₱ 537,471,615)	₱ 1,087,916,244
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: Parent company Non-controlling interests		(₱ 2,642,356,198) 135,332,938 (₱ 2,507,023,260)	(₱ 512,442,828) (25,028,787) (₱ 537,471,615)	₱ 1,127,216,329 (39,300,085) ₱ 1,087,916,244
Basic Earnings (Loss) per share	32	(₱ 2.69)	(₱ 1.02)	₱ 0.02
Diluted Earnings (Loss) per share	32	(₱ 2.69)	(₱ 1.02)	₽ 0.02

For further notes and discussions, see the Audited FS Report on the Phoenix website.

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES	
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020 (Amounts in Philippine Pesos)

Preferred Treasury Stock- A Costr Tenanon A dditional A dditio		,			Capital Stock								
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		Notes	Preferred Stock	Preferred Treasury Stock - At Cost	Common Stock	Common Treasury Stock - At Cost	Total	Additional Paid-in Capital	Revaluation Reserves	Retained Earnings (Deficit)	Total Equity Attributable to the Shareholders of Parent Company	Non-controlling Interests	Total Equity
Ite vet 2450000 (p 100000 14135.32 $10664.918.70$ 232.007365 sist for the vet 3 3 301000 182.57 232.007325 sist for the vet 3 301000 182.57 232.007325 sist for the vet 301000 182.57 333.07325 633.307325 sist statistication 24500.000 p $14438.77.22$ p $1636.2706.400.266$ p in a subsidiary 24500.000 p $1438.377.22$ p $1636.207.664$ p in a subsidiary 24500.000 p $1438.377.22$ p p $1632.307.625$ in a subsidiary 24500.000 p $1438.377.22$ p $1086.2.709.64$ p $992.470.265$ in a subsidiary 224500.000 p $1438.377.22$ p $1086.2.709.64$ p $992.470.265$ in a subsidiary 224500.000 p $1438.377.22$ p p $1636.477.22$ p $192.470.266$ p $292.470.266$ p $292.470.266$	uary 1, 2022 usly reported ° adiustments	2		(₱ 10,000,000) -		• ·	₱ 1,456,415,332 -	₱ 10,884,918,470 -		5,763,700,576 3,317,638,768) 	₱ 20,467,041,963 (3.317,638,768)	₱ 12,401,498 -	₱ 20,479,443,461 (3.317,638,768)
Interview 31 . 30,000 182,51 . 30,000 182,51 . <th.< th=""> . <th< td=""><td>ed ith owners:</td><td>I</td><td>24,500,000</td><td>(₱ 10,000,000)</td><td>1,441,915,332</td><td>•</td><td>1,456,415,332</td><td>10,884,918,470</td><td>2,362,007,585</td><td>2,446,061,808</td><td>17,149,403,195</td><td>12,401,498</td><td>17,161,804,693</td></th<></th.<>	ed ith owners:	I	24,500,000	(₱ 10,000,000)	1,441,915,332	•	1,456,415,332	10,884,918,470	2,362,007,585	2,446,061,808	17,149,403,195	12,401,498	17,161,804,693
isol for the year: 	and the sear of th	31	1 1		301,000		301,000	- 1,852,571		(576,559,250) (443,890)	(576,559,250) 1,709,681		(576,559,250) 1,709,681
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	ensive income (loss) for the year: : (loss) typrehensive income	· ·							- 639,307,582	(3,281,663,780) -	(3,281,663,780) 639,307,582	68,399,846 66,933,092	<pre>(3,213,263,934) 706,240,674</pre>
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	er aup mucereasa m a autaurar y ot result in a loss of control ember 31, 2022		P 24,500,000		P 1,442,216,332		P 1,456,716,332	- P 10,886,771,041		(132,098,565) (P 1,544,703,677)	(132,098,565) P 13,800,098,863	(132,098,565) P 279,833,001	- P 14,079,931,864
24,500,000 (10,000,000) 1,438,977,232 - 1,453,477,232 1,086,198,461 1,992,470,928 the year 31 - - 2,938,100 - 2,938,100 2,2720,009 - - oss) for the year 37 - - 2,938,100 - 2,938,100 2,2720,009 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - - 369,536,67 - - 369,536,67 - - - 369,536,67 - - - 369,5	lary 1, 2021 Isly reported adiustments	2		(P 10,000,000) -		• •	P 1,453,477,232 -	10,862,198,461		6,815,756,881	21,123,903,502 (2,898,229,107)	P 37,430,285 -	21,161,333,787 288,229,107)
the year $\frac{31}{27}$ the year. The year $\frac{31}{27}$ the year $\frac{31}{27$		I	24,500,000	(10,000,000)	1,438,977,232	•	1,453,477,232	10,862,198,461	1,992,470,928	3,917,527,774	18,225,674,395	37,430,285	18,263,104,680
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	th owners. ends f f shares during the year mpensation	31 31 27			- 2,938,100 -		- 2,938,100 -	- 22,720,009 -		(589,335,769) (3,251,311) 3,100,599	(589,335,769) 22,406,798 3,100,599		(589,335,769) 22,406,798 3,100,599
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	nsive income (loss) for the year. prehensive income (loss)								- 369,536,657	(881,979,485) -	(881,979,485) 369,536,657	(3,632,155) (21,396,632)	(885,611,640) 348,140,025
P 37,000,000 (p 1,000,000 (p 1,437,204,232 (p 344,300,000 (p 1,119,904,232 (p 1,119,904,232 (p 1,288,062,275 (p 1,288,062,275 (p 1,288,062,275 (p (p) (p (p	mber 31, 2021					e-	P 1,456,415,332	P 10,884,918,470	P 2,362,007,585	P 2,446,061,808	P 17,149,403,195	P 12,401,498	P17,161,804,693
37,000,000 (10,000,000) 1,437,204,233 (19,34,300,000) 1,119,904,232 1,2042,788,045 1,288,062,275 Ing the year 31 - - 1,773,000 - 1,773,000 13,710,416 - </td <td>ary 1, 2020 Ily reported diversiones</td> <td>c</td> <td></td> <td>(₱ 10,000,000)</td> <td></td> <td>(₱ 344,300,000)</td> <td></td> <td>₱12,042,788,045</td> <td></td> <td>₱ 7,395,270,327 73 210 457660</td> <td>₱ 21,846,024,879</td> <td>₱ 76,730,370</td> <td>₱ 21,922,755,249</td>	ary 1, 2020 Ily reported diversiones	c		(₱ 10,000,000)		(₱ 344,300,000)		₱12,042,788,045		₱ 7,395,270,327 73 210 457660	₱ 21,846,024,879	₱ 76,730,370	₱ 21,922,755,249
31 <		4	37,000,000	(10,000,000)	1,437,204,232	(₱ 344,300,000)	1,119,904,232	12,042,788,045	1,288,062,275	4,175,812,658	18,626,567,210	76,730,370	18,703,297,580
• • • • 704,408,653 • • • • • 704,408,653 • • • • • 704,408,653 • • • • • 1,453,477,222 • • 704,408,653	n owners: ands : shares during the year of shares during the year sury shares mpensation	31 31 31 27	- - (12,500,000) -		- - - -	- - 344,300,000 -	- 1,773,000 (12,500,000) 344,300,000	- 13,710,416 (1,237,500,000) 43,200,000		(683,341,723) (5,412,777) - 7,661,940	 (683,341,723) 10,070,639 (1,250,000,000) 387,500,000 7,661,940 		 (683,341,723) 10,070,639 (1,250,000,000) 387,500,000 7,661,940
P 24,500,000 (P 10,000,000) P 1,438,977,232 P - P 1,453,477,232 P 10,862,198,461 P 1,922,470,928	nsive income for the year: noreheneive income								- 704 408 653	422,807,676	422,807,676 704 408 653	(39,018,610) (281,475)	383,789,066 704127178
	ember 31, 2020		P 24,500,000	(P 10,000,000)	P 1,438,977,232	e	P 1,453,477,232	P 10,862,198,461	P 1,992,470,928	P 3,917,527,774	P 18,225,674,395	P 37,430,285	P 18,263,104,680

For further notes and discussions, see the Audited FS Report on the Phoenix website.

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2020

2021

P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES **CONSOLIDATED STATEMENTS OF CASH FLOWS**

FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020 (Amounts in Philippine Pesos)

	Notes		2022		2021 (As Restated - see Note 2)		2020 (As Restated - see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES					<u> </u>		
Profit (loss) before tax		(₽	4,129,833,168)	(₱	1,608,463,345)	₽	145,157,702
Adjustments for:	26		1 017 052 270		2 205 0 42 000		1040005 676
Interest expense on bank loans and other borrowings Depreciation and amortization	26 25		1,817,952,279 1,559,505,019		2,265,042,096 1,339,959,556		1,849,005,676 1,374,341,866
Finance cost due to extended inventory settlement	26		961,874,854		946,210,274		-
Unrealized foreign exchange currency loss (gain) - net			601,841,271	(90,648,643)		6,018,831
Impairment losses on non-financial assets	25		461,396,426		-		-
Impairment losses on financial assets	25		186,211,232		-		82,210,745
Fair value gains on investment properties	16	(119,011,357)	(86,838,000)	(42,779,542)
Interest expense from lease liabilities Equity share in net loss (income) of joint ventures	26 14		106,414,221 92,809,946	(89,684,407 19,861,739)	(183,607,680 94,862,696)
Interest income	26	(76,579,428)	(78.191.835)	(78,752,622)
Fair value gain on financial liabilities at fair value through	20	`	70,373,4207	(/0,101,000/	(70,752,022)
profit or loss	22	(60,148,126)	(870,978)	(262,796,899)
Provision for loss on lost cylinders	11		-		50,474,762		42,528,021
Loss on retirement of property, plant and equipment	11		-		25,374,852		-
Gain on termination of right-of-use assets	12		-		17,871,388	(3,426,114)
Employee share options	27 18		-		3,100,599		7,661,940
Loss on non-current asset classified as held for disposal Gain on disposal of property, plant and equipment	18				286,428		- 14,093,822
Operating profit before working capital changes			1,402,433,169		2,853,129,822		3,222,008,410
Increase in trade and other receivables		(428,928,353)	(967,683,229)	(1,622,362,838)
Decrease in inventories			22,865,331,943		27,424,232,058		25,895,562,904
Decrease (increase) in restricted deposits		(669,387)	(57,755,849)		56,202,661
Decrease (increase) in input value-added tax			42,799,071	(1,231,445,902)	,	142,912,739
Decrease (increase) in prepayments and other current assets		(418,578,254)		58,583,430	(683,987,827)
Decrease (increase) in other non-current assets Increase (decrease) in trade and other payables		(3,367,352,049) 392,860,803		562,602,306 6,565,540,696	(46,122,223 2,716,136,577)
Increase (decrease) in other non-current liabilities		(3,771,008)		276,669,288	C	331,140,744
Cash generated from operations		<u>` </u>	20,484,125,935		35,483,872,620		24,671,462,439
Cash paid for income taxes		(35,205,400)	(112,278,453)	(59,605,034)
Net Cash From Operating Activities			20,448,920,535		35,371,594,167		24,611,857,405
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisitions of property, plant and equipment	11	(588,207,746)	(1,116,431,061)	(3,398,192,198)
Proceeds from disposal of property, plant and equipment			229,869,600	,	-	,	552,321,556
Acquisitions of investment properties Interest received	16	(107,416,318)	(4,323,690) 58,547,995	(285,056,535) 48,663,207
Dividends received from joint ventures	14		76,579,428 27,149,397		22,520,000		12,808,304
Investments in joint ventures	14	(19,837,959)	(140,631,790)	(120,635,538)
Advances to related parties	30	è	11,263,349)	ì	100,053)	Ì	45,286,252)
Collections from related parties	30		10,802,682		27,914,809		15,584,888
Return of investment in a joint venture	14		9,530,830		4,507,149		-
Acquisitions of intangible assets	13	(3,735,523)	(1,549,017)	(14,529,820)
Advances for future subscription Proceeds from disposal of non-current asset classifed	17		-	(459,080,674)	(175,000,000)
as held for disposal	18				57,461,320		-
Net Cash Used in Investing Activities	10	(376,528,958)	(1,551,165,012)	(3,409,322,388)
					· · · ·		<u>_</u>
CASH FLOWS FROM FINANCING ACTIVITIES							
Repayments of interest-bearing loans and borrowings	20	,	23,720,981,873)		57,639,629,168)	(ED 76E 176 617)
and lease liabilities Proceeds from additional interest-bearing loans and borrowings	20 20	(6,840,228,072	(27,433,284,850	C	52,765,176,613) 31,915,354,260
Interest paid	20	(3,337,578,101)	(3,932,310,197)	(2,839,321,018)
Payments of cash dividends	31	ċ	576,559,250)	Ì	589,335,769	Ì	683,341,723)
Redemption of shares of stock	31		-		-	(1,250,000,000)
Proceeds from sale of treasury shares	31		-		-		387,500,000
Proceeds from issuance of shares of stock Net Cash Used in Financing Activities	31	, -	-		22,406,798		10,070,639
Ŭ		(20,794,891,152)	(34,705,583,486)	(25,224,914,455)
NET DECREASE IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(722,499,575)	(885,154,331) 5 799 700 677	(4,022,379,438)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		•	4,903,236,346	₽	5,788,390,677 4,903,236,346	₽	9,810,770,115 5,788,390,677
		<u> </u>	4,180,736,772	<u>_</u>	4,303,230,340	<u>_</u>	3,700,390,077

Supplemental Information on Non-cash Investing and Financing Activities:

Supplemental information on Non-Cash investing and Financing Activities: 1) In 2022, 2021 and 2020, the Group recognized right-of-use assets and lease liabilities both amounting to P69.1 million, P362.6 million and P81.8 million, respectively (see Notes 12 and 20). Further, the Group terminated certain leasehold rights with carrying value of P1.9 million and P245.2 million in 2021 and 2020, respectively (see Note 12). No similar transaction in 2022. 2) Interest payments amounting to P557.8 million, P721.1 million, and P1.83.5 million in 2022, 2021 and 2020, respectively, were capitalized as part of the cost of property, plant and equipment (see Notes 11 and 19). 3) In 2022, the Group transferred certain land with carrying amount of P675.7 million, previously classified as Property, pland and equipment to Non-current Asset Classified as Held for Disposal (see Notes 16 and 18). In 2021 and 2020, the Group transferred certain retail service stations amounting to P83.2 million and P1.97.8 million, respectively, which was previously classified as Non-current Asset Classified as Held for Disposal (see Notes 16 and 18). In 2021 and 2020, the Group transferred certain retail service stations amounting to P83.2 million and P1.97.8 million, respectively, which was previously classified as Non-current Asset Classified as Held for Disposal (see Notes 16 and 18).

Disposal to Property, Plant and Equipment. 4) The Group availed trust receipts from certain banks to settle its importation of inventories amounting to P19,338.1 million, P27,954.6 million and P18,634.6 million in 2022, 2021 and 2020, respectively (see Notes 8 and 20).

For further notes and discussions, see the Audited FS Report on the Phoenix website.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Comparable discussion on Material Changes in Results of Operations for the Year Ended December 31, 2022 vs. December 31, 2021 (as re-stated).

Revenues, Cost of Sales and Gross Margins

The Group's **Revenues** during the year 2022 decreased to **P**127.552 billion, 3.6% lower compared to the restated **P**132.257 billion generated in 2021. This was mainly due to the 42.3% drop in total volume sold for the comparative years (2022: 2,684.18 million liters vs. 2021: 4,655 million liters) on account of shortfall in working capital. Of the 1,970.82 million liters decline in sales volume, 57.4% or 1,103.29 million liters represented the decrease in volume sold from domestic operations, while 31.7% or 867.53 million liters came from decline in the volume sold by its foreign-based subsidiaries; while the balance of 1,103.29 million liters net decrease or 57.4% is from domestic operations.

The decline in sales volume was partly offset by the rise in selling price as a result of the 141% spike in the price of Dubai crude (benchmark crude of Asian refineries) average (YTD December 2022 vs 2021: US\$96.34/bbl. vs. US\$69.39/bbl.) which drove up the prices of refined petroleum products.

Similarly, **Cost of Sales and Services** decreased by 2.2%, from ₱124.648 billion in 2021 to ₱121.865 billion in 2022, principally attributable to decline on sales volume.

The combined effects of the decline in volume and the increase in fuel price contributed to decline in **Gross** Margin by 25.3% or ₱1.922 billion.

Operating Expenses, Non-operating Expenses, Recurring Income

The Company's **Selling and Administrative Expenses** amounted to ₱6.080 billion, 7% higher than the ₱5.681 billion 2021 level, mainly because of the increase in depreciation expenses and necessary repairs and maintenance expenses during the period. Considering the decline in volume, operating expenses per liter increased to ₱2.35 from ₱1.22.

Meanwhile, the Company recognized various provisions aggregating ₱648 million in 2022, ₱220 million Goodwill impairment, ₱178 million on Non-Current Asset Held for Sale, and ₱63 million on Basketball Franchise.

On the other hand, **Net Non-operating Charges** of ₱3.089 billion was ₱447 million lower than the ₱3.536 billion incurred in 2021. Part of the 12.6% decrease was the ₱469 million decrease in the finance cost due to reduced volume of trade transactions as well as the ₱113 million decrease in the equity share in the JV income as a result of losses incurred, partly offset by the ₱32 million increase in the recognized fair value gains on investment properties and ₱58 million increase in finance income.

Operating, Net and Comprehensive Incomes

Because of the decrease in volume, the 2022 **Operating Income** declined by 154% from 2021 Operating Income of ₱1.928 billion to ₱1.041 billion Operating Loss. With higher operating expenses and the recognition of impairment losses, the Group incurred a **Net Loss After Tax** of ₱3.213 billion in 2022 vis-à-vis the 2021 **Net Loss After Tax** of ₱886 million.

On the other hand, the Company recorded a ₱475 million gain on revaluation of land which was 7% or ₱29 million higher than ₱445 million recorded in 2021. In addition, the remeasurement of the post-employment defined benefit program also resulted in a gain of ₱93 million in 2022, 441% higher than ₱17 million recognized in 2021. Thus, resulting **Comprehensive Loss** was recorded at ₱2.507 billion. This however, was still 366% higher than the ₱537 million reported loss in 2021.

Financial Condition

(As of December 31, 2022 versus December 31, 2021)

Consolidated resources as of December 31, 2022 stood at ₱85.792 billion, .17% lower than ₱85.939 billion level as of December 31, 2021.

Cash and Cash Equivalents decreased by 15% (from ₱4.903 billion in December 31, 2021 to ₱4.181 billion as of December 31, 2022) net of the interest paid, loan availments and repayments and short-term placements.

Trade and Other Receivables increased by 1% (from ₱18.465 billion as of December 31, 2021 to ₱18.719 billion as of December 31, 2022) due to timing in collections.

Inventory was 72% lower at ₱1.449 billion as of December 31, 2022 compared to ₱5.1 billion as of December 31, 2021. This was a result of the Company's inventory management strategies.

Prepayments and Other Current Assets increased by 17% or ₱419 million from ₱2.478 billion in 2021 to ₱2.896 billion in 2022 mainly due to increase in creditable withholding taxes and security deposit of PNX SG.

Non-Current Asset Classified as Held for Sale was 754% higher at ₱676 million as of December 31, 2022, from ₱79 million as of December 31, 2021 coming from reclassification of certain property as Held for Sale.

As of December 30, 2022, the Group's **Property and Equipment**, net of accumulated depreciation, decreased to ₱32.797 billion versus the ₱33.915 billion as of December 31, 2021. The ₱1.117 billion or 3% decline is attributable to depreciation recognized for the period and reclassification of certain property to Non-Current Asset Held for Sale.

Investment Properties was 33% higher at ₱914 million as of December 31, 2022, from ₱687 million as of December 31, 2021. The ₱226 million increase mainly pertained to the market revaluation of the Company's real estate properties in compliance with accounting standards.

Intangible Assets was 40% lower at ₱142 million as of December 31, 2022, from ₱238 million as of December 31, 2021, as a result of normal amortization.

Right of Use assets decreased to ₱1.191 billion as of December 31, 2022 from ₱1.243 billion as of December 31, 2021 resulting from normal depreciation and termination of certain lease agreements.

Investment in Joint Ventures was 7% lower at ₱1.645 billion as of December 31, 2022, from ₱1.763 billion as of December 31, 2021 inclusive of the cumulative increase from the equity share in the JVs' net losses as well as the Company's share in its new Joint Venture Agreements.

Goodwill decreased by 5% or ₱220 million from ₱4.623 billion in 2021 to ₱4.412 billion in 2022 mainly due to impairment of goodwill of Action Able Inc. and Phoenix Family Mart CVS. Inc.

Deferred Tax Asset was 90% higher at ₱1.930 billion as of December 31, 2022, from ₱1.017 billion as of December 31, 2021 coming from reported losses for the year, thereby recognizing Income Tax Benefits.

Other Non-current Assets was 46% higher at ₱10.711 billion as of December 31, 2022, from ₱7.344 billion as of December 31, 2021, due to reclassification of certain advances to suppliers from current assets.

Interest-bearing Loans and Borrowings, both current and non-current of ₱48.828 billion as of December 31, 2022, increased by 6% from ₱46.137 billion as of December 31, 2021, mainly due to new loan availments for the importation of fuel and debt service.

Trade and Other Payables increased by 2% from ₱18.903 billion as of December 31, 2021 to ₱19.285 billion as of December 31, 2022, related to the terms, timing and increased value of purchases of petroleum products.

Lease Liabilities, both current and non-current, decreased by 2% from ₱1.380 billion as of December 31, 2021 to ₱1.351 billion as of December 31, 2022, due to lease payments.

Other Non-Current Liabilities was 10% lower at ₱1.246 billion as of December 31, 2022 vs ₱1.379 billion as of December 31, 2021, coming from reclassification to current portion of Security Deposit and its amortization using the effective interest rate

Total Stockholders' Equity decreased to ₱14.080 billion as of December 31, 2022 from ₱17.162 billion as of December 31, 2021 (by 18%). The increase in Capital Stock and Additional Paid-in Capital is a result of the ESOP availment.

The restatement of prior years saw a reduction of 163% in Retained Earnings which came from the ₱3.213 billion Net Loss realized in 2022, payment of dividends on Preferred shares amounting to ₱0.577. Retained Earnings is net of restatement from prior years as a result of the following: (1) change in the Group's accounting policy to measure the cost of its fuels and by-products and LPG inventories from weighted average cost to first-in first-out (FIFO) method; (2) recognition of previously unrecognized right-of-use assets and lease liabilities from periods 2019 to 2021 for several leases related to store outlets of PFM; (3) accrual of various expenses amounting to ₱106.7 million as of December 31, 2021; and (4) the reclassification to Trade and Other Receivables - net account of advances to certain supplier amounting to ₱3,209.7 million, which was previously recognized as deduction from the Trade and Other Payables account, and recognition of allowance for impairment on the full amount of the advances as of January 1, 2020, which is the beginning of the earliest period presented.

The decline in Retained Earnings is partially offset by the increase in the Revaluation Reserves of ₱0.0639 billion coming from the Other Comprehensive Income component of the Fair Value Gains of certain assets and currency translation of foreign subsidiaries' financials.

Key Performance Indicators and Relevant Ratios

The Group's key performance indicators and relevant ratios and how they are computed are listed below:

	December 31, 2022	December 31, 2021
Current Ratio ¹	0.66x : 1x	0.80x : 1x
Debt to Equity Interest-Bearing ²	3.47x : 1x	2.69x : 1x
Net Book Value per Share ³	₽4.55	₽6.69
Earnings per Share ⁴	(₱2.69)	(₱1.02)

Notes: Formula are based on Philippine Accounting Standards

1 - Total current assets divided by current liabilities

- 2 Interest Bearing Debts divided by Total stockholder's equity
- 3 Total stockholder's equity (net of Preferred) divided by the total number of shares issued and outstanding
- 4 Period or Year Net income after tax divided by weighted average number of outstanding common shares

These key indicators were chosen to provide Management with a measure of the Group's financial strength (Current Ratio and Debt to Equity) and the Group's ability to maximize the value of its stockholders' investment in the Group (Net Book Value Per Share and Earnings Per Share). Likewise, these ratios are used to compare the Group's performance with similar companies.

Material (5% or more) Changes to the Group's Balance Sheet as of December 30, 2022 vs. December 31, 2021

- 15% decrease in Cash and Cash Equivalents Settlement of matured debts, net of new loans availed
- 72% decrease in Inventories Driven by Company's strategic inventory management
- 17% increase in Prepayments and Other Current Assets Attributable to increase in creditable withholding tax and other prepayments
- 33% increase in Investment Properties Due to increase in market revaluation of DUTA and Kaparangan properties
- 40% decrease in Intangible Asset Normal amortization.

- 7% decrease in Investment in Joint Ventures Mainly from Net share on loss from JV
- 90% increase in Deferred Tax Assets Coming from Parent and some subsidiaries reporting losses
- 46% increase in Other Non-current assets Due to reclassification of certain advances to non-current, as not expected to be collected in the next 12 months
- 754% increase in Non-current Assets Classified as Held for Sale Certain properties were reclassed as Held for Sale due to intention of selling in the next 12 months.
- 18% increase in Interest Bearing Loans- Current As certain long-term loans become due in the next 12 months along with the increase in Trust Receipts for the year
- 100% decrease in Derivative Financial Liabilities Related to the forward contracts entered into by PNX SG
- 13% decrease in Lease Liabilities Current Due to the cancellation and re-structuring of certain lease contracts
- 100% increase in Income Tax Payable
 - Net of the offset against creditable withholding taxes allowable for application for subsidiaries reporting net income
- 9% decrease in Interest Bearing Loans- Non-Current Due to reclassification of certain long-term loans to current
- 10% decrease in Non-current liabilities Mainly due to reclassification to current portion of Security Deposit and its amortization using the effective interest rate
- 27% increase in Revaluation Reserves Movements coming from the Other Comprehensive Income items namely translation adjustment, fair value gains net of deferred income tax and retirement benefit obligations
- 163% decrease in Retained Earnings Mainly coming from the Net Loss after tax and the dividends declared and distributed during the year
- 2156% increase in Non-Controlling Interest Mainly due to decrease in equity ownership with PNX SG from 100% to 85% in 2022

Material (5% or more) changes to the Group's Income Statement as of December 30, 2022 vs. December 30, 2021

- 28% increase in fuel service and other revenue
 - Due to increase in service income from third party suppliers and increase contributed by PNX SG's other revenues
- 12% increase in rent income
 - Coming from PPPI's new operating sites and non-fuel related businesses as the ease of mobility increased economic activities

- 7% Increase in Selling and Admin Expenses
 - Driven by the increase in business activities arising from the lifting of the mobility restrictions, as well as higher depreciation expenses, necessary repairs and maintenance expenses and settlement of tax deficiencies and penalties during the period

100% Increase in Impairment Losses

The increase was attributed to the impairment loss recognized for Investment in Subsidiaries (PFM & AAI, Basketball Franchise impairment and certain property under Held for Sale

13% decrease in Finance Costs

Despite the increase in interest rates, finance costs decline due to reduced volume of trade transactions

- 73% Increase in Finance Income Due to Interest Income earned on short-term placements of PNX SG
- 37% increase in Fair Value Gains on Investment Properties Mainly due to increase in market revaluation
- 567% decrease in Equity Share in Net Income of a Joint Venture This is the net share on loss incurred on all the operating Joint Ventures during the year

27% increase in Tax Benefit Due to the Net Loss for the year

- 19429% increase in Translation Adjustments Gain Higher forex movement of foreign denominated subsidiaries resulted in gain on translation adjustment
- 7% increase in Gain in Revaluation of Land (OCI) Related to the gain on the land properties revaluation for the year
- 441% increase in Remeasurement of Post-Employment Benefit Obligation Loss (OCI) The actuarial valuation resulted in net gain on remeasurement

23% increase in Tax Expense (OCI)

Coming from gain in revaluation of land and on remeasurement of post-employment benefit obligation under Other Comprehensive Income (OCI)

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

OTHER INFORMATION

- 1. The Parent Company held its annual stockholders' meeting last 17 June 2022, at the Phoenix Corporate Headquarters in Davao City via remote communications or live streaming.
- 2. The Board of Directors has declared cash dividends for the Company's preferred shares for the year as follows:

4 th Tranche (PNX4)				
Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
Nov. 7, 2022	₱18.92 per share	Nov. 21, 2022	April 27, 2023	₱132,427,750
Aug. 5, 2022	₱18.92 per share	Aug. 19, 2022	Aug. 22, 2022	₱132,427,750
May 5, 2022	₱18.92 per share	May 20, 2022	May 23, 2022	₱132,427,750
Feb. 4, 2022	₱18.92 per share	Feb. 18, 2022	Feb. 22, 2022	₱132,427,750

3nd Tranche PNX3B				
Date Declared	Dividend Rate	Record Date	Payment Date	Total Amount
Sep. 2, 2022	₽2.0270 per share	Sep. 16, 2022	Sep. 19, 2022	₱15,202,500
June 6, 2022	₽2.0283 per share	June 17, 2022	June 21, 2022	₱15,212,250
Mar. 9, 2022	₽2.1846 per share	Mar. 23, 2022	Mar. 25, 2022	₱16,384,500

- 3. As of December 31, 2022, 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 the Group's liquidity in any material way. The decline in Current Ratio and the increase in Debt to Equity Ratio are seen to be temporary and will normalize as the economy gets back to normal. The Group has not been declared in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.
- 4. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Parent Company with unconsolidated entities or other persons created during the reporting period.
- 5. 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 the Parent Company.
- 6. There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Parent Company.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant **P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC.** By:

HENRY ALBERT FADULLON President and Chief Executive Officer

IGNACIA S. BRAGA IV Chief Finance Officer - OIC

KHAREN P. HUSAIN Comptroller

OUR Products

FUELS

RETAIL

Premium 98 Gasoline with Phoenix PULSE Technology Premium 95 Gasoline with Phoenix PULSE Technology Super Regular 91 Gasoline with Phoenix PULSE Technology Biodiesel with Phoenix PULSE Technology

COMMERCIAL AND INDUSTRIAL

Premium 98 Gasoline Premium 95 Gasoline Super Regular 91 Gasoline Biodiesel Jet A-1 IFO 180 (Bunker Oil) SFO 60, 200, 400, 1100

LPG

Phoenix SUPER LPG in these quantities: 11 Kg Compact-Valve 11 Kg Pol-Valve 22 Kg Pol-Valve 50 Kg Pol-Valve 120 Kg Big Tank Autogas Special Blends

LUBRICANTS

PASSENGER CAR MOTOR OILS

Phoenix Accelerate Racing SAE 5W30 API SN/CF ACEA C3 (1L & 4L) Phoenix Accelerate Syntech SAE 5W40 API SN/CF ACEA A3/B4 (1L & 4L) Phoenix Accelerate Super G SAE 15W40 API SN/SN Plus (1L, 4L, 18L & 200L) Phoenix Accelerate Extra SAE 30 API SF/CF (1L, 4L) Phoenix Accelerate Extra SAE 40 API SF/CF (1L, 4L, 18L & 200L)

HEAVY-DUTY DIESEL ENGINE OILS

Phoenix Zoelo Powertech SAE 5W40 API CJ-4/SN ACEA E9 (1L & 6L) Phoenix Zoelo Syntech SAE 10W30 API CI-4 (1L & 6L) Phoenix Zoelo Extreme SAE 15W40 API CI-4/SL ACEA E7 (1L, 6L, 18L & 200L) Phoenix Zoelo Max SAE 15W40 API CH4/SL ACEA E3 (1L, 6L, 18L & 200L) Phoenix Zoelo Extra SAE 40 API CF/SF (1L, 6L, 18L & 200L) Phoenix Zoelo SAE 30 API CF/SF (18L & 200L) Phoenix Zoelo SAE 10W API CF/SF (18L & 200L) Phoenix Zoelo SAE 15W40 API CD/SF (1L, 6L, 18L, 200L)

MOTORCYCLE OILS

Phoenix Cyclomax Racing 4T, SAE 10W50 JASO MA2 API SN (1L) Phoenix Cyclomax Syntech 4T, SAE 10W40 JASO MA2 API SL (800ml & 1L) Phoenix Cyclomax Titan 4T, SAE 20W40 JASO MA2 API SL (800ml & 1L) Phoenix Cyclomax Force 4T SAE 20W50 JASO MA2 API SG (800ml & 1L) Phoenix Cyclomax Syntech 4T Scooter Oil SAE 10W30 JASO MB API SL (1L) Phoenix Cyclomax Titan 4T Scooter Oil SAE 20W40 JASO MB API SL (800ml & 1L) Phoenix Cyclomax Scooter Gear Oil SAE 80W90 (100ml) Phoenix Cyclomax 4T SAE 40 API SF (200ml) Phoenix Cyclomax 2T (200ml & 1L) Phoenix Cyclomax Fork Oil (200ml)

GEAR/TRANSMISSION OILS

Phoenix Gear Oil Fully Synthetic SAE 75W90 API GL-5 (1L & 18L)
Phoenix Gear Oil SAE 85W140 API GL-5 (200L)
Phoenix Gear Oil SAE 80W90 API GL-5 (200L)
Phoenix Gear Oil SAE 90 API GL-4 (1L, 18L & 200L)
Phoenix Gear Oil SAE 140 API GL-4 (1L, 18L, 200L)
Phoenix ATF MV & Power Steering Fluid Dexron 6 (1L)
Phoenix ATF & Power Steering Fluid Dexron 3 (1L, 18L & 200L)

GREASES

Phoenix EP2 Grease NLGI 2 Lithium-Complex (16Kg & 180Kg) Phoenix EP2 Grease NLGI 2 Lithium (500g, 16Kg & 180Kg) Phoenix MP3 Grease NLGI 3 Lithium (500g, 16Kg & 180Kg)

AUTOMOTIVE SPECIALTIES

Phoenix Radiator Coolant (1L & 200L) Phoenix Brake & Clutch Fluid DOT 3 (150ml, 250ml & 900ml) Phoenix Brake & Clutch Fluid DOT 4 (1L)

INDUSTRIAL GEAR OILS

Phoenix Industrial Gear Oil ISO 220 (18L & 200L)

HYDRAULIC OILS

Phoenix Atlas Hydraulic Oil AW ISO 32 (18L & 200L) Phoenix Atlas Hydraulic Oil AW ISO 46 (18L & 200L) Phoenix Atlas Hydraulic Oil AW ISO 68 (18L & 200L) Phoenix Atlas Hydraulic Premium Oil AW ISO 68 (200L)

MARINE OILS

Phoenix Manta Marine Engine Oil TBN 10 SAE 30 (200L & Bulk) Phoenix Manta Marine Engine Oil TBN 12 SAE 40 (200L & Bulk) Phoenix Manta Marine Engine Oil TBN 20 SAE 40 (200L & Bulk) Phoenix Manta Marine Engine Oil TBN 30 SAE 40 (200L & Bulk) Phoenix Nautilus Cylinder Oil TBN 70 SAE 50 (200L)

TURBINE OILS

Phoenix Turbine Oil ISO 46 (200L) Phoenix Turbine Oil ISO 68 (18L & 200L)

COMPRESSOR OILS

Phoenix Compressor Oil ISO 68 (18L) Phoenix Compressor Oil ISO 100 (18L)

OTHER OILS

Phoenix Heat Transfer Oil ISO 32 (200L)

SPECIALTY CHEMICALS

Phoenix Brake & Parts Cleaner & Degreaser (500ml) Novax Adblue DEF (2L, 20L, 200L & 1000L)

ASPHALT

Phoenix Asphalt Bitumen 60/70 Phoenix Asphalt Polymer Modified Bitumen Phoenix Cold Patch

CONTACT US

CORPORATE OFFICES

DAVAO HEAD OFFICE:

Phoenix Petroleum Corporate Headquarters Stella Hizon Reyes Road, Lanang, Davao City 8000 Tel: +63 (082) 235-8888 Fax: +63 (082) 233-0168

MANILA:

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CEBU:

Phoenix LPG Office, Ouano Ave., New Reclamation Area, Mandaue City Cebu 6014 Telefax: (032) 343-3193

BACOLOD:

Phoenix Bacolod Depot, Cambodia St. Bredco Port Reclamation Area, Bacolod City 6100 Telefax: +63 (34) 441-2683

CAGAYAN DE ORO:

Suite 1 & 2, 8th Floor Limketkai Gateway Center, Lapasan, Cagayan de Oro City 9000 Tel: +63 (088) 855-4527 Fax: +63 (088) 855-4528

SUBSIDIARIES

PHOENIX LPG PHILIPPINES, INC.

(formerly Petronas Energy Philippines, Inc.) Matab-ang, Dalipuga, Iligan City 9200 Tel: +63 (063) 225-1214 to 16 PLDT, Globe, and Smart: #SUPER (#78737)

PNX PETROLEUM SINGAPORE PTE. LTD. PNX ENERGY INTERNATIONAL

HOLDINGS PTE. LTD. 350 Orchard Road,

#17-05/06 Shaw House, 238868 Singapore Tel: +65 6360-0780 Email: info@pnxpetroleum.com

PHOENIX ASPHALT PHILIPPINES, INC.

15th Floor, Udenna Tower, Rizal Drive cor. 4th Avenue, Bonifacio Global City, Taguig, Metro Manila, Philippines 1634 Tel: (02) 8403-4013 Fax: (02) 8403-4021

PHILIPPINE FAMILYMART CVS, INC.

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POSIBLE

2F, Crown Center, 158 N. Garcia corner Jupiter Street, Bel-Air, Makati City 1209 Email: support@posible.net

SHAREHOLDER SERVICES

BDO Unibank, Inc. Trust & Investments Group 15th Floor, South Tower BDO Corporate Center 7899 Makati Avenue, Makati City 0726 Tel: +63 (02) 878-4964; 878-4053

STOCK TRADING INFORMATION

Phoenix Petroleum Philippines, Inc. is listed on the Philippine Stock Exchange. Ticker symbol: PNX

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