



2021 ANNUAL REPORT

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.

EXCELLENCE

We aim to be the best in
everything we do.

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.

ABOUT THE COVER

The theme title 'UNITED WE STAND' captures the essence of our battle cry for 2021—'Kayang-kaya, Basta't Sama-sama'. It also makes a strong statement, through big, bold letters, that the company is solid and unified despite setbacks. Aside from the overall thematic message, the collage of photos plays an essential part in illustrating how we, as a company, stayed as one solid unit despite the many challenges of last year.

The 2021 cover style is a refreshing departure from previous annual reports, which were done in loud, multiple colors. The design puts on a minimalist appearance, reflecting pure ideals, such as peace, optimism, and hope. It is also symbolic of a clean slate or a fresh start after an eventful and unusually challenging period.

Another unique feature that sets apart the print version is the die-cut detail, which gives it a more elegant and prominent look, making this annual report worth owning and even putting on display in all its unique glory. Since limited copies are produced, the team endeavored to make the Phoenix 2021 Annual Report more special and interesting in form and content.



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WE ARE PHOENIX

PHOENIX PETROLEUM PHILIPPINES, INC.

**WE ARE THE
THIRD LARGEST
OIL COMPANY
IN THE
PHILIPPINES.**

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 of 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, with 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, and Vietnam, dealing in:

TRADING AND DISTRIBUTION

- Distribution of refined petroleum products, such as fuels, liquefied petroleum gas, and lubricants 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 POSSIBLE 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
Revenues	44,543	88,611	97,823	78,300	132,284
Cost of Sales, Services and Expenses	43,022	86,274	96,379	78,237	132,750
Net Profit-TOTAL	1,521	2,336	1,444	63	(466)
Non-recurring Income/Expenses					
Excess of fair value over acquisition cost/ FV gains on Investment Properties	(650)	(10)	0	(43)	(87)
Pre-acquisition Income					
Net Income-Excluding Non-Recurring Income	871	2,327	1,445	20	(553)
Provision for Preferred Dividends	195	320	683	683	589
EBITDA	2,923	2,904	6,222	2,625	3,658

(All amounts expressed in Millions, unless otherwise stated)

FINANCIAL RATIOS

	2017	2018	2019	2020	2021
Current Ratio ¹	1.2 : 1	1.1 : 1	0.8 : 1	0.8 : 1	0.9 : 1
Debt to Equity ²	2.7 : 1	3 : 1	3 : 1	2.9 : 1	3.2 : 1
Return on Equity ³	14.01%	16.73%	7.62%	0.29%	-2.24%
Return on Assets ⁴	4.05%	4.29%	1.90%	0.07%	-0.55%
Return on Sales	3.42%	2.64%	1.48%	0.08%	-0.35%
Net Book Value Per Share ⁵	6.60	8.55	9.36	9.48	8.99
Earnings Per Share-(Adjusted) ⁶	0.97	1.42	0.57	-0.34	-0.83
Return on Equity-Common ⁷	15.4%	45.6%	17.3%	-4.9%	-8.8%

NOTES

1 - TOTAL CURRENT ASSETS DIVIDED BY CURRENT LIABILITIES

2 - TOTAL LIABILITIES DIVIDED BY TANGIBLE NET WORTH

3 - NET INCOME DIVIDED BY AVERAGE TOTAL STOCKHOLDERS' EQUITY

4 - NET INCOME DIVIDED BY AVERAGE TOTAL ASSETS

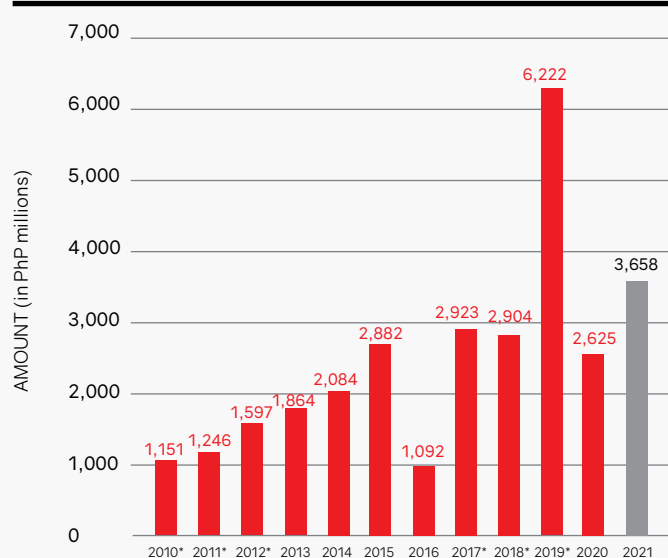
5 - TOTAL STOCKHOLDERS EQUITY - (COMMON) DIVIDED BY THE TOTAL NUMBER OF SHARES ISSUED AND OUTSTANDING

6 - NET INCOME AFTER TAX (NET OF PREFERRED STOCK DIVIDEND ALLOCATION) DIVIDED BY WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES

7 - NET INCOME AFTER TAX (NET OF PREFERRED STOCK ALLOCATION) DIVIDED BY STOCKHOLDERS' EQUITY - COMMON

* Re - STATED FIGURES

EBITDA



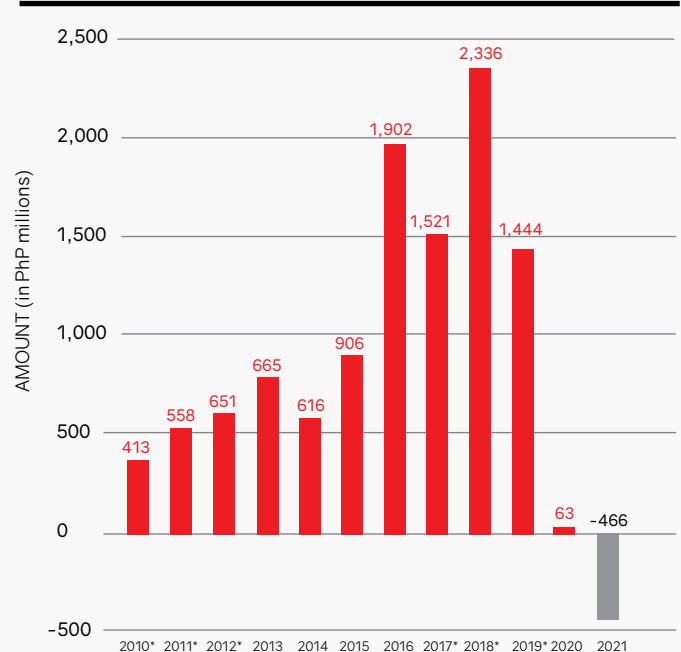
BALANCE SHEET DATA

	2017	2018	2019	2020	2021
Current Asset	24,906	37,260	42,357	33,402	34,913
Non-current Asset	19,267	27,401	44,600	49,131	50,685
Total Assets	44,173	64,660	86,957	82,532	85,598
Current Liabilities	20,385	33,844	50,499	39,727	40,280
Total Liabilities	32,489	48,687	65,035	61,371	65,118
Stockholders' Equity	11,952	15,974	21,923	21,161	20,479
Bank Debts	28,171	39,900	49,896	48,243	46,137

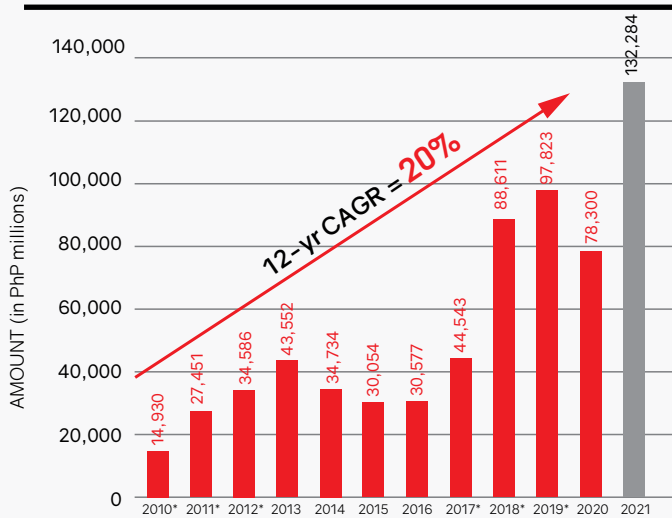
STOCK INFORMATION

(Figures in millions except per share)	2017	2018	2019	2020	2021
Weighted Average No. of Shares- Adjusted of Stock Dividends	1,372.49	1,426.59	1,405.61	1,438.19	1,438.98
Number of Shares Issued	1,431.54	1,403.30	1,406.20	1,438.98	1,438.98
Total Number of Shares Outstanding-Year End	1,431.54	1,403.30	1,406.20	1,438.98	1,438.98
Market Capitalization-Year End	18,610.00	15,071.49	16,790.08	17,987.22	15,627.29
Stock Price-Closing (Year End)	13.00	10.74	11.94	12.50	10.86
Treasury Stock-Shares	-	-	344.30	0	0

NET PROFIT

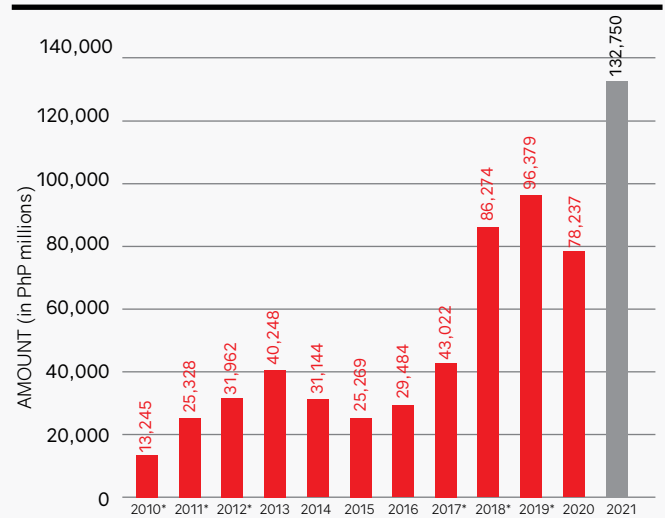


REVENUES



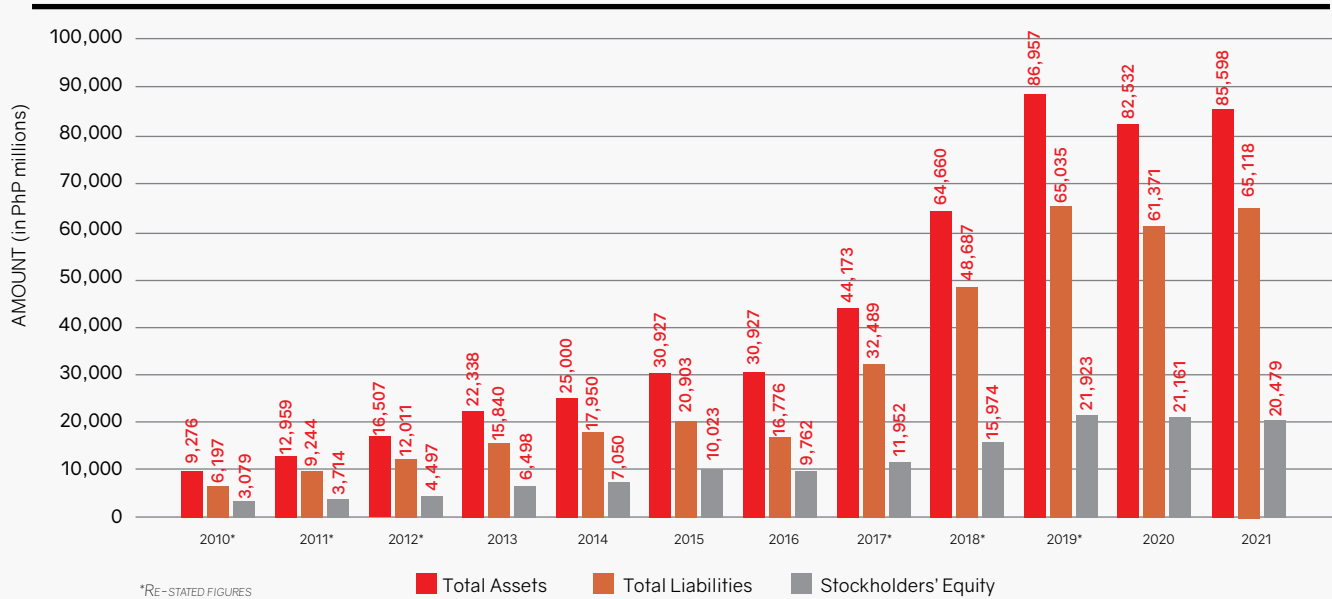
*Re-stated figures

COST OF SALES



*Re-stated figures

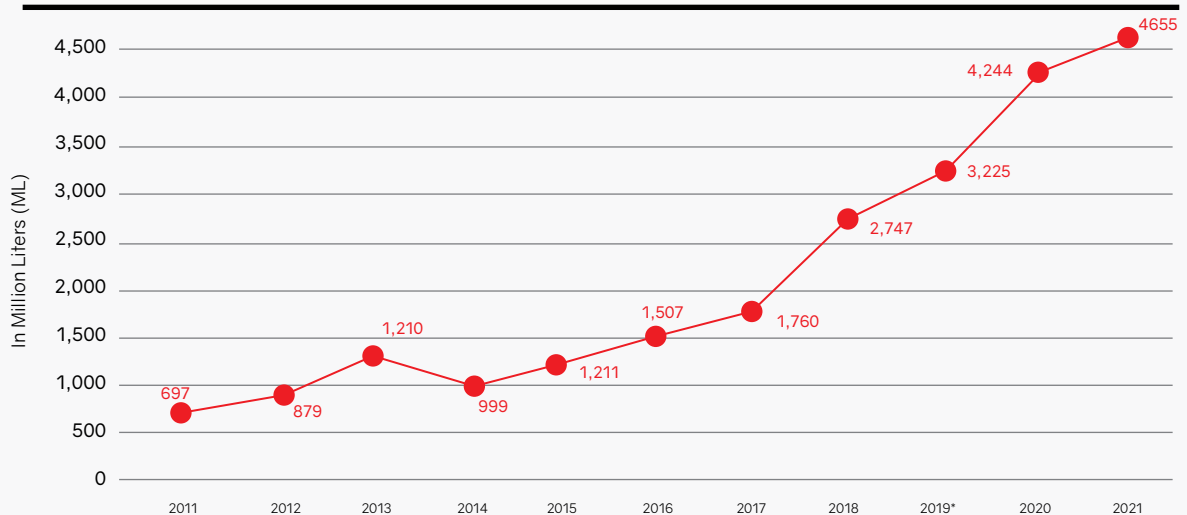
TOTAL ASSETS, TOTAL LIABILITIES, AND STOCKHOLDERS' EQUITY



*Re-stated figures

■ Total Assets ■ Total Liabilities ■ Stockholders' Equity

VOLUME SALES



*Re-stated figures

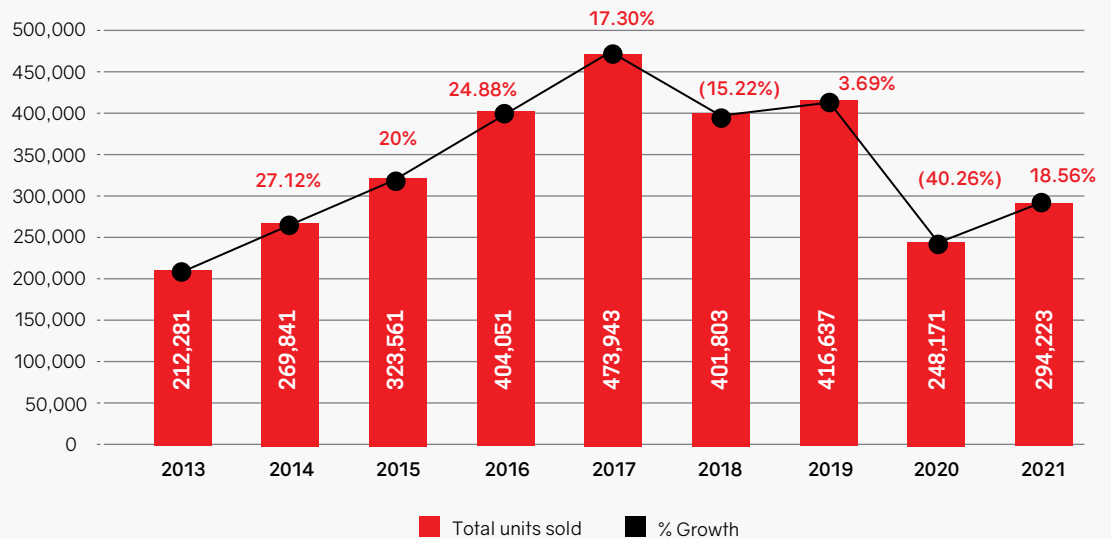
INDUSTRY HIGHLIGHTS

CAR SALES GROWTH

The auto industry posted an 18.56% increase in car sales growth in 2021.

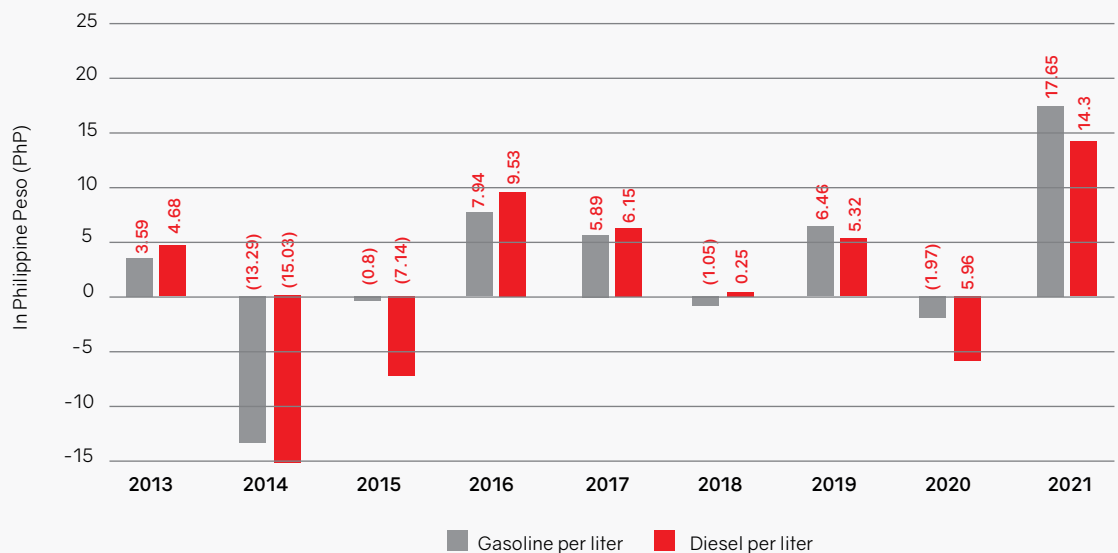
Sources:

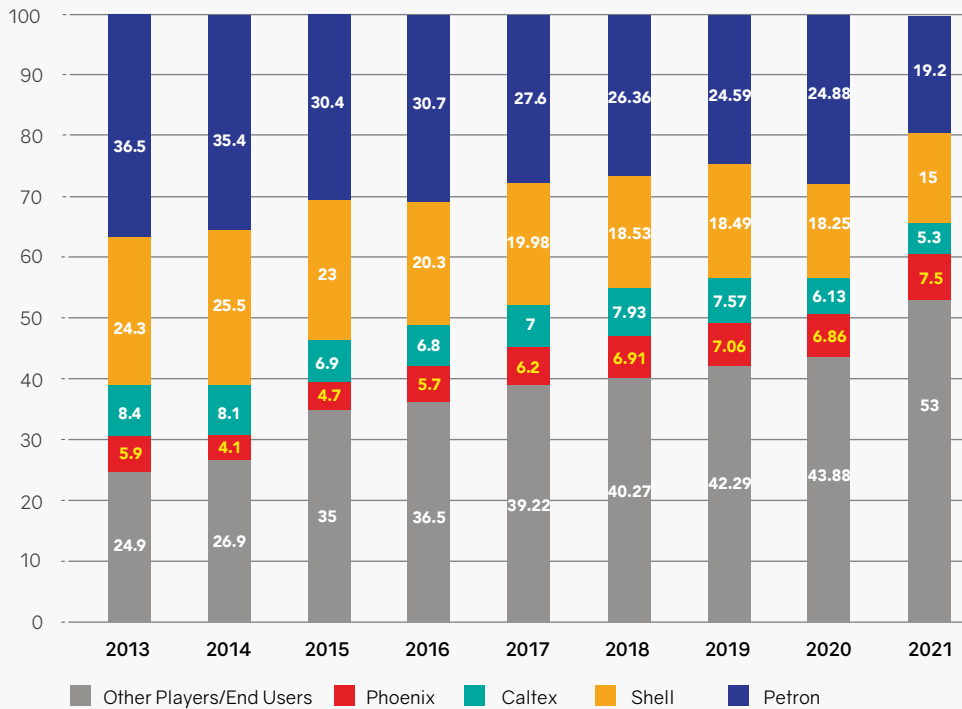
Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI), Association of Vehicle Importer and Distributors (AVID), Truck Manufacturers Association (TMA), autoIndustriya.com



OIL PRICE ADJUSTMENTS

Source:
Department of Energy

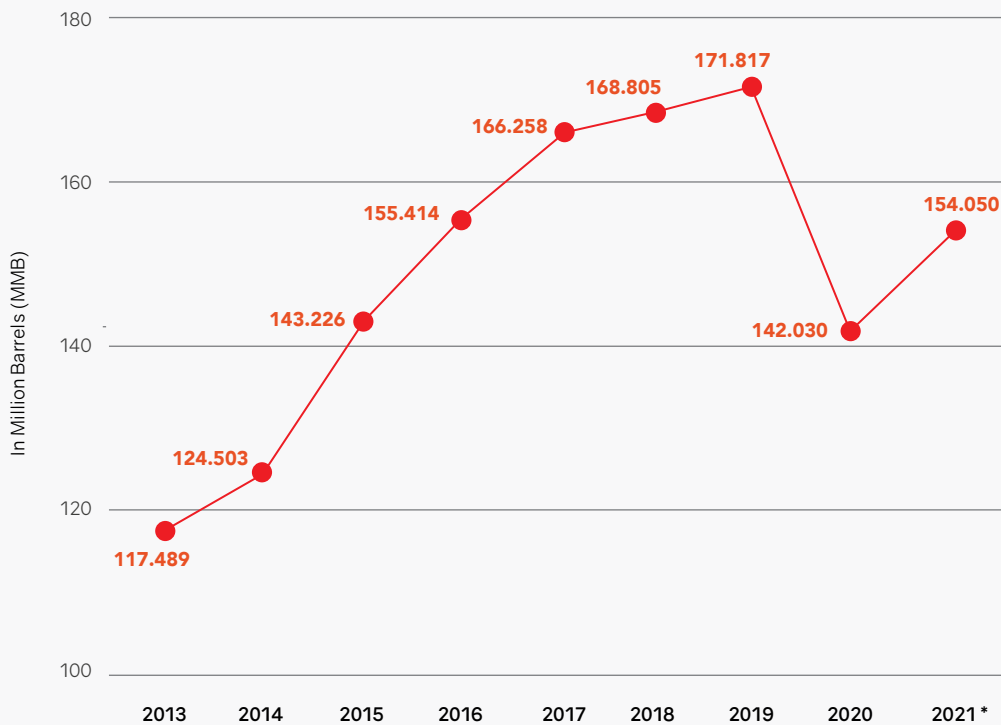




OIL INDUSTRY MARKET SHARE

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

Source:
Department of Energy



PETROLEUM PRODUCT DEMAND

Demand of petroleum products increased by 12.6%, from 10,872 ML of the same period in 2020 to 12,246 ML in the first half of 2021. The growth in demand is due to the increased economic activity in the first half of 2021, with less stringent travel restrictions implemented nationwide.

*Annualized estimate based on 2021 first half's 12,246 ML converted to MMB



CHAIRMAN AND CHIEF
STRATEGY OFFICER

Phoenix has managed to stabilize its performance, and even found new opportunities during a challenging economic period.

Despite continued challenges, better knowledge of the pandemic, as well as the development of vaccines, resulted in the gradual re-opening of different markets, and the world saw relative improvement in the economy. In the Philippines, albeit unpredictable, we saw a glimpse of what

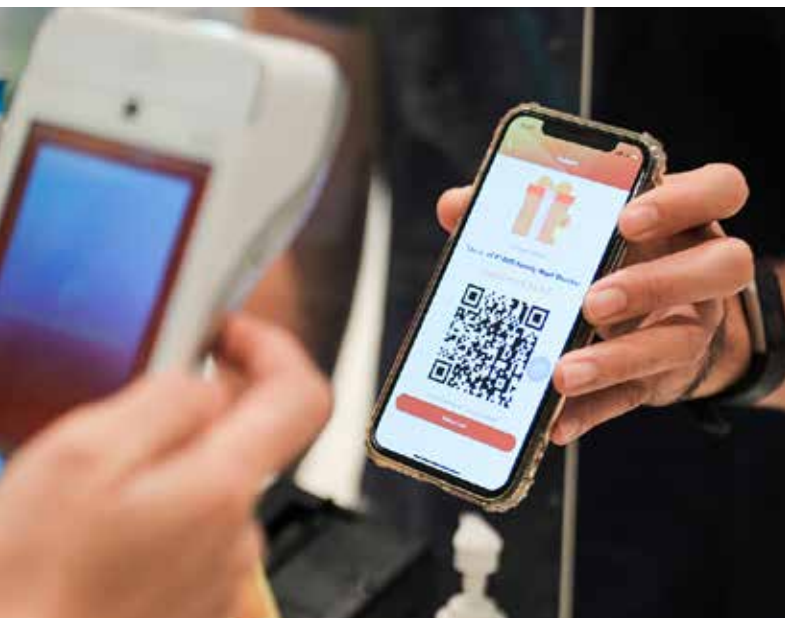
THROUGH TOUGH TIMES

With a better grasp of our new reality, we covered our bases by practicing restraint on operating expenses, and prudence in utilizing resources against a backdrop of economic volatility. Operations across all of our local and international businesses were sustained, withstanding varying pandemic restrictions and other disruptions. Our LPG business, in particular, delivered a solid performance with a consistent volume growth in commercial and overseas sales.



Throughout the course of the year, as we watched the unfolding of events of the pandemic and other global issues, we kept our attention firmly fixed on the ways in which our company might be of service to our people, to our clients, and to customers. For years, we have advocated for the crucial role that energy-based companies play in a community. Hence, we are proud to say that we remained of service to others despite varying COVID surge-related lockdowns and natural calamities. As the pandemic developed and other challenges occurred, we soldiered on.

One such example that is worth mentioning is our response after the devastation of Typhoon Odette, a calamity that hit the country in December 2021. We continued to operate and offer our products and services in Visayas and Mindanao despite limitations. Our employees, some of whom were also affected by the typhoon, went the extra mile to get our sites and facilities fully functioning in affected areas so that we could continue to serve communities in need at the time they needed us the most. In fact, many of our lorry drivers, engineers, and other personnel were working over the December holidays because they wanted to make sure that affected families would get proper assistance as soon as possible.



It is remarkable how much we have persevered and achieved as a company. This is especially true in our unwavering dedication to assist customers, communities, and the government in general. When the pandemic hit in 2020, our primary concern was the safety of our employees. We sustained this priority by actively campaigning for the vaccination of our workforce, which was subsequently expanded to cover employees' families, and different communities across the country.

STEPS IN SUSTAINABILITY

As a premier Philippine company, we are working to give back to society, share the value we create, and help make the world we live in better and more sustainable. To achieve this, we created a team that has assessed our business based on the sustainable development goals (SDG) as set in the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015. In this report, we identify the initial SDGs that your company is contributing to in order to create a more positive impact on society and the environment. With your continued support, we will cultivate these causes, and further incorporate the sustainability agenda into what we do. After all, one of the most valuable lessons from the events of the past years is how we need to be able to uplift each other, most especially during the trying moments.

Another essential insight we gleaned from 2021 is that adaptability is the key to survival. By adapting to changing situations, Phoenix has managed to stabilize its performance, and even found new opportunities during a challenging economic period.

Our move towards diversification has given us more ground in approaching hurdles. These past years, Phoenix has tremendously evolved from being a fuel brand into a more multifaceted consumer business. Our foray into the digital space has proven to be particularly beneficial as LIMITLESS, our rewards and loyalty program, has established itself as a potent marketplace that showcases not only our brands, but also those of our growing network of partners. Now with almost 250,000 users, it has provided more touchpoints, and paved the way for an added revenue stream.



Collaboration has always been at the core of our business, and as our rich history would show, it is a key element in our success story. It was no different last year as we worked with other businesses and government sectors in order to carry out projects that offered more value to consumers. From our vaccination and relief drives to seasonal promos, we have effectively aligned Phoenix with an array of reputable institutions who share the purpose of serving others, reminding us of the lesson of synergy that we have long held on to.

TO A TERRIFIC 20 AND 2022

This 2022, as we celebrate our 20th anniversary, I look to both the past and the present, while envisioning the future—the next 20 years. When I founded Phoenix two decades ago, I dreamed of growing the business so it can help change lives for the better. Gradually, it grew until it became a formidable force in the oil industry, and is now the third largest player in the country. We even expanded overseas, and transformed the business into a consumer brand that caters to the varying needs of our customers. I have you to thank for all the growth and evolution that we have achieved over the years. Because of your support, we are now able to serve more individuals, more families, more businesses, and more communities. From being a dream that has come true, Phoenix is now a promise that overflows with potential. With how much we have accomplished in the last 20 years, I'm optimistic that we can do even more in the next decades ahead as we fulfill our vision of being an indispensable partner.

As Chairman and founder, let me conclude this message by conveying my utmost gratitude and respect to the individuals who have elevated Phoenix to new heights. I admire all of you for your exceptional skills and heartfelt dedication to what you do. I especially thank those who have stayed in the company for many years and endured its ups and downs. I also thank our frontliners who have been a great driving force amidst the unusual circumstances that we're in these past years. You have shown tremendous composure and resilience in the face of hardship during these trying times. Likewise, I also recognize the excellent leadership of Bong Fadullon who has been at the forefront of the company's transformation, ably leading and inspiring the team to fulfill our purpose.

Lastly, thank you, our loyal partners, who have blessed Phoenix with your valuable support and trust all this time. Truly, we would not have come this far without your faith in us. May we continue to achieve more and change the game together, and relish the better days ahead.

DENNIS A. UY
Chairman and Chief
Strategy Officer



P R E S I D E N T

MESSAGE FROM THE PRESIDENT

Our drive for operational excellence also continues as we execute our strategies with consistency and precision, making sure that the delivery of value to customers is undisrupted.

The road to post-pandemic recovery has been a path of unexpected turns. Despite the challenges confronting us in 2021 such as continuing mobility restrictions, prolonged economic uncertainty, and geopolitical unrest, it was also a remarkable period in which we remained united, weathering turbulence through partnerships and collaboration, and proving, once again, that this Phoenix always rises.

A great testament to our fortitude and perseverance is our 20-year history. This 2022, we are celebrating our 20th founding anniversary, reminding us of how much we have achieved in the last two decades.

TURNING 20

Our founder and chairman, Mr. Dennis Uy, started the business in the early 2000s with a fuel tank, 12 employees, and five stations. In 2007, the pivotal listing of the company on the Philippine Stock Exchange paved the way for more milestones, including our expansion to Luzon, and the establishment of our own terminals and supply chain. Access to capital markets enabled us to expand, and cater to more customers across the country, and supported our thirst for growth. While making a name for ourselves as an emerging major, we diversified our portfolio to include Phoenix SUPER LPG in 2017, and FamilyMart the following year. As our terminaling and hauling services expanded, we cultivated our captured market of motorists through complementing ventures such as Autoworx Plus and Phoenix Asphalt. We also harnessed the power of the digital platform

through payment gateway POSIBLE, and
our very own loyalty and rewards program,
LIMITLESS.

Even with the richness of our portfolio, our growth story is not limited to local shores having also established PNX Petroleum Singapore, our international trading desk; Phoenix Gas Vietnam, our Ho Chi Minh-based LPG marketing and distribution business, and we recently started marketing our lubricants brand in Indonesia.

From a small brand in Davao almost two decades ago, we are now the third largest oil company in the country with a market share of 7.5% in 2021, fueling more and more journeys with close to 700 stations opened nationwide. But Phoenix today is more than just fuel. We are integrating our variety of offerings into the many facets of our customer's lifestyles, and positioning ourselves as a reputable consumer brand with over 20,000 touchpoints across our diversified enterprise.

AN ENDURING ENTERPRISE

It was a year like no other as, throughout 2021, we had to adapt to a rapidly evolving business environment.

The first quarter saw the resurgence of COVID-19 outbreaks leading to re-imposed lockdowns across the country. With restricted mobility, fuel sales took a blow, and extended work-from-home arrangements slowed down foot traffic in FamilyMart stores.

In the second quarter, mass vaccination gained momentum, gradually opening up the economy. This benefited us as we



reached pre-pandemic levels, and eventually resulted in all-time-high sales volume. With highly encouraging results towards the end of the first half, we had high hopes for the rest of the year.

However, just when we thought we were out of the woods, the case surges caused by the Delta and Omicron variants, geopolitical tensions in the Middle East and Europe, and natural calamities disrupted our trajectory. From there, a rise in commodity prices, supply volatility, and a weakened Philippine peso pervaded in the last two quarters.

As such, from an income of Php 63 million the year prior, our bottomline reverted to a loss of Php 466 million

in 2021. However, amid uncertainties, we ended 2021 with EBITDA 41% higher than the previous year's achievement. This is attributable to solid domestic LPG performance, delivering 61% EBITDA increase, and overall LPG achieving 23% growth in volume. Likewise, our operating income increased 87% to Php 2.3 billion due to double-digit sales growth, and our restraint on operational costs.

We did rather well in the first half of 2021 only to be weighed down by the events that took place in the second half. Before the downturn, retail was particularly promising, reaching record-breaking sales with EBITDA up 73% from the prior quarter to Php 1.07 billion, while revenues rose 38%.

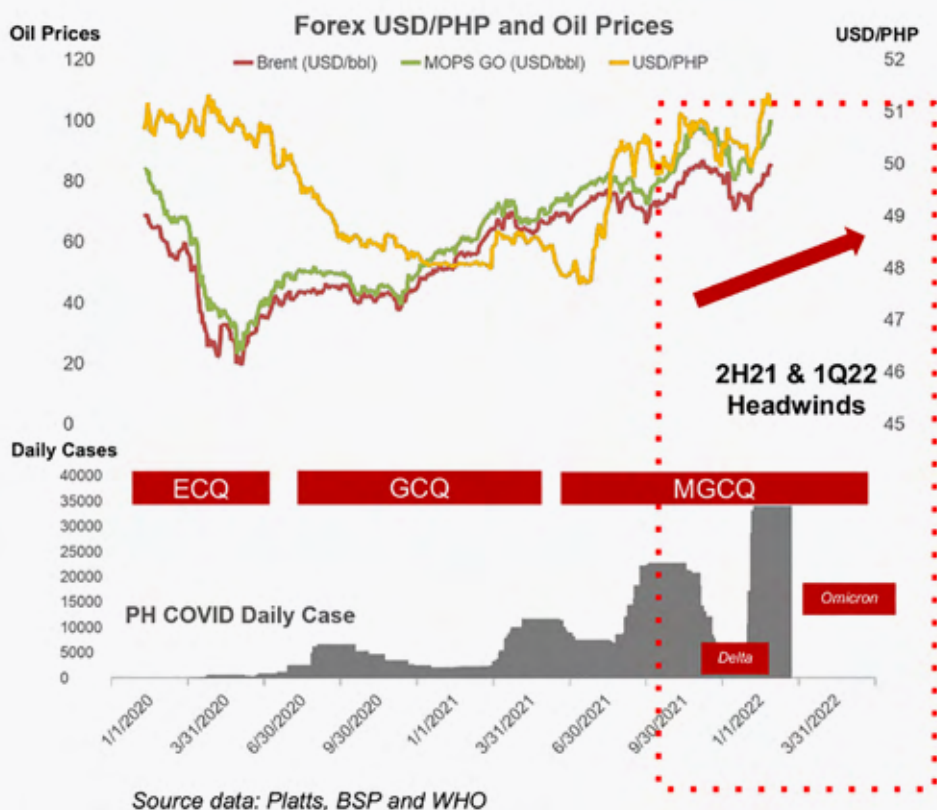
Continued safety protocols that urged households to stay home contributed to the performance of domestic LPG. However, our integrated LPG trading dampened overall results amidst heightened volatility in prices and collapsing demand in the region.

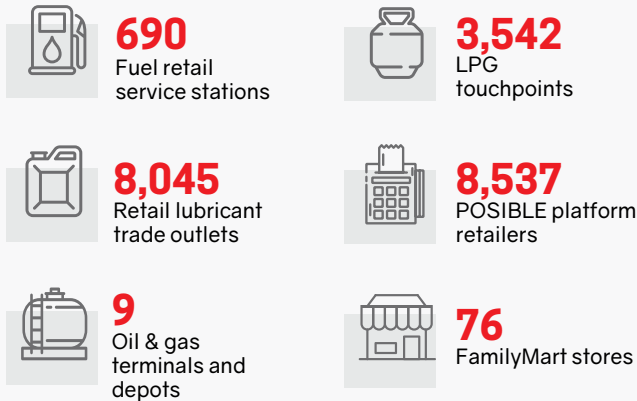
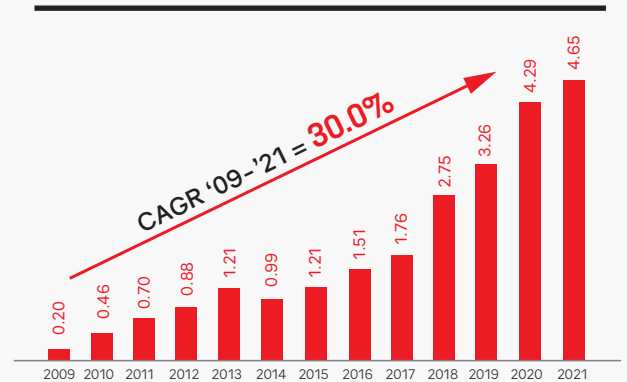
Meanwhile, not only was FamilyMart fully back to normal operations, but we also got to finally expand to Mindanao. However, fluctuating lockdown measures slowed store traffic once more. While difficult on the business, our delivery sales through apps like GrabMart provided a boost. This is in tandem with the capital-light strategy we rolled out several years ago that resulted in a more efficient supply chain. It enabled us to drive operational excellence through higher fill rates, among others, supporting sales growth.

As we approached the end of the year, Typhoon Odette hit the country and affected our sites in the Visayas and Mindanao regions. A rapid response of the team allowed us to be back up and running within a week, avoiding further damage, and more importantly, giving assistance to affected communities in recovery efforts.

Capital markets remained on the sideline and cautious of their industry view amidst a harsh economic backdrop, forcing us to operate with more limitations.

Indeed, 2021 was a period of unpredictability as we saw our business having to cope with different pivotal events that challenged our plans. It could have been a bleaker period, however, if not for our quickly executed initiatives that allowed us to soften the impact of headwinds. Capital-light strategies, cost-efficiency measures, as well as key partnerships and collaborations, enabled us to expand while managing the impact of challenges.



**HISTORICAL VOLUME (BN LITERS)**

Additionally, although challenges were ever-present, 2021 is not without its own highlights.

As pandemic regulations loosened, we unveiled the first Phoenix station along an expressway as part of the 'NLEX Drive&Dine', a 15,500-square meter commercial space, which brings our offerings closer to more motorists, and further establishing our brand as a formidable force in the industry. We also introduced the Phoenix Block, a multi-purpose retail hub that complements a whole lifestyle through a Phoenix fuel station, a FamilyMart store, an Autoworx Plus shop, Phoenix SUPER LPG products, POSSIBLE payment services, and LIMITLESS digital transactions. Bringing the one-stop-shop convenience to more people, this concept has risen in two locations across the metro, catering to the varying needs of customers, while further showing that Phoenix is now more than just fuel.

Our LPG business innovated to target lower-income customers by introducing a new SKU, resulting in a boost in Visayas and Mindanao, and helping sustain our market share growth in the domestic LPG category. On the aviation front, we achieved positive business results as the



industry continues to gradually recover. Our key partnerships in this business have been instrumental in our upward trajectory.

Besides strengthening its food offerings, FamilyMart finally established its presence in Mindanao.

As for Phoenix Asphalt, despite being a relatively new player, it is now top 3 in the market.

Overseas, our investments continue to deliver with Phoenix Gas Vietnam recording three times higher year-on-year volume growth, while PNK Petroleum Singapore, expanded with a 40% increase in third-party sales from 2020 to 2021.





THE WAY AHEAD

Looking ahead, as we expect continuing hurdles in the business environment, we are guarded but hopeful. We will continue to exercise caution and prudence in the manner we operate, while keeping our focus on several priorities.

We continue to exercise prudence in managing resources, ensuring that we prioritize projects that can deliver maximum returns. We've seen this strategy work before, and we see it remaining effective moving forward. We will also drive the utmost value

from the investments that we've made in the past to ensure that we make the most of what we already have. As we go along, we can unlock value from our assets, as necessary, to achieve long-term sustainability.

To streamline operations, we will identify and implement efficiencies across the business. Our drive for operational excellence also continues as we execute our strategies with consistency and precision, making sure that the delivery of value to customers is undisrupted.

Partnerships and collaboration will also remain as a priority. As we've learned in the past, synergies with entities that share the same values are vital in carrying out our purpose, and we will continue working with partners while we build and rebuild more mutually beneficial relationships.

Prioritizing improved profitability, we will be more selective in the channels and industries that we support. This may lead to a short-term impact on our market share, but it will reward us with long-term business stability and efficiency.



Of course, throughout these plans and strategies, we will remain committed to serving and empowering our people, including employees, customers, and different communities.

Having earned 4.33/5 and 4.24/5 engagement and satisfaction ratings, respectively, in last year's HRU internal survey, we managed to keep our team engaged and motivated despite the limitations of the pandemic. With this response, along with safety maintained as a priority, we sustained flexible work set-ups, especially for our knowledge-

based employees, and our online engagement activities will stay in place to keep our people driven.

To cultivate a customer-centric culture, and in line with our company's vision, we formulated a customer value proposition (CVP) for each of our brands as a guiding philosophy that ensures that Phoenix champions only the best for the customer.

Meanwhile, we strengthened our commitment to sustainability by identifying an initial list of causes that we are supporting based on

the sustainable development goals. These are on top of the corporate social responsibility initiatives that we regularly roll out to offer assistance to communities in need.

Trying times are nothing new to us, and as we pursue more growth, we will continue to be tested. But with each trial is a lesson, and over the years, we have gained many learnings, which we will take with us, and use to our advantage.

I am filled with hope and optimism as we move forward. I find strength and hope in knowing that there is a greater being watching over us. I likewise find confidence in the new administration and its newly unveiled economic team. I am also convinced that with our 5H+1 culture, our team is capable and agile enough to overcome the toughest circumstances. May we remain Hungry, Hardworking, Honest, Humble, Holy, and as I have recently emphasized, Hopeful. We have endured and enjoyed the last two decades because of such values, and these will remain useful in our journey ahead.

Thank you for being a part of every success that we've had, and for powering through every challenge that we've encountered. On to the next 20!



HENRY ALBERT R. FADULLON
President



THE ROAD TO A BETTER NORMAL

OPERATIONAL HIGHLIGHTS

Results Delivered

In 2021, despite the difficult obstacles posed by the uncertain operating environment due to the ongoing pandemic, Phoenix managed to make more progress toward its goal of being a competitive and adaptive consumer brand.

OPERATIONAL HIGHLIGHTS



THE VERY FIRST PHOENIX STATION ALONG AN EXPRESSWAY OPENED AT THE NORTH LUZON EXPRESSWAY ON DECEMBER 8, 2021 AS PART OF 'NLEX DRIVE&DINE' IN VALENZUELA CITY

91%

satisfaction rate for the
first-ever Phoenix
Digital National
Convention

Winning Together

Prioritizing safety while championing innovation, the year started with the first-ever Phoenix Digital Convention. The virtual edition of the yearly partner event was held with the theme 'WINNOVATION: Partner, Kayang-kaya basta't sama-sama!' which served as the battle cry of the company for the rest of the year.

For the first time, the affair was hosted on a digital platform using a dedicated website accessed through unique log-in credentials. It featured an exhibit hall, a photo booth, and live-streamed conferences and breakout sessions, which showcased speakers such as record-breaking and best-selling author Josiah Go,

Udenna Corporation Chief Innovation Officer Donald Lim, and Mercato Centrale and Easy Franchise co-founder RJ Ledesma. Despite the unconventional set-up, the event achieved a 91% satisfaction score, and attracted over 2,234 attendees.

Championing Value

The sum is certainly stronger than its individual parts, but it is important that each unit or brand in the Phoenix group realizes its purpose and potential in order to optimize its contributions. Hence, the company formulated the customer value proposition or CVP for each of its brands. Created to give internal stakeholders a clearer view of the value that each brand offers, the CVP serves as a guide that keeps all initiatives aligned with the intended purpose in order to give the customers utmost value.

Designed for Dreams and Drives

As challenges persisted, Phoenix created more ways to adapt and innovate to fulfill its vision. In line with its strategy to continuously add value to customers, and broaden its reach, Phoenix established a new retail model called the Phoenix Block, which now has two sites. The brand also made a milestone by opening its very first station along an expressway with Phoenix NLEX Drive&Dine.

Meanwhile, the brand reaffirmed its support for the local racing scene and e-sports with the return of the

Phoenix PULSE Formula 1 Virtual Cup, which came with a star-studded spin-off through the Phoenix PULSE Young Drivers' Program - Celebrity Showdown. The initiatives were streamed online for the viewing public to enjoy amid lockdown restrictions.

Recognizing the value of professional drivers, especially during such a crucial time for mobility, partnerships with Grab, JGO, and Lalamove were established. As for other customers, the thrust for immunity against COVID-19 was strengthened by promos that rewarded vaccinated customers.



OPERATIONAL HIGHLIGHTS



Moving Up a Gear

Phoenix introduced in 2021 its new and revitalized lubricant products. The upgraded automotive diesel and gasoline engine oils are API (American Petroleum Institute)-certified, bearing the API donut on the packaging material, while the motorcycle oils are now JASO (Japanese Automotive Standards Organization)-certified, likewise bearing the JASO markings on the label.

Covering New Ground

Phoenix Asphalt Philippines, Inc. officially launched its newest product, Cold Patch Asphalt Mix, in July 2021 through an online event called On The Watch. It was attended by Team Phoenix, business partners, influencers, and members of the media, among others. The innovative product offers an efficient and long-lasting remedy for road potholes, making it ideal for do-it-yourself projects, especially within one's home or neighborhood.

A Recipe for Success

Phoenix SUPER LPG introduced Kalderoke in September 2020 to match its expanding network and extended foothold in Luzon. Going into 2021 strong, this promotional contest emphasized cooking as a pleasurable activity, as well as the Filipinos' love of food and singing. After the three-round finals of the singing and culinary competition, 'Kitchen Biritera ng Muntinlupa' Francis Anne Virtudazo was proclaimed the inaugural Phoenix SUPER LPG Kalderoke Royalty,

defeating 15 other competitors. Popstar Royalty and Phoenix SUPER LPG Brand Ambassador Sarah Geronimo-Guidicelli, who acted as a special finals judge, crowned Virtudazo on the finale.

Following the success of Kalderoke, Phoenix SUPER LPG also concentrated the majority of its marketing efforts on addressing the demands and concerns of the domestic sector, particularly those pertaining to the point of purchase. The aim was to use its digital platforms and communication



tools to strengthen the business' customer value proposition. It also highlighted the Phoenix SUPER LPG SRG regulator, making cooking more convenient and safer for households.

On the marketing strategy side, there were a number of changes made. First, the five ordering options available were made clear and straightforward. Next, the number of voucher promos available through the LIMITLESS app was increased. Then, household recipes, SUPER hub openings, trends, and CSR-related news were shared on digital platforms. Lastly, discussion forums for the reserve indicator regulator (RIR), product quality, and safety were opened.

The successful campaign persuaded consumers to purchase online, mitigated the impact of growing LPG costs, taught Filipino families about meal recipes and LPG safety handling, and assisted in retaining customers (POL users) with LIMITLESS incentives.

Compelling Connections

In 2021, LIMITLESS collaborated with well-known brands to promote optimism. In the midst of fluctuating pandemic measures, the LIMITLESS team continued to promote digital and contactless transactions.

In May 2021, LIMITLESS teamed up with Coca-Cola to promote happiness, love, and motivation through the #ShareLIMITLESShappiness offer. Customers of Coca-Cola received free canned drinks using redeemable vouchers from LIMITLESS. A profitable collaboration with Nissin noodles was also struck in October 2021. With the #shareLIMITLESSwarmth promo, LIMITLESS and Nissin provided customers with free cups of noodles in addition to the usual reward points and discounts. In December 2021, for the #CelebrateLimitlessconnection promo, LIMITLESS gave out free DITO sim cards, so members would be able to communicate with loved ones in time for the holidays.

Among all its initiatives, the highlight of the year for LIMITLESS was the record-breaking Independence Day Flash Sale. On June 12, 2021, the brand's first anniversary, it sold 17,300 discounted digital vouchers via the app. Sales during the campaign topped Php 3 million.



LIMITLESS
FREEDOM SALE
₱12
on P500 and P100 e-vouchers on June 12

PHOENIX PULSE TECHNOLOGIES PHOENIX SUPER LPG FamilyMart PHOENIX Lubricants AUTOWORX PLUS

OPERATIONAL HIGHLIGHTS

Serving Delightful Ideas

The pandemic did not deter FamilyMart from mounting aggressive promotions in different forms and locations. One such big event it became a part of was the flagship activity of the National Commission for Culture and the Arts (NCCA)'s Museums and Galleries Month (MGM). FamilyMart was the official food sponsor of ManilArt 2021: National Art Fair held on October 13 to 17 at SM Aura Premier.

Visitors at the exhibition were able to purchase meals from the Japanese and Coffee Creations lines of FamilyMart. A FamilyMart photo

art contest was also held, with three winners receiving cash, LIMITLESS coupons, and the chance to have their work displayed on the ManilArt Photo Exhibit wall. While supporting the local creative sector, the sponsorship also allowed FamilyMart to present its brand to new customers, through product sampling.

Part of promoting its excellent product lineup in 2021, FamilyMart introduced new coffee drinks as part of its Coffee Creations line, including the Matcha Series, Chocolate Series, Sakura Series, Caramel Macchiato, Coffee Float, and, for the holidays, the Peppermint White Mocha. Apart from specialty beverages, FamilyMart

expanded its menu of ready-to-eat and 'ready-to-heat' food items—one of which was the FamiChicky, one of the big introductions for the year. A favorite in Japan, it was introduced with the ChickyPops, a bite-sized version of the FamiChicky. Other Japanese food items, such as sando (Japanese sandwich), and takoyaki were also launched within the year, which made FamilyMart a more credible destination for food.

Throughout the year, seasonal special promos were offered to customers, such as protective masks, see-through umbrellas, among other gifts, for qualified purchases.





Rising Again

After Typhoon Odette hit, station dealers in Visayas stepped up to the call for the urgent availability of fuel by not only catering to motorists, but also doing it in an organized manner, and with the implementation of a purchase limit (to prevent hoarding), which was commended by residents and netizens. One station dealer even offered a special lane for delivery drivers so food and water would get delivered faster. Phoenix also implemented a price freeze for fuel and LPG products in hard-hit areas so customers in such localities would not have to face rising fuel costs.

To continue serving customers, lorry assets, personnel, and generator sets in Mindanao were sent to Cebu through the help of valued partners. Phoenix employees with critical operational roles went above and beyond the call of duty to ensure business continuity and undisrupted service even during the December holidays.



Meanwhile, Phoenix SUPER LPG donated LPG tanks to a private group in Cabadbaran City, Agusan del Norte for their feeding program for the victims. A SUPER Hub in San Carlos City, Negros Occidental remained open not only for the LPG needs of the residents, but for their electricity needs as well, through a free charging service for mobile phones and gadgets.

OPERATIONAL HIGHLIGHTS

RETAIL BUSINESS

Remaining Strong and Steady

Despite the continued threats of the pandemic, Phoenix started the year strong by unveiling innovative retail concepts, and by increasing its stations across the country, with the goal to offer next-generation fuel that fits the needs of today's consumers.

690
stations across
the country as of
December 2021

PHOENIX NLEX LOCATED AT THE NLEX DRIVE&DINE (SOUTHBOUND) IN VALENZUELA CITY OFFICIALLY OPENED ON DECEMBER 8, 2021 WITH THE CUTTING OF THE RIBBON BY (L-R) METRO PACIFIC TOLLWAYS CORPORATION PRESIDENT RODRIGO FRANCO, FATHER OF PHOENIX NLEX DEALER ROQUE LUMANLAN, PHOENIX BRAND AMBASSADOR RHIAN RAMOS, TOLL REGULATORY BOARD MANAGEMENT EXECUTIVE DIRECTOR ATTY. ALVIN CARULLO, PHOENIX PRESIDENT HENRY ALBERT FADULLON, PHOENIX SENIOR VICE PRESIDENT ATTY. RAYMOND ZORRILLA, AND PHOENIX NLEX DEALER RAYMUND LUMANLAN

Setting up Successful Locations

The year 2021 saw the rise of the first-ever Phoenix station in an expressway. The station was opened in December along the North Luzon Expressway as part of the NLEX Drive&Dine, a complex of dining and shopping establishments in Valenzuela City, situated on the southbound lane.





Open 24/7, the Phoenix NLEX station was opened in collaboration with partner RDL Fuel pt./Petrocontinental and Energy Corporation. The NLEX Drive&Dine, a 15,500 square-meter commercial space between the Meycauayan and Valenzuela exits, is a popular stop for visitors approaching Manila from the northern provinces. Aside from Phoenix, the compound's single petrol station, the facility also offers food and retail stores.

In March 2021, Phoenix Petroleum also unveiled the Phoenix Block, a multi-purpose retail compound, as part of its plan to expand beyond petroleum. The facility, which is located along Sucat Skyway, houses a Phoenix fuel station, a FamilyMart store, and an Autoworx Plus automotive care shop. Phoenix LPG and lubricants are also sold

at the station. Digital transactions, including bills payment, are accepted via POSIBLE, while all the shops accept transactions on the LIMITLESS lifestyle rewards app. It also has its own Wendy's take-out and drive-thru counter, which is the first of its kind in Asia for the fast food chain, the local franchise of which is owned by Phoenix Petroleum's parent company, Udenna. The Phoenix Block is double the size of a typical Phoenix station, measuring over 3,000 square meters. The retail compound distinguishes itself by serving as a multi-purpose destination for motorists and the local community.

Phoenix launched a second Phoenix Block on the corner of Estrella and Evangelista streets in Bangkal, Makati City in October. The 778-square-meter commercial property brought

THE FIRST-EVER PHOENIX BLOCK AT SUCAT SKYWAY HOUSES A FAMILYMART CONVENIENCE STORE, A PHOENIX SUPER LPG HUB, AN AUTOWORX PLUS CAR CARE SHOP, AS WELL AS A WENDY'S DRIVE-THRU AND TAKE-OUT BOOTH, BRINGING TOGETHER BUSINESSES AND BRANDS IN ONE LOCATION. DIGITAL PAYMENTS ARE ALSO MADE AVAILABLE THROUGH POSIBLE, WHILE LOYALTY REWARDS AND OTHER EXCLUSIVE PRIVILEGES ARE ENJOYED THROUGH THE LIMITLESS APP.

OPERATIONAL HIGHLIGHTS



THE SECOND PHOENIX BLOCK OPENS IN BANGKAL, MAKATI, OFFERING ONE-STOP-SHOP CONVENIENCE THROUGH PHOENIX'S PORTFOLIO OF BRANDS

together all Phoenix brands in one spot for easier and safer transactions, offering more quality and convenience to a new community.

In 2021, despite the pandemic, Phoenix was able to open new stations and 31 locators across the country, bringing the total of retail outlets nationwide to close to 700 by December 2021. Of the 31 locators, three were opened in partnership with Udenna-affiliated brands, namely Wendy's (Phoenix Sucat Skyway and Phoenix Marcos Highway), and Conti's (Phoenix Anabu).



PHOENIX EXPANDS ITS PTC-LALAMOVE CARD COVERAGE TO CEBU-BASED LALAMOVE PARTNER DRIVERS.

Serving Filipino Drivers

In April, Lalamove partner drivers in Cebu were given access to the Phoenix Tsuper Club (PTC)-Lalamove loyalty rewards card. The PTC-Lalamove card is a version of the PTC card that gives exclusive Phoenix fuels and lubricants discounts to cardholders at participating Phoenix stations. Active members receive redeemable awards, basic insurance coverage for personal accidents, and other perks, such as exclusive promos, raffles, and giveaways in addition to the discounts. The PTC-Lalamove card also comes with

a Tsuper Hero Advantage, which instantly qualifies the rider for the Pinoy Tsuper Hero—a one-of-a-kind program aimed at bringing out the 'superhero' in every driver, and promoting driving as a noble vocation.

Hot on the heels of the PTC-Lalamove partnership success, Phoenix teamed up with a new delivery service located in Metro Manila, JGO Delivery. The Phoenix Tsuper Club-JGO card, a version of Phoenix's loyalty and reward program for public utility and courier drivers, was launched in September 2021.

Also in 2021, Phoenix Petroleum and Grab Philippines strengthened their partnership further, working together to provide the best possible service to both their customers and drivers. In February, Phoenix gave free fuel coupons as a welcome gift for customers who downloaded the Grab app that month. This was a Davao-exclusive team-up between the two companies. In addition, Davao's Grab drivers were able to enjoy special offers from Phoenix through the Phoenix Tsuper Club-Grab program which was launched in March of the same year.

As part of the Araw ng Dabaw celebration, Phoenix Petroleum provided an exclusive treat for first-time Grab app users in Davao City. From March 8 to 21, 2021, new Grab app users in Davao City who downloaded the app were able to redeem exclusive discounts. Additionally, the Phoenix Tsuper Club-Grab card was also launched and offered to Grab-partner drivers in Davao.

These loyalty and incentive programs and partnerships are Phoenix Petroleum's way of showing gratitude to PUV drivers' contributions and sacrifices in the name of service.

PHOENIX AND GRAB PHILIPPINES TEAM UP FOR A FUEL REWARD PROMO EXCLUSIVE TO NEW USERS IN DAVAO IN A BID TO BOOST THE BRANDS' PRESENCE IN THE CITY.



PHOENIX PETROLEUM AND JGO DELIVERY TEAM UP FOR AN EXCLUSIVE LOYALTY AND REWARDS PROGRAM FOR COURIER DRIVERS



OPERATIONAL HIGHLIGHTS

Racing To The Future

The Phoenix PULSE Young Drivers' Program - Celebrity Showdown debuted on June 11, 2021 to drum up support for local racing and e-sports, and better position Phoenix as a brand of excellent-quality, high-performance fuel products. The full series was streamed via the Phoenix Facebook page, showcasing eight celebrity racers competing against one another to be a member of the Phoenix PULSE Formula V1 Virtual Cup squad. After weeks of exciting online and on-track games, actor Vitto Marquez emerged victorious over his fellow celebrities. He became the first member of the Phoenix PULSE Racing Team to compete in the Phoenix PULSE Formula V1 Virtual Cup.

In August, the Phoenix PULSE Formula V1 Virtual Cup returned for a second go-round. Marquez represented the Phoenix PULSE Racing Team in the Amateur Class. Season 1 Amateur Class Champion Andrei Vasquez participated in the Pro Class for Season 2. Assetto Corsa, a PC racing sim, served as the platform for the Virtual Cup races.

The Virtual Cup ended in November—the whole duration of the competition streamed on the Phoenix Facebook page for all viewers to enjoy.

VITTO MARQUEZ BEAT SEVEN OTHER CELEBRITY OPPONENTS FOR THE TITLE OF FIRST PHOENIX PULSE YOUNG DRIVERS' PROGRAM CELEBRITY SHOWDOWN CHAMPION



PHOENIX PULSE YOUNG DRIVERS' PROGRAM - CELEBRITY SHOWDOWN RACERS (L-R) PATRICIA REYES, KIM BARANDA, MARCO GUMABAO, MICHELLE DEE, SIMON JAVIER, VITTO MARQUEZ, JOSHUA DIONISIO, AND CHERIZAWA ARE ALL SET TO COMPETE AGAINST EACH OTHER IN THE NEW ONLINE SERIES



PHOENIX MANDALAGAN IN BACOLOD, ALONG WITH EIGHT OTHER PHOENIX STATIONS, BECAME ONE OF THE FIRST PHOENIX STATIONS WITH 100% OF THE STAFF FULLY VACCINATED AGAINST COVID-19.

Protecting The People During The Pandemic

Fulfilling its commitment to safety during the pandemic, at least 12 Phoenix Petroleum stations were operated by fully vaccinated employees by the end of 2021.

As part of its COVID-19 response in 2021, Phoenix proactively encouraged its employees, particularly its frontliners, to be vaccinated. This move not only ensured continuing service, but also increased customer safety, and protected the health of its own workforce from the many infection surges throughout the year. To set a good example for safer customer service, top management and Phoenix dealers around the country were among the first to have their immunization shots. Phoenix was also one of the first Philippine companies to purchase vaccinations for its employees, as well as expand its immunization program to include employee families.



PHOENIX PETROLEUM HAS LAUNCHED A DISCOUNT PROMO FOR VACCINATED CUSTOMERS NATIONWIDE.

Furthermore, aside from taking care of its employees during the pandemic, the company also offered discounts on its fuel and lubricant products and car care and maintenance services from Autoworx Plus to vaccinated customers, as well as extra points when they enter the promo code 'LIMITLESS' on their fuel purchases through the LIMITLESS app. The discount offers supported the government's initiative to urge more individuals to be vaccinated against COVID-19.

OPERATIONAL HIGHLIGHTS

COMMERCIAL & INDUSTRIAL BUSINESS

Stand One's Ground

23%

increase in
commercial
volume

When the economy partially opened in 2021 amid the pandemic, Phoenix and its businesses rode on the momentum to help support economic growth. Its commercial arm, in particular, played a crucial role.

Despite challenges, the Phoenix Commercial and Industrial Business ended the year 2021 with favorable results. Commercial volume went up 23%. Credit performance improved as the organization focused further on collection efforts which were integral to support operations.

This was accomplished through financial initiatives, such as lowering credit terms from S60/M60 to M30, converting termed accounts to cash sales transactions, and granting an early payment discount to a limited group of customers. Through such initiatives, the Phoenix commercial unit effectively remained as a reliable partner to customers amid challenging times.

The business even contributed to the digital thrust of the company as LIMITLESS vouchers worth Php 8.35 million were sold to GrabExpress, GrabFinance, and Prime Movers Marketing.





The Calaca laboratory refurbishments, one of the business' Operational Excellence (OE) initiatives, were completed on time and within budget, generating CAPEX savings for the company. Other OE initiatives include the Royal Cargo Warehouse lubricants depletion, which reduced lubricants inventory from 101 KL to 1 KL, saving millions in working capital; the successful removal of 800 KL of fuel oil from a partner from the power sector without incident; and the conversion of the idle consigned volume from the same partner to sales volume.

Good relationships with key accounts led to stronger partnerships and business expansion. Partners from different industries extended or renewed their supply contracts in 2021. On top of that, the business sustained growth by acquiring 106 new customers, and by supporting the increased demand from existing accounts, particularly in the mining, marine, power, agriculture, and transportation sectors.

OPERATIONAL HIGHLIGHTS





In 2021, the Phoenix Commercial and Industrial Business achieved a Customer Satisfaction Score (CSAT) of 89% and a Net Promoter Score (NPS) of 53%, both of which are above the industry benchmark of 80% and 44%, respectively. This is an indication that the majority of those who responded are satisfied and happy, and will strongly recommend Phoenix, and its products and services.

Even with these accomplishments, the team will not stop there as the business has affirmed its commitment with its newly established Customer Value Proposition (CVP) of “being a partner that the customers can count on for the best-value and tailored fit business solutions that they deserve”.

OPERATIONAL HIGHLIGHTS

LUBRICANTS & DISTRIBUTION BUSINESS

A Smoother Ride Ahead

Phoenix Petroleum is in it for the long haul when it comes to premium engine oils. Aside from fuels, the company offers a full spectrum of high-quality lubricants for automotive and industrial applications that improves engine protection, performance, and power.

By 2021, Phoenix introduced its revitalized lubricant lineup of engine oils, which is composed of

API (American Petroleum Institute) and JASO (Japanese Automotive Standards Organization)-certified products for passenger cars, scooters, and motorbikes.

- Phoenix Accelerate Engine Oil is a premium-quality, fully synthetic, 5W-40 engine oil formulated with SPEED BOOSTER to attain the highest level of performance for gas-powered sports or modified racing vehicles and SUVs.





Phoenix Lubricants are directly sold to businesses and companies, and accessible for retail at Phoenix gas stations across the country, as well as partner auto and bike supply and service shops, hardware stores, and other retail establishments. In 2021, these premium lubricants were made available via the app-based lifestyle rewards program LIMITLESS. Digital presence was further established by participating in sales on leading e-commerce platforms Lazada and Shopee.

With the Phoenix vision of becoming an indispensable partner, its lubricant products continue to be the customers' best ally on the road, making every Filipino's trip safe, smooth, and worry-free.

- Phoenix Zoelo Heavy-Duty Diesel Engine Oil is a high-quality, shear-stable diesel engine oil with HDD (Heavy Duty Detergency) Formula to afford exceptional levels of engine cleanliness and protection against wear, recommended for heavy-duty diesel vehicles (e.g. SUVs, 4x4, trucks, buses, etc.), equipment, and machines.
- Phoenix Cyclomax Motorcycle Oil has two main oil classifications: (1) for regular motorcycles, and (2) for scooters. Each classification has a number of variants under it. Below is the top-tier variant of each Phoenix Cyclomax Motorcycle Oil classification.
 1. For regular motorcycles
 - The Phoenix Cyclomax Racing 4T is a full synthetic oil with ACTIVE CYCLOBOOSTER additives for excellent engine protection, perfect for luxury, high-performance bikes with either an air-cooled or water-cooled four-stroke engine.
 2. For scooters - The Phoenix Cyclomax Syntech 4T Scooter Oil has a special formulation of synthetic Group III base oils with ACTIVE CYCLOBOOSTER additives that provide excellent continuous protection of engine parts.



OPERATIONAL HIGHLIGHTS

AVIATION BUSINESS

All Eyes Turned Skyward

Phoenix continues to fly high in the aviation sector. Despite the challenges and the impact of the lingering pandemic, the team expanded its market share by acquiring new commercial accounts in 2021. In fact, the Phoenix Aviation Business won another annual contract with Philippines AirAsia, securing 100% of the airline company's Jet A-1 requirements in five airports, while servicing six airports for another industry giant, Philippine Airlines. On December 23, 2021, the Phoenix Kalibo airport site was reopened to continue providing more efficient service to clients.

Soaring past its local competitors, Phoenix Petroleum also extended contracts, and captured international accounts. It renewed a one-year contract with Indonesia's flag carrier, Garuda Indonesia, and a five-year contract with Stonewin Capital, an international fuel supply trading company. Furthermore, this coming year marks the company's 18th year partnership milestone with Cebu Pacific.

Ever adaptable, and recognizing that the industry will never return to what it was pre-pandemic, the Phoenix Aviation team has redesigned its supply chain, and partnered with other industry players to ensure that the business has one of the most efficient supply chains in the Philippines for Jet A-1.



CME BUSINESS

Fuel for a Cleaner World

70%
improved
gross margin

Since building its CME (coco methyl ester) manufacturing plant almost a decade ago, Phoenix Petroleum continues to produce quality biodiesel products at a competitive price. In 2021, export sales were over 500 metric tons, and by-products sales exceeded 1,000 metric tons. Revenue grew by 26%, and the gross margin improved by 70%. OPEX was lower by 15%, while NIAT bounced back from negative in 2020 to positive in 2021.

This amazing growth is attributed to a shift in focus on specific key areas; improved sourcing of raw materials,

institutionalized production planning that resulted in optimized operation against demand, and systematized asset management strategies to extend equipment life, and improve overall plant efficacy. In addition, the maximized quality training in 2020 during a lull in operations because of the pandemic made a positive impact, resulting in better plant performance in 2021.

Other important highlights in 2021 are the addition of three new export partners, partnership with the community on environmental preservation, and maximized capacity-building engagements with the staff.



OPERATIONAL HIGHLIGHTS



Sizzling Success

7.73%
market share
in 2021

Phoenix LPG Philippines, Inc. (PLPI) continued to perform in 2021 as volume enjoyed an increase from the previous year. The factors that contributed to this steady growth are the aggressive promotion of new products, and strong partnerships with other brands.

In 2021, along with a business partner, Phoenix introduced and made accessible a new liquefied petroleum gas (LPG) product to low-income customers in Luzon. The RCGC Canister is the realization of Phoenix's commitment to improving customers'

way of life, and providing the best customer experience across income groups through an inexpensive product that would replace traditional fuel sources used in cooking. The introduction of the product in Luzon came after the company rolled out the canister format in the Visayas and Mindanao regions in late 2019 as part of a collaboration with the Philippine Eco-Gas Producer Cooperative (PEPC).

Relentless with its pursuit to deliver customer convenience, and the best customer experience across the nation, Phoenix also launched a 1kg SKU in Visayas and Mindanao in January 2022 as an alternative size





to LPG consumers with restricted household income, microbusiness vendors, and long-haul truckers.

Another widely received promotional campaign was launched in the middle of 2021 in time for Mother's Day. Phoenix SUPER LPG offered a special promo to members of LIMITLESS, one of Phoenix's innovative brands, in honor of Mother's Day. Customers who bought Phoenix SUPER LPG 11kg (new or refill) using the LIMITLESS app's Home Delivery button received a FREE Php 100 Phoenix SUPER LPG e-voucher.

Also in May, Phoenix SUPER LPG launched a special contest through its Facebook page. The #DearSUPERNanay campaign commemorated the occasion by inviting people to share on social media their fondest stories of cooking with their mothers. The contestants

with the most inspiring messages to their mothers were recognized, and given cash prizes equivalent to LIMITLESS points.

In connection with social media trends, the buzz around Phoenix SUPER LPG's #LugawIsEssential tweet earned it a feature in an online article released by marketech-apac.com. The quick-witted initiative was cited alongside other brands that exemplified the meaning of 'moment marketing'.

The Phoenix vision of becoming an 'indispensable partner in the journey of everyone whose life we touch' has been the driving force as to why the company does what it does. For PLPI, the mantra of putting customers front and center has seen its market share grow to 7.73% in 2021 Q3 from a market share of 4.49% in 2017. As of the end of 2021, the PLPI network

consists of 671 SUPER hubs, 57% of which were accredited for DITO level 2 distributorships, and 12% are POSSIBLE merchants. PLPI's network of channels increased by 15% in 2021, and 18 B2B accounts were added.

OPERATIONAL HIGHLIGHTS



The Lion's Vision

40%

increase in
sales from
2020 to 2021

PNX Petroleum Singapore grew in 2021 with a total of 21 trading professionals. Its turnover reached a new all-time high of almost USD 1.7 billion, boosted by rising oil prices. Sales to third parties, likewise, expanded with a 40% increase in sales from 2020 to 2021.

Phoenix Petroleum formed the trading firm in 2017 in order to improve the efficiency of the company's petroleum imports, while also providing access to fast-growing markets in Southeast Asia. The Singapore unit acts as a launching pad for Phoenix Petroleum's regional expansion plans.





Renewable Energy at Work

The impact of the COVID-19 pandemic persisted in 2021, affecting the initiatives for cleaner and sustainable power generation projects in the country. Despite the uncertainty in the market, however, Phoenix Pilipinas Gas and Power, Inc. (PPGPI) participated in two power solutions projects that are in concept selection and early engineering development stages.

Sustainable Communities and Earth-friendly Enterprises

A project requiring the development of a tourism enterprise and special economic zone in an island in the Visayas is being developed, and

PPGPI was engaged for the initial study on a sustainable power solution. The project involves various development stages (resettlement and construction of residential units, commercial center, transportation hub, school, civic center, church, hotel, apartments, and villas, among others) to be built over a period of four years. PPGPI presented a hybrid solution consisting of solar power generation with LPG-powered generators. The solution was proposed in collaboration with Mesa Natural Gas Solutions, LLC, and a new solar company in the country. The project owner is also investigating marine tidal energy, and evaluating other sustainable power generation options as part of the ongoing project development.

Another project that was explored was to provide a new solution that will supplement the existing solar power method for the expansion of a prawn farm in Mindanao. The project looked into installing solar-LPG power generation units for the new prawn farm to be built adjacent to the existing facility. As in a previous study, the modeling showed that LPG power generation is more suitable if operating as primary power rather than as backup.



OPERATIONAL HIGHLIGHTS



Perseverance Pays Off

36%
monthly volume
output in the second
half of 2021

Phoenix Gas Vietnam (PGV) remains focused on further strengthening and developing its business and partnerships. Financial results of 2021 improved. OPEX remained underspent in 2021 by cutting down and delaying expenses wherever possible. PGV also exceeded the 2021 sales plan by 4%, attributed to the 36% increase of monthly volume output in the second half of 2021 against the first half of the same year. The key factors that largely influenced PGV's annual performance were the following: (1) strategic supply term agreement with another

LPG company's monthly requirement for 2H21; (2) flexible supply arrangements with domestic supply partner, PetroVietnam Gas Trading Company; (3) company-wide COVID preparedness, and a robust business continuity plan.

Unfortunately, certain events hampered the growth spurt for PGV in 2021. In April, the country was engulfed in another COVID wave. To flatten the curve, the government ordered a nationwide lockdown from July to September 2021. Another adverse factor was the high price of steel that resulted in a spike in cylinder cost. PGV has slowed down spending due to the higher price of





cylinders, and the ongoing pandemic. However, there was a silver lining through the COVID cloud. Branded volume increased year-on-year. Despite the negative impact of the COVID wave lockdown, PGV posted positive growth.

On the other hand, PGV further enhanced its business roots as its credit facility with Vietinbank, a state-owned commercial bank in Vietnam, was approved. In addition, PGV's campaign for ISO Certification by Q1 2022 progressed ahead of schedule. Correspondingly, PGV maintained zero LTI status across its facilities and areas of operations amid the pandemic. Strict safety and security control measures were implemented to ensure 100% compliance.

As part of its overall quality management system, the PGV Supply, Sales, and Inventory Optimization Program significantly contributed to saving costs, reducing risks, and increasing sales economics for 2021. Furthermore, an intensive marketing campaign was initiated to strengthen

and differentiate PGV's position in the market to improve profitability. The company remains optimistic as it expects an increase in overall growth next year as economies around the world are bouncing back to pre-pandemic levels.

Promising Gains

The year 2021 ended with a back-to-back win. The Committee on Good Vietnamese Products and Consumers' Rights presented PGV the prestigious award, including it in the 'Top 20 Gold Service award for Consumer Rights 2021'. This is the 11th year of the program, which is directed to promote consumer protection and business enterprises against commercial fraud, unfair competition, and poor-quality goods. PGV was given this award based on its exemplary service performance in supplying LPG on all

segments (i.e. Retail 12kg; HORECA 45kg; Industrial Bulk; and Wholesale), garnering high ratings and trust from a large number of partners and customers in the market. Along with this honor, Phoenix Gas Vietnam General Director Duong Nghia Dung received the distinguished recognition of the 'Outstanding Businessman in Vietnam 2021 Award' for his leadership to achieve the company's accomplishments.

OPERATIONAL HIGHLIGHTS



The Road to Progress

48%

volume growth
recorded in 2021

Phoenix Petroleum ventured into the asphalt business in 2018 when it made public its partnership with Thailand-based TIPCO Asphalt Public Co. Ltd, and PhilAsphalt Development Corporation. Phoenix Asphalt Philippines, Inc. emerged from this auspicious partnership, becoming one of the four major asphalt (or bitumen) companies in the Philippines.

In 2021, Phoenix Asphalt noted a growth of 48%, driven by new account volumes in the National Capital Region. On the other hand, NIAT showed a strong 49% as the company continues to sell in areas where it is strong, while balancing its cash-to-term accounts ratio. In addition, Phoenix Asphalt gained a 2% volume import share growth compared to last year—from 16% to 18%. In this regard, Phoenix Asphalt reached the number 2 position in volume import share covering Luzon and Visayas, and number 3 nationwide. It ended the year with only 0.1% overdue covering all of its 26 customers.

With such promising numbers, Phoenix Asphalt is paving the way for a solid reputation in the asphalt industry. What sets it apart from other players in the business is it believes that long-term investment is crucial to the country's transportation infrastructure. Through its innovative products and practices, it offers solutions to help support the government's 'Build, Build, Build' program, beginning with making and maintaining a network of roads.





In July 2021, Phoenix Asphalt launched an innovative product that provides an effective and durable fix for road potholes. Cold Patch Asphalt Mix is an environment-friendly product that can be applied directly to concrete and asphalt-based roads anytime when needed, and the repaired section can be driven over immediately, eliminating the waiting time after asphalt application. This innovative product has been well-received since its launch. It is currently available in B2B and indirect channels.



OPERATIONAL HIGHLIGHTS



The Signature of Service

Autoworx Plus (AWP) is on the fast track of expanding its network of one-stop automotive facilities. In 2021, it opened two service centers: AWP Sucat Skyway on March 5, and AWP Evangelista on October 20. To make things more convenient for motorists, all Autoworx Plus service centers accept LIMITLESS digital transactions.

Motorists know that Autoworx Plus provides professional and reliable automotive care, specializing in vehicle repairs and maintenance, as well as antibacterial treatment and sanitation. Each Autoworx Plus service center has a team of highly skilled vehicle technicians equipped with the proper tools and diagnostic equipment, and Phoenix Petroleum products and top-quality car parts, components, and accessories from international and local partner suppliers and manufacturers, to help customers have hassle-free and worry-free drives.





Everything is an Experience

After acquiring FamilyMart Philippines in 2018, Phoenix reinvented the brand to provide Filipinos—such as busy city dwellers, office workers, and other professionals—with an authentic Japanese, lifestyle commercial store. It offers a wide range of ready-to-eat or fast-food selection, grocery shop essentials, and other services such as auto-loading, bills payment, and ATM services.

In 2021, the brand's Customer Value Proposition (CVP) of aspiring to “delight the senses of its customers” provided the team clearer guidance in all plans, actions, and decisions moving forward.

Although the lingering pandemic carried challenges, FamilyMart, and the people behind it, rallied and powered through the year. In fact, the convenience retail brand posted a positive EBITDA for the first time since the acquisition, and sustained it throughout the last two quarters despite the lockdowns.



OPERATIONAL HIGHLIGHTS



In March, FamilyMart became part of the first Phoenix Block. To make the store more attractive to the patrons who drop by the multi-purpose compound, the brand teamed up with Filipino artist JP Pining in creating a colorful mural on the facade of its outlet. The two-story artwork depicts FamilyMart figures representing some of the convenience store's most popular items, such as onigiri and coffee. This was in line with FamilyMart's CVP, which was made more evident in the way it operated its business—from improvement in the overall store look, to regular promotions, to food offers.

Also related to the CVP strategy to bring Japanese culture closer to Filipinos without having to go out of the country, FamilyMart released a new pair of drinks inspired by Japan's cherry blossom season in March, the Sakura Series. It was launched along with the takoyaki, and was celebrated through a media blitz that involved influencer marketing.



WHAT'S NEW

In July, the Caramel Macchiato was introduced as another addition to FamilyMart's Coffee Creations line. Since its launch, the Coffee Creations line has produced a variety of drinks, including the Matcha Series, Chocolate Series, and Sakura Series, offering customers more beverage options, and further strengthening the brand's positioning as a credible food destination.

Aside from specialized drinks, FamilyMart increased its range of ready-to-eat and ready-to-heat food products, including new onigiri varieties. The brand also launched in August 2021 an easy-to-consume snack called FamiChicky (known as 'Famichiki' in Japan).



Three FamilyMart blockbuster products launched in 2021 were received especially well by the customers. By the end of the year, 43,302 cups of Caramel Macchiato, 64,952 pcs. of Famichicky and Chicky Pops, and 24,148 pizza bars were sold, driving a sale of over Php 10 million.

Other than its growing food selections, FamilyMart also introduced character merchandise through promotions that helped drive sales, and expanded its network of stores, not just in the National Capital Region, but also in Baguio, Batangas, and Davao.



OPERATIONAL HIGHLIGHTS



Always finding ways to reach customers when they cannot go to the stores, FamilyMart explored other sales tactics by putting up outdoor booths, as well as through door-to-door selling.

With mobility still limited, FamilyMart established a stronger presence in the delivery space to complement store sales. Testament to how effective the move has been, FamilyMart was shortlisted in two categories for the Golden Grab Awards 2021, the delivery and transportation app Grab Philippines' annual merchant recognition event. FamilyMart was nominated for two notable distinctions: the Ultimate Lifesaver Award, which recognizes merchants who establish themselves as the go-to GrabMart merchant for all grocery needs; and the Menu Maven Award, which recognizes businesses that have well-curated menus on the Grab app, ensuring visibility and efficiency.



Meanwhile, FamilyMart's #WeSupportSMEs campaign received a silver award in the Most Valuable Service category at the 18th International Business Awards, affirming the value and impact of empowering smaller businesses.

In 2021, aside from building and strengthening collaborative partnerships, there was also a move to improve operational excellence, specifically in waste management, inventory management, and financial management. FamilyMart also strategized plans to invest value in

its workforce, particularly a renewed confidence in the brand and company. In fact, the FamilyMart Sales League was launched wherein stores compete against each other depending on the month's targets. Prizes are sponsored by the company's management, and updates are posted on a dedicated Viber group to encourage healthy competition, and push everyone to deliver.



OPERATIONAL HIGHLIGHTS



Endless Possibilities

More than
8,000
POSIBLE outlets

POSIBLE is guaranteed to transform any existing business into a one-stop-shop destination, providing extra income and livelihood. Its all-in-one 'Negosyo Package' makes it also possible for anyone to get started with a home-based business, and serve neighbors and the community with their digital financial transactions needs.

To continue providing convenience to Filipino communities, more so during the height of pandemic restrictions, POSIBLE developed and expanded its partnership with various digital service, e-money, and money remittance service providers in 2021.

It all relates directly to creating a platform that covers the value stream, and connects it in novel ways; connecting consumers to retailers, distributors, and dealers. POSIBLE was able to develop, maintain, and operate a safe and reliable unified system of wallets that includes digital commodities.

In 2021, POSIBLE enlisted more merchants that offer digital top-up services. It launched partnerships with Western Union and Cebuana Lhuillier Pera Padala. GCash Padala was also an upgraded feature in the POSIBLE platform. The same year, the number of POSIBLE outlets reached more than 8,000 and is estimated to increase exponentially in the coming years.



LIMITLESS

Unbounded Opportunities and Rewards

P1.5B
sales went through
the LIMITLESS app

Phoenix Petroleum's app-based lifestyle rewards program, LIMITLESS, sets itself different from other e-commerce apps since its debut in June 2020 by introducing digital vouchers that can be bought, given as gifts, and claimed through the app. As of December 2021, the platform already has over 217,600 registered users, and a long list of merchant partners—almost double its user size since it was launched.

Even with the pandemic still present, the people behind LIMITLESS campaigned continuously to promote digital and contactless transactions. In May 2021, LIMITLESS collaborated with the iconic brand, Coca-Cola, in a shared mission of advocating for happiness, love, and motivation during challenging times. LIMITLESS and Coca-Cola provided a safe and secure transaction method, and gave free cold drinks to its Luzon-based loyal users through redeemable coupons. The partnership promo, dubbed #ShareLIMITLESShappiness, was so successful that it was extended until the end of June 2021.



OPERATIONAL HIGHLIGHTS



The month of May saw an upsurge in COVID-19 vaccinations, and community restrictions were relaxed so people could go out more. Because of this, LIMITLESS offered discounted vouchers for Phoenix Premium 95 fuel before the month ended.

LIMITLESS celebrated two milestones in June 2021. The special LIMITLESS Freedom Sale is a commemorative offering for Philippine Independence Day, and a celebration of the brand's first anniversary. It offered non-expiring e-vouchers worth Php 500 and Php 100 for only Php 12 a piece. These digital vouchers were extremely beneficial since the app users acquired big discounts by shopping online. By the end of the one-day-only promo, LIMITLESS sold 17,300 discounted digital vouchers during its Freedom Sale, a whopping Php 3 million worth of vouchers.

July brought another major collaboration between LIMITLESS and a famous brand, Shakey's Philippines. This partnership elevated the rewards programs of both LIMITLESS and Shakey's, and it also provided significant value to the app's loyal users and the Shakey's Supercard members. LIMITLESS and Coca-Cola

also brought back the successful #ShareLIMITLESShappiness promo—this time, in Visayas and Mindanao, so more people experienced the happiness of using the lifestyle rewards app.

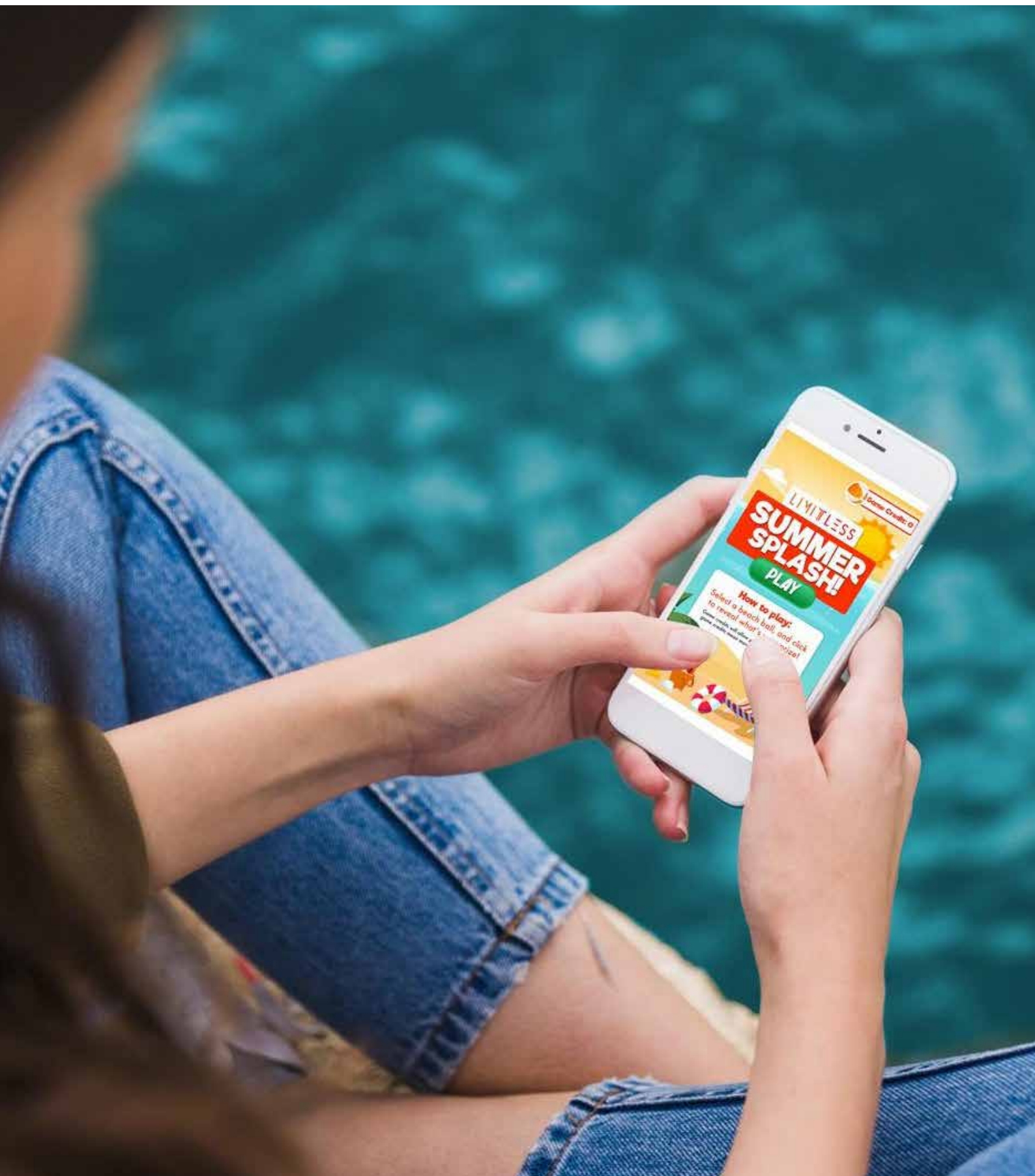
LIMITLESS provided warmth to its loyal users just in time for the chilly winds of October. Following the success of its previous cross-brand promotions, the lifestyle rewards app collaborated with Japanese instant noodle manufacturer, Nissin. With the #shareLIMITLESSwarmth promo, customers with valid transactions were treated to free Nissin cup noodles on top of the LIMITLESS point rewards.

To provide additional financial protection during the pandemic, LIMITLESS, and insurtech provider, Igloo, worked together to offer free COVID-19 insurance to the app's new registered members. New users with verified LIMITLESS accounts were eligible for a two-month COVID-19 in-patient treatment benefit of up to Php 10,000 as part of the agreement. The promo was launched on November 8, 2021, and extended until December 10, 2021.

In December, LIMITLESS gave away free DITO sim cards to its members with the #CelebrateLIMITLESSconnection promo in partnership with DITO Telecommunity. Account holders were rewarded with a free DITO SIM card with 10GB of mobile data, plus calls & texts to all networks, for valid purchases at participating merchants.

Grab Philippines also partnered with LIMITLESS for its incentive program to its driver-partners. The collaboration resulted in Php 8.2 million worth of fuel vouchers sold.

By the end of 2021, aside from multiple brand partnerships, over Php 1.5 billion sales went through the LIMITLESS app, Php 36 million worth of vouchers were sold, 19,336 Phoenix SUPER LPG tanks were ordered via the home delivery button, and 15 FamilyMart promos and other food launches were done through the app.



AWARDS & RECOGNITION

United, We Stand Out

Affirming its expertise in different areas of the business, Phoenix earned several accolades throughout the year. The company received five new awards from the 18th International Business Awards (IBA) or 'The Stevies'.

The first Phoenix Digital National Convention, an innovative event created to adapt to the impact of the pandemic, won a Gold Stevie Award. The convention used a variety of digital live-streaming channels to bring together all Phoenix brand partners, dealers, distributors, suppliers, and franchise owners all over the country.



Phoenix Petroleum won five recognitions from the 18th International Business Awards for its innovative programs and initiatives during the pandemic



PHOENIX GAS VIETNAM GENERAL DIRECTOR NGHIA DUNG DUONG RECEIVES THE TOP 20 GOLD SERVICE AWARD FOR CONSUMER RIGHTS 2021 AND THE OUTSTANDING VIETNAMESE BUSINESSMAN 2021 AWARD FROM THE COMMITTEE ON GOOD VIETNAMESE PRODUCTS AND CONSUMERS' RIGHTS

In the Most Exemplary Employer category, the company's internal COVID-19 response program received a Silver Stevie. The award recognized Phoenix's efforts to guarantee the safety and security of its employees in the face of the pandemic.

FamilyMart's #WeSupportSMEs campaign, which helps small local companies sustain themselves and expand its customer base through FamilyMart stores, received a silver award in the Most Valuable Service category.

Meanwhile, LIMITLESS won a Bronze Stevie Award for Innovation of the Year in the Consumer Service Industries category for its introduction in 2020. The Phoenix Block, another innovative concept, was also awarded a bronze trophy in the New Products–Consumer Services category. At the height of the pandemic, these two programs demonstrated the company's unique approach to offering products and services to customers.

"We attribute this achievement to the collaborative effort of everyone from Phoenix to keep working on our vision to be an indispensable partner in everyone's journey," stated Phoenix Petroleum President Henry Albert Fadullon. That year, Fadullon was the only Filipino Chairman of the Judging Committee, overseeing the Achievement and Management/Entrepreneur categories of the IBA—a category in which Phoenix had no entries.

Phoenix currently holds 11 IBA trophies, after four consecutive years of receiving recognition from the prestigious international awards organization.

A Deserved Recognition

In December, another international distinction capped off 2021. In recognition of its exemplary work in the supply and trading of LPG in the Vietnamese market, Phoenix Gas Vietnam, a subsidiary of Phoenix

Petroleum, was given the Top 20 Gold Service Award for Consumer Rights 2021 by the Committee on Good Vietnamese Products and Consumers' Rights. The merit is exclusively given to Vietnamese products and businesses that have made substantial advances in promoting market competitiveness, as well as the protection of consumer rights and interests. General Director of Phoenix Gas Vietnam Duong Nghia Dung was also honored with the prestigious Outstanding Vietnamese Businessman 2021 Award for his contributions to the company's success.



BUILDING A BETTER FUTURE

SUSTAINABILITY



The Journey towards SDG Reporting

While the Securities and Exchange Commission (SEC) now requires all publicly listed companies to submit their Sustainability Reports annually, the impact of auditing corporate performance to the Sustainability Development Goals (SDG/SDGs) goes beyond compliance to really make a mark on the global targets that have been identified by the SDG 2030. Knowing the global targets and their impact on society provides an opportunity for the private sector to be able to contribute to sustainable development goals.

For Phoenix, this is the initial attempt to see where among the SDGs the organization is contributing to (beyond the required reports). The first step was to look for the strengths of the corporation as matched with the SDG indicators. The process was composed of a desk review, interviews with key managers of the different business units to explore the possible contributions, and observation of internal processes. While there are many more areas to be covered and to study, the initial contribution to the SDGs for 2021 is already a good start.

The petroleum industry is a very important global sector that causes impacts on the 17 SDGs. Nonetheless, the industry has its strengths in terms of contribution. Of these, Phoenix has identified the initial SDGs it is contributing to.

SUSTAINABILITY



SDG 1. End poverty in all its forms

Community Development Agreements

With the impacts of COVID-19 and the consequent health protocols implemented to contain the spread of the virus, one of the hardest hit are those who work in the public transport sector, and the delivery people who earn on a day-to-day basis. When public transport was suspended and was only allowed to return on a limited capacity, many jeepney drivers suffered from the loss of income. Their families were affected, as well. Demand for deliveries increased because of lockdowns and health protocols, but the high cost of fuel, and the expense of amortizing the motorcycles also made it difficult for the delivery personnel.

With the Pinoy Tsuper Club (PTC), Phoenix provides discounts and other forms of assistance to the fleet of drivers that use the products of the company. It is a form of community assistance—the community being the large group of drivers, delivery personnel, and those who rely on transport or delivery for their income. The program provides rewards, insurance, privileges, and a chance to upgrade benefits by becoming a Tsuper Hero. The card, through its insurance feature, provides a safety net for the drivers by giving them coverage while they are making a living with their highly accident-prone functions.

Through the PTC, points are given to member motorists for their fuel purchases. Drivers can also make use



of the PUV lane, and take advantage of special discounts. The points gained can be used to redeem a set of items ranging from appliances, gadgets, gift certificates, mobile load, accident insurance, and Phoenix-branded items. Compared to the reward system of its competitors, the PTC has more benefits for the tsuper.

In 2021, active membership in the PTC totaled 21,240 under five membership card categories. The largest membership came from the classic PTC Card, which had 12,915 active members, followed by the PTC-GRAB card, and the PTC-LALAMOVE Card.

Total redemption in liters totaled 5,495,743.00 for 2021. The value of which is Php 257,341.694.97. From that figure, the total issued discount amounted to Php 6,046,935.33 on top of the issued points of 3,401,689 and redeemed points of 476,231 that were used to redeem rewards in 2021.

The benefits may vary based on the vehicles used by the drivers, but it remains that there is added value to be gained for the members of the PTC.

Ernesto Nazareno Lalamove Driver Phoenix Tsuper Club (PTC) -Lalamove Cardholder since 2020

"I have been a PTC-Lalamove cardholder since September 4, 2020. With it, I enjoy full discounts on my fuel purchases at some Phoenix gasoline stations. The discounts I get as a PTC member help me spare more money for gas, living expenses, and vehicle maintenance, especially nowadays when fuel prices keep increasing.

It's really difficult for us because we have to allot even more money for gas now. As an employee in the delivery industry, and with fuel as an essential factor for our business, the situation we're experiencing is very hard for us. Good thing PTC is there to give a little help to us drivers."





Eden Gargaritano
Construction Engineer
Phoenix Petroleum Philippines, Inc.
Has been with the company
for 11 years

"I handle the construction of Phoenix gasoline stations, and oversee the construction of our station locators in Luzon. As a woman in a non-traditional job, I feel proud, motivated, and challenged. Being a woman drives me to work harder and finish my duties faster. As my job entails on-site visits and fieldwork, I can say that I am very capable of working amongst men who also do the work I do.

Eleven years ago, Phoenix did not hesitate to hire me, and I am always grateful for the trust that the company has in me. I also have a very supportive manager and BU head who give

me continuous guidance. Other departments also seek help from me even though I am a woman handling a man's job.

My work, integrity, and attitude in handling projects helped me gain respect from people, whether inside or outside the organization.

I am happy with the support Phoenix has given to empower the women in the company. There is no discrimination towards us. We even celebrate International Women's Day with a program every year.

I believe that gender is not a hindrance to being an effective member of a company in the oil industry. As long as targets are met, the quality of work is not compromised, and finances are properly managed, we can all contribute to our organization."



SDG 5. Achieve gender equality and empower all women and girls

Breaking Barriers

Gender equality, under SDG 5, is indicated as "women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life". In a highly technical industry, such as petroleum, oil, and gas, women in technical positions (with science, technology, engineering, and mathematics or STEM background) and in leadership are not very common. More women in the industry work in administrative roles while the technical functions are predominantly occupied by men. In 2019, it was reported that only

15% to 22% of women work in the oil and gas industry. At that time, women in the industry decreased as they went up to senior positions, although recent trends show that it is now on an uptrend. Globally, statistics in 2019 show that women in the oil and gas industry are in the following positions:

- 27%-entry-level positions (requiring college degrees)
- 25%-mid-career roles
- 17%-senior/executive-level roles
- 1%-CEOs

The percentage of women in the oil and gas industry remained the same in 2021. It was also reported that there are fewer women in oil and gas than any other major industry. This is where Phoenix has equaled or exceeded global or regional standards.

In 2021, Phoenix employed 251 female and 403 male employees in Luzon, Visayas, and Mindanao, supporting the economic productivity in each region. The percentage of female to male employees is almost

39% female to 61% male employees. This is very high considering that Phoenix is in a traditionally male-dominated industry.

On the management level, 38.10% are female. The figure is 15.10% above the global statistics. On the executive level, women represent 28.57%. This is 11.57% higher than other oil and gas companies globally.

Even in the Board of Directors, women occupy 18% of a group that steers the company towards success, which is at par with world statistics.

These show proof that Phoenix, as a company, strongly supports equality for all employees regardless of gender preference, ethnicity, educational background, or age. A fair chance is given for all, and the capability to perform and contribute to the achievement of company goals is more important regardless of gender.

SUSTAINABILITY



SDG 7. Ensure access to affordable, reliable, sustainable, and modern energy for all

Increase the share of alternative fuel in the global energy mix

Phoenix Petroleum has explored alternative fuels in the global energy mix to support the country's energy security. The auto LPG industry started in the late 2000s, and Petronas Energy Phils. Inc. (PEPI), back then, was a key player in the auto LPG industry, and among the pioneers in the drive to reduce carbon emission among vehicles. As a supporter of the government's drive for cleaner fuel, it had acquired several taxi fleet accounts, especially in the Visayas region. The peak of the auto LPG industry was seen between 2011 to 2014 before it started to decline.

Phoenix acquired PEPI, renaming it Phoenix LPG Philippines, Inc. (PLPI) in 2017. The following year, PLPI attempted to jump start the auto LPG scene with Project Synergy, a partnership with a UK-based firm (CLEVA), which provided the technical expertise and latest technology (PRINS) to efficiently convert vehicles to LPG fuel or dual fuel mode. The project was carried out by GDR Taxi in Iloilo, PLPI's long-time auto LPG partner. The Phoenix investment cost for retrofitting the taxis or its conversion of the petrol-fed taxis to auto LPG was about Php 70,000 per unit. A total of 100 units have been converted by Phoenix since 2018. However, the pandemic in 2020 stalled the progress. Actual number



of running taxis may have changed as some units may no longer be operating or have switched back to regular petrol.

The trend was worldwide. There was a decline in the production and use of auto LPG. According to [source], the pandemic was also a considerable. "The COVID-19 pandemic has almost stopped the CNG and LPG vehicle market growth in its tracks, as factory shutdowns have led to a slump in their production. Moreover, with restrictions on non-essential movement, the demand for transportation services has reduced significantly, which is why ride-hailing companies are not purchasing cars currently. Even individuals are not

buying automobiles because of the widespread financial distress due to salary cuts and unemployment."

However, because of the rapid increase in world petroleum prices due to the unstable peace conditions between Russia and Ukraine, which has affected supply, the possibility of the auto LPG industry is being revived because of its economic viability.

In 2021, PLPI had three active auto LPG Accounts; GDR Taxi in Iloilo, Emerson Taxi in Cebu, and Richelda Taxi in Cebu. Prior to the pandemic, average volume of LPG for auto sales was about 237MT/month. Total auto LPG volume in 2021 was at 830MT.

Edsel Villan Bookkeeper and LPG Business in-charge GDR Taxi

"GDR Taxi has been in business for 28 years. We decided to convert our units from fuel-powered to auto LPG because the latter is more affordable. It's important for us that our taxi drivers bring home more of their earnings for their families. Around 200 of our taxi units were converted to Phoenix Auto LPG in 2020, and about 50 remain running today as we are still working on the renewal of the rest. However, we're open to converting more units to auto LPG depending on the availability of the conversion kit and spare parts for the maintenance."



On top of the three SDGs mentioned, Phoenix has implemented initiatives that are in line with other facets of the sustainability agenda.



SDG 15. Life on Land

Phoenix's origins and headquarters are in Davao, and in harmony with the area that nurtures the company, as well as to help conserve local wildlife, it has taken measures to help nurture life on land. Since 2012, the company has adopted a Philippine eagle named

'Phoenix' at the Philippine Eagle Center run by the Philippine Eagle Foundation (PEF), providing cash assistance to ensure that the research on and care of Philippine eagles continue. The Philippine Eagle Center was established as a captive breeding program to ensure that the endemic species do not go extinct. Additionally, continued support is also given to protect the watershed of the Davao City Water District through a four-year support program managed by the Phoenix Foundation, which began in 2018 and continues until 2022.



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

Being in the petroleum industry, safety is of utmost importance. However, due to COVID-19, most office-based Phoenix employees have been working from home to minimize the risk of infections,

and this situation lowered work-related risks. In 2021, around 70% of employees were working from home or under alternative work setups. Those whose presence were required to be on-site for operations were given additional benefits, which included shuttle service, hazard and disturbance pay, and vitamins.

As vaccines became available, Phoenix was proactive, and coordinated with the authorities to reserve enough volume for its employees. To further support COVID-19 vaccination, Phoenix and the Udenna group initiated vaccination

activities for 600 Phoenix and Udenna staff dependents as part of extending care to the families of employees.

Beyond the internal stakeholders, Phoenix Foundation also facilitated public vaccination for 5,000 people in Azuela Cove, Davao City in partnership with the Davao LGU by providing a venue and logistics assistance in order to help protect the community against COVID-19.

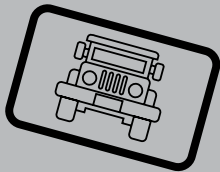
The company also provided food packs, and cash assistance, among other forms of help to when Typhoon Ulysses ravaged Luzon, affecting 200 families, and when Typhoon Odette swept through different areas in Visayas and Mindanao, affecting 68 families. The same help was extended when floods hit Davao City. Meanwhile, during the implementation of enhanced community quarantine (ECQ), around 200 families were also given cash assistance in Calaca, Batangas.

Other community support included the donation of cash, fuel, LPG, and essentials for the Phoenix Community pantries.



By The Numbers

PINOY TSUPER CLUB (PTC)



Membership

21,240

total number of memberships

12,915

active members



Points System

3,401,689

total reward points distributed

476,231

total points redeemed



Benefits

5.4M

liters of fuel redeemed

Php257M

value of fuel redeemed

Php6M

total equivalent cash value of issued discounts

WOMEN IN PHOENIX

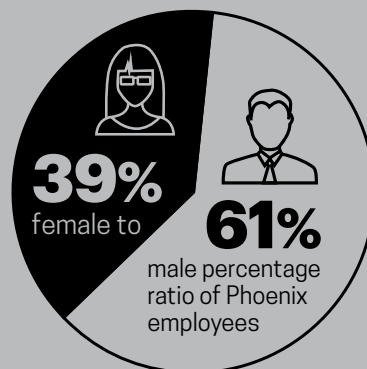


251

female Phoenix employees out of

1,300

total number nationwide



Management level:



38%

female

15%

higher based on global statistics

Executive level:



29%

female

12%

higher than other oil and gas companies globally

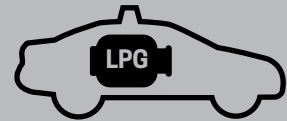
Board of Directors:



18%

female, at par with global statistics

ENERGY FOR ALL



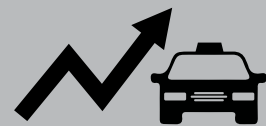
3

active auto LPG accounts of Phoenix LPG Philippines, Inc. (PLPI) in 2021



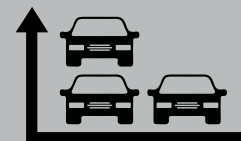
100

taxi units converted from gasoline-consuming vehicles to auto LPG hybrid since 2018



Php70K

investment cost made by Phoenix per taxi unit



237MT

total auto LPG volume per month before pandemic



830MT

total auto LPG volume in 2021



VALUE BEYOND BUSINESS

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

Pandemic Response

As the pandemic developed throughout 2021, Phoenix continued to adapt, maintaining safety as the top priority, while extending assistance to others. If 2020 was about helping others by enabling sustenance, security, and mobility—especially among frontliners and the less fortunate—last year was about driving immunity. With vaccination seen as the key to ending the pandemic, Phoenix focused its efforts on getting as many people inoculated.

Starting from within, Phoenix launched #GoodJabPNX, a multi-platform campaign created to encourage employees to get vaccinated. Under this initiative, a set of promotional materials that recount the experiences of vaccinated personnel were featured to highlight the safety and benefits of vaccines. It was effective in communicating the value of vaccination, as 99% of Phoenix employees were immunized against the COVID-19 virus by December 2021. Besides its own workforce, Phoenix also extended its immunization program to its employees' families, ahead of the private sector's delivery of vaccine stocks.

Furthermore, Phoenix Petroleum supported several public and private sector COVID-19 response initiatives. In June and July, Phoenix partnered with the Davao LGU in rolling out large-scale public vaccination operations that inoculated 5,000 individuals. The company also participated in another initiative that ran from July to October, which vaccinated 600 dependents of employees in the Udena group.

Meanwhile, the Phoenix Foundation granted cash assistance to 20 employees and their dependents who contracted the COVID-19 virus, personnel who lost their loved ones (i.e. dependents), and those who needed surgical procedures.





Tokyo 2020 Olympics

Finally, the goal of Siklab Atletas Pilipinas Sports Foundation to win the country's first Olympic gold has been fulfilled. To celebrate the historic victories of Filipino athletes in the Tokyo 2020 Olympics, Phoenix Petroleum awarded monetary incentives and free fuel to Olympic medalists Hidilyn Diaz, Nesthy Petecio, Carlo Paalam, and Eumir Marcial through Siklab Atletas. For winning the country's first gold medal in weightlifting, Diaz received a monetary award of Php 5 million. Each of the two silver medalists, Carlo Paalam and Nesthy Petecio, was awarded Php 3 million, while bronze medalist Eumir Marcial, received a prize of Php 1 million. Diaz was awarded a lifetime supply of Phoenix fuel, while the rest enjoy free fuel for five years.

To aid Filipino athletes in their training and competitions abroad in the hopes of winning the country's first Olympic gold medal, the Siklab Atletas Pilipinas Sports Foundation was created in



2018 as a first-of-its-kind commercial sector initiative. Phoenix started the 'Buhayin ang Laban para sa Ginto' campaign in the same year, allowing its employees and customers to give to Siklab Atletas's Olympic gold medal cause.

OLYMPIC MEDALISTS HIDILYN DIAZ, NESTHY PETECIO, AND EUMIR MARCIAL RECEIVE THEIR CASH AND FREE PHOENIX FUEL REWARDS FROM PHOENIX PETROLEUM SENIOR VICE PRESIDENT ATTY. RAYMOND ZORRILLA.

CORPORATE SOCIAL RESPONSIBILITY

Project Bayanihan

On May 8, 2021, on the occasion of the 19th founding anniversary of Phoenix Petroleum, the company gave back to the public through Project Bayanihan, a series of Phoenix community pantries. The donations were solicited internally by allowing employees to donate in cash or in-kind via LIMITLESS. Cash donations amounted to almost Php 85,000, which were used to source goods from FamilyMart, allowing the company to make full use of its available resources. The first community pantry was put up at the Putatan SUPER Hub in Muntinlupa City, while the second was held on May 15 at the Sandoval Magisa Hub in Pasig City. Meanwhile, the third community pantry was done in July in coordination with the Batang Sampaloc Community Pantry in Brgy. 473, Zone 47, Sampaloc, Manila.



Scholarship Program

The Phoenix Foundation values education, which sees it as an investment in the future. It offers scholarships to children of Phoenix employees (i.e. rank and file to supervisory positions, and have been with the company for more than five years) under its advocacy for education.

For School Year 2021-2022, Phoenix supported 21 scholars (all levels, grade school to college) across the country. The foundation has been able to assist students in achieving their long-term goals because of this program.

Relief Operations

Phoenix Foundation embodies the spirit of bayanihan as it answers the call for help during times of calamities.

In January 2021, working hand-in-hand with the Philippine Coast Guard Auxiliary, the Foundation donated food packs for Typhoon Ulysses victims in Luzon. The packs were distributed to 200 families in the affected areas. The month also saw another round of ECQ (enhanced community quarantines) measures as the number of COVID infections spiked. In partnership with the Calaca, Batangas Local Government Unit, Phoenix gave ECQ assistance to 200 families through the distribution of food packs.

The Intertropical Convergence Zone (ITCZ) brought substantial rains in numerous sections of the Davao region in October 2021, resulting in massive flooding. According to a DSWD situation report, in 20 barangays in the Davao Region, almost 3,000 households were affected by the floods. Phoenix extended help to 13 families from Davao City by providing cash assistance to them.

Two months later, responding to the plea for help from communities in Visayas and Mindanao affected by super Typhoon Odette, Phoenix and its subsidiaries and business partners joined forces to offer various forms of assistance.

The Phoenix Foundation also gave a Php 10,000 cash donation to each of the 68 Phoenix employees in Visayas and Mindanao affected by the typhoon to help them get back up and rise again. Additional cash and in-kind donations were also given by employee donors.



CORPORATE SOCIAL RESPONSIBILITY

Caring For The Environment

In 2012, the Phoenix Foundation adopted a male Philippine eagle, naming it Phoenix. Partnering with the Philippine Eagle Foundation (PEF) in Davao, the Foundation provides annual cash assistance for the eagle's care, and the maintenance of the breeding facility, as well as support for PEF's overall eagle conservation research and campaign. Phoenix, the proud Philippine eagle, is paired with a female eagle named Mayumi, hoping that the pair would mate and increase the population of their species.

In June 2021, the activities and interactions of Phoenix and Mayumi became more observable as a CCTV camera was installed in their enclosure. In July, the birds began gathering food and constructing their nests, which are good signs of an ideal pairing.

Another environmental advocacy of the Phoenix Foundation is the adoption of the Davao City Water District watershed. The Foundation provides annual cash assistance for its protection and conservation.



PHOENIX STANDS ON ONE LEG IN THE MIDDLE OF HIS ENCLOSURE. GOOD BALANCE INDICATES GOOD HEALTH.

*More than business growth,
Phoenix in 2021 was about
serving and empowering
different communities.*



Outreach

More than
500
families



affected by the pandemic and natural
calamities helped through cash and food
donations

3 community pantries were activated
at the height of the pandemic



Environment

Continued support for the care
of an adopted Philippine eagle,
and the conservation of a
watershed in Davao



Health and Safety

5,600

individuals assisted in the
vaccination against COVID-19



Education

More than
20
scholars



supported through a
scholarship program for
dependents of Phoenix
employees

FUEL MASTERS



BOUNCING BACK



The Phoenix SUPER LPG Fuel Masters were on top of their game in 2021. Despite the less than ideal setups and frustrating setbacks because of the pandemic, the team mounted a full-court press against COVID-19, and went on to play during the 2021 Season of the Philippine Basketball Association (PBA). Come game time in July 2021, all franchise teams entered a semi-bubble setup, playing closed-door games with strict safety protocols in place at the Ynares Sports Arena in Pasig.

But even before the 2021 season started in February, the Fuel Masters made significant changes in its lineup of star players. It acquired all-star players via trade from two PBA teams, Chris Banchero from Magnolia Hotshots, and Vic Manuel from Alaska Aces. The month ended with a slam dunk as two top Fuel Masters players were recognized during the Philippine Basketball Association Press Corps (PBAPC) annual awards night; Justin Chua was named '2020 Top D-Fender of the Bubble' for his supreme shot-blockers, while RJ Jazul was picked as 'Mr. Quality Minutes' for his contributions off the bench.



March

March 2021 also came with milestones. The Fuel Masters made a huge haul in the 2020 PBA Rookie Draft online by choosing center Larry Muiyang for their first-round pick, and also guard Aljun Melecio and forward Nic Demusis. That same month, the league announced an inaugural PBA 3x3 tournament that would consist of franchise teams of the PBA and other guest teams. Phoenix joined the PBA 3x3 under the name LIMITLESS Appmasters. To make the commitment solid, the Appmasters signed top prospect center Brandon Rosser for its 3x3 team.

FUEL MASTERS



August

In August, after a short game hiatus due to the NCR lockdowns, the PBA decided to resume its 2021 season under strict health and safety rules, with the games held at the Don Honorio Ventura State University in Bacoor, Cavite. After starting the conference on a low note, the Fuel Masters grabbed three straight wins to improve to a 4-5 standing. Forward Jason Perkins became 'Player of the Week' during this winning streak.

September

However, September brought in some bad vibes for the Fuel Masters. After a string of unfortunate events, such as untimely injuries and COVID cases, the Fuel Masters bowed out of the Philippine Cup Playoffs after a do-or-die knockout game against Ginebra San Miguel. The team officially took the overall 9th place.



Beating The Buzzer

November

November saw some action, once more, when, after several months of waiting for the go signal, the inaugural PBA 3x3 was officially launched at the Ynares Sports Arena in Pasig. The Appmasters reached the semi-final round and finished 4th overall in its second leg. But the month had more exciting news in store as the PBA announced the launch of its Governor's Cup in December 2021. According to its new guidelines, each franchise team would be allowed to field one import with a 6'6" height limit. The Fuel Masters wasted no time tapping veteran and champion import Paul Harris as the team's reinforcement for the 2021 Governor's Cup. In a player trade with NorthPort, the Fuel Masters acquired players Sean Anthony and Sean Manganti.

December

In December, after almost two years of pandemic-related delays, the league launched an import-reinforced conference, and finally allowed fans to experience the games up close and personal. Despite injured players, the Fuel Masters got off with a good start on a 2-0 standing. The fiery team won its first-ever Christmas Day game when it beat the NLEX Road Warriors at the Araneta Coliseum. The Phoenix Fuel Masters ended the year with a 3-2 standing, with six games left in the elimination phase. Sharp-shooter Matthew Wright was awarded the PBA Player of the Week after scoring a game-high of 23 points in the team's Christmas Day win.

Not to be outdone, and after improving leg after leg, the LIMITLESS Appmasters dominated the PBA 3x3 tournament by grabbing the top spot of the 5th and 6th legs, earning them a Top 3 spot in the grand finals. Come crunch time, the Appmasters won the inaugural PBA 3x3 tournament grand finals on December 29, bringing home the top prize of Php 750,000, ending the year with a ringing cheer.



**BOARD OF
DIRECTORS**

DOMINGO T. UY
DIRECTOR

DENNIS A. UY
DIRECTOR, CHAIRMAN, AND
CHIEF STRATEGY OFFICER

**HENRY ALBERT
R. FADULLON**
DIRECTOR AND PRESIDENT



CHERYLYN C. UY
DIRECTOR

ROMEO B. DE GUZMAN
DIRECTOR





MINORU TAKEDA
INDEPENDENT DIRECTOR



STEPHEN T. CUUNJIENG
DIRECTOR



CONSUELO YNARES-SANTIAGO
INDEPENDENT DIRECTOR



NICASIO I. ALCANTARA
INDEPENDENT DIRECTOR



MONICO V. JACOB
DIRECTOR



**ATTY. JOSE VICTOR
EMMANUEL A. DE DIOS**
DIRECTOR





DENNIS A. UY

DIRECTOR, CHAIRMAN, AND CHIEF STRATEGY OFFICER

Mr. Dennis A. Uy, Filipino, 48 years old, is the founder of the Company and served as President and Chief Executive Officer from inception until 2020, when he became the Chairman and Chief Strategy Officer. He is the Founder, 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.

Mr. Uy is the Chairman of Chelsea Logistics 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 Corp., Chairman of PH Resorts Group Holdings Corp., developer of the premier integrated resort Emerald Bay in Mactan, Cebu, scheduled for opening in 2023. He is also Chairman of Enderun Colleges, Inc., and Chairman of Eight-8-Ate Holdings, Inc. which develops and manages Conti's Bakeshop & Restaurant and 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% participating interest in the Malampaya Deep Water to Gas Project which is the largest producing gas field in the Philippines.

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

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

He was appointed Presidential Adviser on Sports in 2016, 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, Filipino, 75 years old, 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. FADULLON

DIRECTOR AND PRESIDENT

Mr. Henry Albert R. Fadullon, Filipino, 54 years of age, 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
DIRECTOR

Mr. Romeo B. De Guzman, Filipino, 72 years old, 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, Filipino, 42 years old, 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, Filipino, 57 years old, 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 Exchange-listed 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, Filipino, 62 years old, 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, Filipino, 76 years old, 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, Filipino, 82 years old, 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, Filipino, 79 years old, 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 Philodril 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, 68 years old, 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**

HENRY ALBERT R. FADULLON
PRESIDENT



MA. CONCEPCION F. DE CLARO
CHIEF FINANCE OFFICER



ATTY. ALAN RAYMOND T. ZORRILLA
SENIOR VICE PRESIDENT



ATTY. SOCORRO T. ERMACABREROS
VICE PRESIDENT FOR
CORPORATE LEGAL

LEADERSHIP TEAM



RICHARD C. TIANSAY
VICE PRESIDENT FOR SUPPLY CHAIN



MA. CELINA I. MATIAS
VICE PRESIDENT FOR GROUP MARKETING
AND GENERAL MANAGER FOR PHILIPPINE
FAMILYMART



CELESTE MARIE G. ONG
VICE PRESIDENT FOR HUMAN RESOURCES



CHONABETH I. NAZARIO
VICE PRESIDENT FOR
INTERNAL AUDIT



JONAREST Z. SIBOG
VICE PRESIDENT-CONTROLLER



ROY O. JIMENEZ
VICE PRESIDENT FOR
COMMERCIAL BUSINESS



**LEADERSHIP
TEAM****CHARLIE R. VALERIO**

CHIEF DIGITAL OFFICER

**LESTER C. KHAN**GENERAL MANAGER FOR AVIATION
BUSINESS AND GENERAL MANAGER
FOR ACTIONABLE**MARIA RITA A. ROS**

GENERAL MANAGER FOR CME

**JORIZ B. TENEBRO**GENERAL MANAGER FOR JOINT
VENTURES INVESTMENTS**MAGTANGGOL C. BAWAL**GENERAL MANAGER FOR
SHARED SERVICES



ELMER A. BAGUIORO
GENERAL MANAGER FOR LPG TRADING



EVELYN T. GERODIAS
GENERAL MANAGER FOR SALES PHOENIX
LPG PHILIPPINES, INC.



JULGIN ANTHONY G. VILLANUEVA
GENERAL MANAGER FOR SUPPLY CHAIN
PHOENIX LPG PHILIPPINES, INC.



NGHIA DUNG DUONG
GENERAL DIRECTOR FOR
PHOENIX GAS VIETNAM



ERICSON S. INOCENCIO
SHAREHOLDER REPRESENTATIVE



ATTY. RUBIN G. CURA
SHAREHOLDER REPRESENTATIVE



LEADERSHIP TEAM



JULIUS JERRY M. AGUAS

GENERAL MANAGER FOR PHOENIX
ASPHALT PHILIPPINES, INC.



**JOHN JOSEPH GABRIEL
C. PUZON**

ACTION.ABLE PRESIDENT AND CEO



STEFANO ANGELOCOLA

MANAGING DIRECTOR FOR
PNX PETROLEUM SINGAPORE



JOVEN JESUS G. MUJAR

ASSISTANT VICE PRESIDENT FOR
CONSUMER BUSINESS PARTNERSHIPS



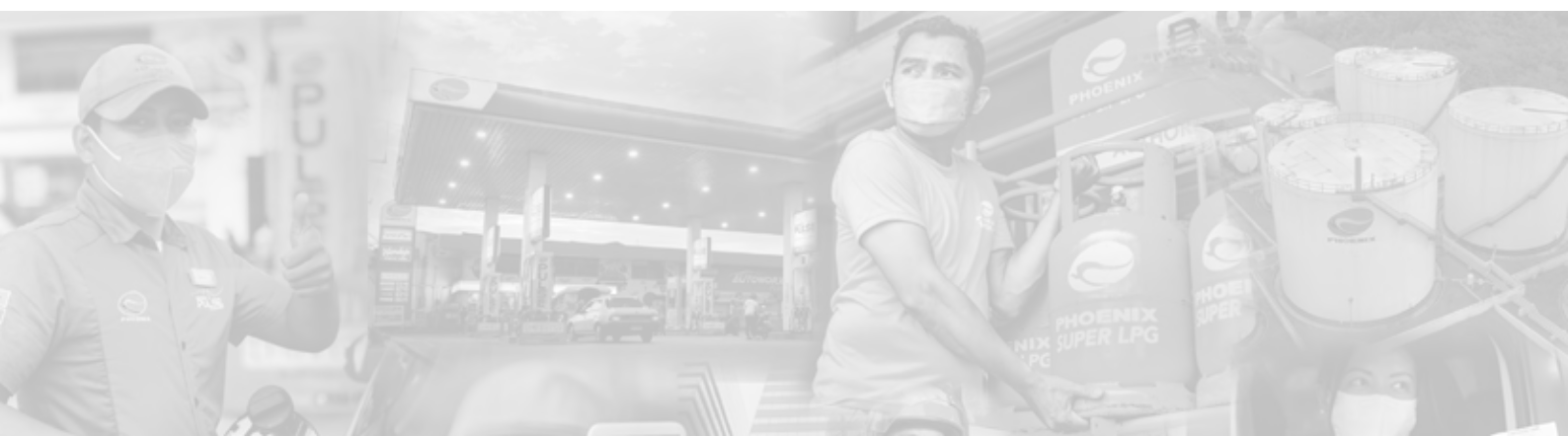
ARNEL G. ALBAN

ASSISTANT VICE PRESIDENT FOR
NETWORK AND CHANNEL DEVELOPMENT



**IGNACIO RAYMUND S.
RAMOS, JR.**

ASSISTANT VICE PRESIDENT FOR TERMINAL
OPERATIONS AND ENGINEERING



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 non-stock 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

CORPORATE GOVERNANCE

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 (Php 50,000,000.00) 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 common-law, 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 long-term 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 it 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, corporate performance, and 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 by-laws. 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, and 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 a reasonable and viable succession plan program for the directors, key officers, and management to ensure growth, and 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.

CORPORATE GOVERNANCE

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 par 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 be establish committees within the Board such as (a) Audit Committee

(AC), (b) Corporate Governance Committee (CGC), (c) 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 publicly-listed 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 their 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 INDEPENDENCE

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.

CORPORATE GOVERNANCE

- 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 duty-bound 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 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 non-financial and sustainability issues are disclosed.

- 10.1 The Board should have a clear and focused policy on the disclosure of non-financial 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.

CORPORATE GOVERNANCE

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, 2021 and 2020, 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

Sgd.

MA. CONCEPCION F. DE CLARO

Chief Finance Officer

Signed this 13th day of May 2022



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, 2021 and 2020, 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, 2021, 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2021 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 Matters

We draw attention to Note 1 to the financial statements, which describes management's assessment of the continuing impact on the Group's financial statements of the business disruption brought by the COVID-19 pandemic. 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 the goods are delivered. The Group's total revenue for the year ended December 31, 2021 amounted to Php 132,284.1 million, of which, Php 130,578.1 million or 98.7% 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;
- Assessing the design effectiveness and testing the operating effectiveness of internal controls, as assisted by our own Information Technology specialists, over the 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 testing the sales invoices to 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 Php 4,632.4 million as of December 31, 2021. 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 estimated of future sales volume and prices, operating costs, terminal value, growth rates and discount rate.

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 estimated of future sales volume and prices, and operating costs as well as the discount rate 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, Right-of-Use Assets, and Intangible Assets Other than Goodwill

Description of the Matter

In view of the continuing community quarantine, travel restrictions and capacity limit restriction imposed by the government in response to the continuing impact of COVID-19 pandemic, the Group's operations were significantly affected by lower fuel consumption of airlines, shipping lines, land transportation, and among others which resulted a net loss of Php 466.2 million in 2021 as compared with the reported net income of Php 62.6 million in 2020. These events and conditions are possible impairment indicators requiring evaluation of possible impairment of investments in joint venture, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill, 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 continuing impact of the pandemic, 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, right-of-use assets, and intangible assets other than goodwill with carrying values as of December 31, 2021 of Php 1,763.3 million, Php 33,914.5 million, Php 1,009.8 million and Php 238.2 million, respectively, is a key audit matter.

The disclosures in relation to management's assessment of impairment of investments in joint venture, property, plant and equipment, right-of-use assets, and intangible assets other than goodwill 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 venture, 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 venture, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill 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 rate and length of forecast period;
- Comparing key assumptions against industry forecasts and with historical information, adjusted to take into consideration the impact associated with the COVID-19 pandemic; and,
- Reviewing the appropriateness of the Group's disclosures on impairment assessment of investments in joint ventures, property, plant and equipment, investment properties, right-of-use assets, and intangible assets other than goodwill.

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, 2021, 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.

If, based on the work performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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
Partner

CPA Reg. No. 0090741

TIN 109-228-427

PTR No. 8852340, January 3, 2022, Makati City

SEC Group A Accreditation

Partner - No. 0395-AR-4 (until Sept. 16, 2022)

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)

May 13, 2022

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

(Amounts in Philippine Pesos)

	Notes	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	P 4,903,236,346	P 5,788,390,677
Trade and other receivables - net	7	18,465,175,812	17,514,071,043
Inventories	8	4,991,935,017	4,769,315,701
Due from related parties - net	30	2,949,357	30,903,191
Restricted deposits	9	77,399,689	-
Input value-added tax - net	2	3,994,411,784	2,762,965,882
Prepayments and other current assets	10	2,477,687,008	2,536,270,438
Total Current Assets		34,912,795,013	33,401,916,932
NON-CURRENT ASSETS			
Property, plant and equipment - net	11	33,914,517,315	32,707,550,060
Right-of-use assets - net	12	1,009,821,339	792,829,159
Investment properties - net	16	687,151,965	595,990,275
Intangible assets - net	13	238,152,265	278,730,290
Investments in joint ventures	14	1,763,313,036	1,635,399,566
Goodwill - net	15	4,632,397,418	4,632,397,418
Deferred tax assets - net	29	1,016,669,281	494,377,468
Other non-current assets	17	7,343,694,173	7,795,489,101
Total Non-current Assets		50,605,716,792	48,932,763,337
NON-CURRENT ASSET CLASSIFIED AS HELD FOR DISPOSAL	18	79,116,467	197,783,908
TOTAL ASSETS		P 85,597,628,272	P 82,532,464,177
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	19	P 24,628,533,067	P 29,804,188,527
Trade and other payables	21	15,494,590,564	9,107,280,269
Derivative financial liabilities	22	82,524,602	623,144,735
Lease liabilities	12	74,329,867	135,787,395
Income tax payable		-	56,610,267
Total Current Liabilities		40,279,978,100	39,727,011,193
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	19	21,508,069,843	18,439,188,606
Lease liabilities	12	1,034,334,811	848,613,622
Deferred tax liabilities - net	29	917,125,517	1,053,700,775
Other non-current liabilities	23	1,378,676,540	1,302,616,194
Total Non-current Liabilities		24,838,206,711	21,644,119,197
Total Liabilities		65,118,184,811	61,371,130,390
EQUITY			
Equity attributable to parent company	31		
Capital stock		1,456,415,332	1,453,477,232
Additional paid-in capital		10,884,918,470	10,862,198,461
Revaluation reserves		2,362,007,585	1,992,470,928
Retained earnings		5,763,700,576	6,815,756,881
		20,467,041,963	21,123,903,502
Non-controlling interests		12,401,498	37,430,285
Total Equity		20,479,443,461	21,161,333,787
TOTAL LIABILITIES AND EQUITY		P 85,597,628,272	P 82,532,464,177

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

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
REVENUES				
Sale of goods	24	P 130,578,125,203	P 76,771,358,402	P 96,501,653,189
Fuel service and other revenues	24, 34	1,521,960,220	1,398,596,723	1,205,744,987
Rent income	23, 34	183,992,753	129,555,791	115,711,069
		132,284,078,176	78,299,510,916	97,823,109,245
COST AND EXPENSES				
Cost of sales and services	24	124,416,021,170	71,253,970,239	86,811,287,081
Selling and administrative expenses	25	5,539,045,929	5,801,940,104	6,518,065,904
		129,955,067,099	77,055,910,343	93,329,352,985
OTHER CHARGES (INCOME)				
Finance costs	26	3,698,952,190	2,036,728,910	2,838,294,987
Fair value losses (gains) on investment properties	16	(86,838,000)	(42,779,542)	474,325
Fair Income	26	(79,062,813)	(359,793,768)	(86,595,790)
Equity share in net income of joint ventures	14	(19,861,739)	(94,862,696)	(16,510,018)
Others - net	7, 18, 27	790,618	(131,406,532)	(12,100,025)
		3,513,980,256	1,407,886,372	2,723,563,479
PROFIT (LOSS) BEFORE TAX		(1,184,969,179)	(164,285,799)	1,770,192,781
TAX INCOME (EXPENSE)	29	718,767,200	226,846,303	(326,046,033)
NET PROFIT (LOSS)		(P 466,201,979)	P 62,560,504	P 1,444,146,748
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Parent company		(P 462,569,824)	P 101,579,114	P 1,486,908,296
Non-controlling interests		(3,632,155)	(39,018,610)	(42,761,548)
		(P 466,201,979)	P 62,560,504	P 1,444,146,748
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss				
Translation adjustment related to foreign subsidiaries	2	P 1,435,082	(P 87,219,875)	(P 69,712,613)
Items that will not be reclassified subsequently to profit or loss				
Gain on revaluation of land	11	445,022,305	1,194,480,257	217,423,972
Remeasurements of post-employment defined benefit obligation	27	17,250,952	(63,984,467)	(39,889,840)
Tax expense	29	(115,568,314)	(339,148,737)	(53,260,240)
		346,704,943	791,347,053	124,273,892
Other Comprehensive Income - net of tax		348,140,025	704,127,178	54,561,279
TOTAL COMPREHENSIVE INCOME (LOSS)		(P 118,061,954)	P 766,687,682	P 1,498,708,027
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Parent company		(P 93,033,167)	P 805,987,767	P 1,541,454,672
Non-controlling interests		(25,028,787)	(39,300,085)	(42,746,645)
		(P 118,061,954)	P 766,687,682	P 1,498,708,027
Basic Earnings (Loss) per share	32	(P 0.73)	(P 0.32)	P 0.57
Diluted Earnings (Loss) per share	32	(P 0.73)	(P 0.32)	P 0.57

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

(Amounts in Philippine Pesos)

	Notes	Capital Stock					Additional Paid-in Capital	Revaluation Reserves	Retained Earnings	Total Equity Attributable to the Shareholders of Parent Company	Non-controlling Interests	Total Equity
		Preferred Stock	Preferred Treasury Stock - At Cost	Common Stock	Common Treasury Stock - At Cost	Total						
Balance at January 1, 2021		₱ 24,500,000	(₱ 10,000,000)	₱ 1,438,977,232	₱ -	₱ 1,453,477,232	₱ 10,862,198,461	₱ 1,992,470,928	₱ 6,815,756,881	₱ 21,123,903,502	₱ 37,430,285	₱ 21,161,333,787
Transactions with owners:												
Cash dividends	31	-	-	-	-	-	-	-	(589,335,769)	(589,335,769)	-	(589,335,769)
Issuance of shares during the year	31	-	-	2,938,100	-	2,938,100	22,720,009	-	(3,251,311)	22,406,798	-	22,406,798
Share-based compensation	27	-	-	-	-	-	-	-	3,100,599	3,100,599	-	3,100,599
Total comprehensive income												
(loss) for the year:												
Net loss		-	-	-	-	-	-	-	(462,569,824)	(462,569,824)	(3,632,154)	(466,201,978)
Other comprehensive income		-	-	-	-	-	-	369,536,658	-	369,536,658	(21,396,633)	348,140,025
Balance at December 31, 2021		₱ 24,500,000	(₱ 10,000,000)	₱ 1,441,915,332	₱ -	₱ 1,456,415,332	₱ 10,884,918,470	₱ 2,362,007,586	₱ 5,763,700,576	₱ 20,467,041,964	₱ 12,401,498	₱ 20,479,443,462
Balance at January 1, 2020		₱ 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	₱ 7,395,270,327	₱ 21,846,024,879	₱ 76,730,370	₱ 21,922,755,249
Transactions with owners:												
Cash dividends	31	-	-	-	-	-	-	-	(683,341,723)	(683,341,723)	-	(683,341,723)
Issuance of shares during the year	31	-	-	1,773,000	-	1,773,000	13,710,416	-	(5,412,777)	10,070,639	-	10,070,639
Redemption of shares during the year		(12,500,000)	-	-	-	(12,500,000)	(1,237,500,000)	-	-	(1,250,000,000)	-	(1,250,000,000)
Sale of treasury shares	31	-	-	-	(344,300,000)	(344,300,000)	43,200,000	-	-	387,500,000	-	387,500,000
Share-based compensation	27	-	-	-	-	-	-	-	7,661,940	7,661,940	-	7,661,940
Total comprehensive income for the year:												
Net profit		-	-	-	-	-	-	-	101,579,114	101,579,114	(39,018,610)	62,560,504
Other comprehensive income		-	-	-	-	-	-	-	-	-	(281,475)	(281,475)
Balance at December 31, 2020		₱ 24,500,000	(₱ 10,000,000)	₱ 1,438,977,232	₱ -	₱ 1,453,477,232	₱ 10,862,198,461	₱ 1,992,470,928	₱ 6,815,756,881	₱ 21,123,903,502	₱ 37,430,285	₱ 21,161,333,787
Balance at January 1, 2019		₱ 32,000,000	(₱ 10,000,000)	₱ 1,434,304,232	(₱ 344,300,000)	₱ 1,112,004,232	₱ 7,233,692,486	₱ 1,283,201,322	₱ 6,381,719,736	₱ 16,010,617,776	(₱ 36,944,919)	₱ 15,973,672,857
Transactions with owners:												
Cash dividends	31	-	-	-	-	-	-	-	(523,046,503)	(523,046,503)	-	(523,046,503)
Issuance of shares during the year	31	7,000,000	-	2,900,000	-	9,900,000	6,807,095,559	-	(8,852,437)	6,808,143,122	-	6,808,143,122
Redemption of shares during the year		(2,000,000)	-	-	-	(2,000,000)	(1,998,000,000)	-	-	(2,000,000,000)	-	(2,000,000,000)
Share-based compensation	27	-	-	-	-	-	-	-	8,855,812	8,855,812	-	8,855,812
Business combination	1	-	-	-	-	-	-	-	-	-	156,421,934	156,421,934
Transfer to retained earnings	31	-	-	-	-	-	-	(49,685,423)	49,685,423	-	-	-
Total comprehensive income for the year:												
Net profit		-	-	-	-	-	-	-	1,486,908,296	1,486,908,296	(42,761,548)	1,444,146,748
Other comprehensive income		-	-	-	-	-	-	54,546,376	-	54,546,376	14,903	54,561,279
Balance at December 31, 2019		₱ 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	₱ 7,395,270,327	₱ 21,846,024,879	₱ 76,730,370	₱ 21,922,755,249

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P-H-O-E-N-I-X PETROLEUM PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		(P 1,184,969,179)	(P 164,285,799)	P 1,770,192,781
Adjustments for:				
Interest expense on bank loans and other borrowings	26	2,265,042,096	1,849,005,676	2,582,918,502
Depreciation and amortization	25	1,330,595,696	1,361,592,449	1,436,858,783
Finance cost due to extended inventory settlement	26	946,210,274	-	-
Translation adjustment	2	(90,739,378)	24,263,078	(69,712,613)
Fair value losses (gains) on investment properties	16	(86,838,000)	(42,779,542)	474,325
Interest income	26	(78,191,835)	(78,752,622)	(35,417,469)
Interest expense from lease liabilities	26	67,612,428	159,714,001	80,990,270
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	-	-
Share in net income of indirectly-owned joint ventures	14	(19,861,739)	(94,862,696)	(16,510,018)
Gain on termination of right-of-use assets	12	17,871,388	(3,426,114)	-
Employee share options	27	3,100,599	7,661,940	8,855,812
Fair value loss (gain) on financial liabilities at fair value through profit or loss	22	(871,008)	(262,796,899)	464,161,271
Loss on non-current asset classified as held for disposal	18	286,428	-	-
Unrealized foreign exchange currency gain - net	26	90,765	(18,244,247)	(32,188,301)
Impairment losses on trade and other receivables	25	-	82,210,745	26,176,493
Loss (gain) on disposal of property, plant and equipment	11	-	14,093,822	5,238,151
Operating profit before working capital changes		3,245,188,149	2,875,921,813	6,222,037,987
Increase in trade and other receivables		(967,683,229)	(1,622,362,838)	(5,153,075,401)
Decrease in inventories		27,192,277,299	26,235,449,246	24,578,136,862
Decrease (increase) in restricted deposits		(57,755,849)	56,202,661	-
Decrease (increase) in input value-added tax		(1,231,445,902)	142,912,739	(1,388,341,211)
Decrease (increase) in prepayments and other current assets		58,583,430	(683,987,827)	(1,522,485,193)
Increase (decrease) in trade and other payables		6,387,219,530	(2,716,136,577)	4,293,563,280
Increase in other non-current liabilities		276,669,288	331,140,744	175,194,648
Cash generated from operations		34,903,052,716	24,619,139,961	27,205,030,973
Cash paid for income taxes		(112,278,454)	(59,605,034)	(99,380,681)
Net Cash From Operating Activities		34,790,774,262	24,559,534,927	27,105,650,292
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property, plant and equipment	11	(1,116,431,061)	(3,398,192,198)	(8,257,359,794)
Increase in other non-current assets		562,602,306	46,122,223	(614,008,547)
Advances for future subscription	17	(459,080,674)	(175,000,000)	-
Investments in joint ventures	14	(140,631,790)	(120,635,538)	(960,763,248)
Interest received		58,547,995	48,663,207	24,007,195
Proceeds from disposal of non-current asset classified as held for disposal	18	57,461,320	-	-
Collections from related parties	30	27,914,809	15,584,888	6,716,432
Dividends received from joint ventures	14	22,520,000	12,808,304	-
Return of investment in a joint venture	14	4,507,149	-	-
Acquisitions of investment properties	16	(4,323,690)	(285,056,535)	(14,025,825)
Acquisitions of intangible assets	13	(1,549,017)	(14,529,820)	(43,332,685)
Advances to related parties	30	(100,053)	(45,286,252)	(2,073,627)
Proceeds from disposal of property, plant and equipment		-	552,321,556	78,850,768
Acquisition of a subsidiary	1	-	-	(628,933,314)
Net Cash Used in Investing Activities		(988,562,706)	(3,363,200,165)	(10,410,922,646)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of interest-bearing loans and borrowings and lease liabilities	20	(57,621,411,570)	(52,758,976,358)	(88,838,174,724)
Proceeds from additional interest-bearing loans and borrowings	20	27,433,284,850	31,915,354,260	72,552,323,218
Interest paid		(3,932,310,197)	(2,839,321,018)	(2,772,911,450)
Payments of cash dividends	31	(589,335,769)	(683,341,723)	(523,046,503)
Proceeds from issuance of shares of stock	31	22,406,798	10,070,639	6,808,143,122
Redemption of shares of stock	31	-	(1,250,000,000)	(2,000,000,000)
Proceeds from sale of treasury shares	31	-	387,500,000	-
Net Cash Used in Financing Activities		(34,687,365,888)	(25,218,714,200)	(14,773,666,337)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(885,154,332)	(4,022,379,438)	1,921,061,309
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,788,390,677	9,810,770,115	7,889,708,806
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 4,903,236,346	P 5,788,390,677	P 9,810,770,115

Supplemental Information on Non-cash Investing and Financing Activities:

- 1) In 2021 and 2020, the Group recognized right-of-use assets and lease liabilities both amounting to Php 348.3 million and Php 40.7 million, respectively (see Notes 12 and 20). Further, the Group terminated certain leasehold rights with carrying value of Php 17.9 million and Php 245.2 million in 2021 and 2020, respectively (see Note 12).
- 2) Interest payments amounting to Php 721.1 million, Php 1,183.5 million, and Php 695.7 million in 2021, 2020 and 2019, respectively, were capitalized as part of the cost of property, plant and equipment (see Notes 11 and 19).
- 3) In 2021, the Group transferred certain retail service stations amounting to Php 83.2 million, which was previously classified as Non-current Asset Classified as Held for Disposal to Property, Plant and Equipment. In 2020, the Group transferred certain retail service stations with carrying amount of Php 197.8 million, respectively, previously classified as Property, Plant and Equipment to Non-current Asset Classified as Held for Disposal (see Notes 11 and 18).
- 4) The Group availed trust receipts from certain banks to settle its importation of inventories amounting to Php 27,954.6 million, Php 18,634.6 million and Php 25,251.7 million in 2021, 2020 and 2019, respectively (see Notes 8 and 20).
- 5) Certain software development cost acquired in 2019 amounting to Php 1.0 million was transferred from property, plant and equipment to intangible assets in the same year (see Note 13).

For further notes and discussions, see our Audited FS Report on our 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, 2021 vs. December 31, 2020.

Revenues, Cost of Sales and Gross Margins

The Group's **Revenues** during the year 2021 increased to Php 132.284 billion, 68.9% higher compared to the Php 78.230 billion generated in 2020. This was mainly due to the increase in fuel prices. The average price of petroleum products was higher as a result of the 64.4% spike in the price of Dubai crude (benchmark crude of Asian refineries) average (YTD December 2021 vs 2020: USD 69.39/bbl. vs. USD 42.21/bbl.) which drove the prices of refined petroleum products down. This is in addition to the 9.7% growth in total volume sold for the comparative years (2021: 4,655 million liters vs. 2020: 4,245 million liters).

Of the 409 million liters incremental sales volume, 58.6% or 240 million liters came from the volume sold by its foreign-based subsidiaries; while the balance of 169.6 million liters net increase or 41% is from domestic operations.

Similarly, **Cost of Sales and Services** increased by 74.6%, from Php 71.254 billion in 2020 to Php 124.416 billion in 2021, principally attributable to the volume growth and surge in fuel prices.

As a result mainly of the increase in sales volume and increase in fuel prices, **Gross Margin** rose by 11.7% or Php 0.823 billion.

Operating Expenses, Non-operating Expenses, Recurring Income

The company's **Selling and Administrative Expenses** amounted to Php 5.539 billion, 4.5% less than the Php 5.802 billion 2020 level. Considering the volume growth, opex per liter improved to Php 1.19 billion from Php 1.37 billion as the company continued to implement cost-effective programs aimed to streamline its processes and reduce cost.

On the other hand, **Net Non-operating Charges** of Php 3.514 billion was Php 2.106 billion more than the Php 1.408 billion incurred in 2020. Part of the 149.6% increase was the Php 1.662 billion increase in the finance cost as the working capital requirement brought about by the increase in fuel prices also increased, Php 0.044 billion increase in the recognized fair value gains on investment properties, Php 0.281 billion decrease in finance income, Php 0.075 billion decrease in the equity share in the JV income, and Php 0.132 billion decrease in other income.

Operating, Net, and Comprehensive Incomes

Because of the decrease in operating expenses, the 2021 **Operating Income** of Php 2.329 billion rose by 87.3% (Php 1.085 billion) compared to the 2020 Operating Income of Php 1.244 billion.

Due to the higher Net Non-operating Charges, the group incurred a **Net Loss After Tax** of Php 0.466 billion in 2021 vis-à-vis the 2020 NIAT of Php 0.063 billion.

Meanwhile, the company recorded a Php 0.445 billion gain on revaluation of land which was 62.7% or Php 0.749 billion less than Php 1.194 billion recorded in 2020. The remeasurement of the post-employment defined benefit program also resulted in a gain of Php 0.017 billion in 2021, 127.0% better than Php 0.064 billion loss recognized in 2020. As such resulted to a **Comprehensive Loss** of Php 0.118 billion, 115.4% less than the Php 0.767 billion reported in 2020.

Financial Condition

(As of December 31, 2021 versus December 31, 2020)

Consolidated resources as of December 31, 2021 stood at Php 85.598 billion, 3.7% higher than Php 82.532 billion level as of December 31, 2020. This was mainly due to the increase in fuel prices which resulted in higher input VAT. The increase is also due to the increase in property, plant, and equipment, although the capital expenditures spending was cut into only 30% versus 2020.

Cash and Cash Equivalents decreased by 15.3% (from Php 5.788 billion in December 31, 2020 to Php 4.903 billion as of December 31, 2021) as the company settled its loans, net of the proceeds coming from new loans availed.

Trade and Other Receivables increased by 5.4% (from Php 17.514 billion as of December 31, 2020 to Php 18.465 billion as of December 31, 2021) in relation to the increase in revenues, as a result of the increasing fuel prices.

Inventory was 4.7% higher at Php 4.992 billion as of December 31, 2021 compared to Php 4.769 billion as of December 31, 2020. This is the result of pressure coming from the fuel price increases in addition to the group's effort to be efficient in its supply-chain strategy.

As of December 30, 2021, the Group's **Property and Equipment**, net of accumulated depreciation, increased to Php 33.914 billion versus the Php 32.708 billion as of December 31, 2020. The Php 1.207 billion or 3.7% growth represented the fair value appraisal of certain land properties of Duta leased by PLPI and carry-over expansion of the group.

Investment Properties was 15.3% higher at Php 0.687 billion as of December 31, 2021, from Php 0.596 billion as of December 31, 2020. The Php 0.091 million increment mainly pertained to the market revaluation of the company's real estate properties in compliance with accounting standards.

Intangible Assets was 14.6% lower at Php 0.238 billion as of December 31, 2021, from Php 0.279 billion as of December 31, 2020 as a result of normal amortization.

Right of Use Assets increased to Php 1.010 billion as of December 31, 2021 from Php 0.793 billion as of December 31, 2020 resulting from normal depreciation and re-opening of normal business operations after the ease of certain pandemic restrictions and mobility.

Investment in Joint Ventures was 7.8% higher at Php 1.763 billion as of December 31, 2021, from Php 1.635 billion as of December 31, 2020 inclusive of the cumulative increase from the equity share in the JVs net income, as well as the company's share in its new Joint Venture Agreements.

Deferred Tax Asset was 105.6% higher at Php 1.017 billion as of December 31, 2021, from Php 0.494 billion as of December 31, 2020 coming from some subsidiaries reporting losses, thereby recognizing Income Tax Benefits.

Other Non-current Assets was 5.8% lower at Php 7.343 billion as of December 31, 2021, from Php 7.795 billion as of December 31, 2020 as some advances to suppliers for various goods and services in the prior were completed and delivered in 2021.

Interest-bearing Loans and Borrowings, both current and non-current of Php 46.137 billion as of December 31, 2021 decreased by 4.4% from Php 44.243 billion as of December 31, 2020, mainly due to the settlement of debts, net of new loan availments.

Trade and Other Payables increased by 70.1% from Php 9.107 billion as of December 31, 2020 to Php 15.494 billion as of December 31, 2021, related to the terms, timing, and increased value of purchases of petroleum products.

Deferred Tax Liabilities amounting to Php 0.917 billion as of December 30, 2021 decreased by 13.0% versus the Php 1.154 billion as of December 31, 2020, primarily related to the related fair value gains on land and investment properties.

Total Stockholders' Equity decreased to Php 20.479 billion as of December 31, 2021 from Php 21.161 billion as of December 31, 2020, (by 3.2%). The increase in Capital Stock and Additional Paid-in Capital is a result of the ESOP availment of Php 0.026. The 15.4% decline in retained earnings came from the Php 0.466 billion net loss realized in 2021, payment of dividends on Preferred shares amounting to Php 0.589, partially offset by the increase in the Revaluation Reserves of Php 0.370 coming from the Other Comprehensive Income component of the Fair Value Gains of certain assets.

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, 2021	December 31, 2020
Current Ratio ¹	0.87x : 1x	0.84x : 1x
Debt to Equity Interest-Bearing ²	2.25x : 1x	2.28x : 1x
Net Book Value per Share ³	Php 8.99	Php 9.37
Earnings per Share ⁴	(Php 0.83)	(Php 0.34)

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, 2021 vs. December 31, 2020

15%	decrease in Cash and Cash Equivalents Settlement of matured debts, net of new loans availed.
5%	increase in Trade and Other Receivables Due to the increase in revenues.
45%	increase in Input VAT Excess VAT paid in advance net of the recoveries from vat-able sales.
91%	decrease in Due from Related Party As certain JV agreements were fully consummated.
100%	increase in Restricted Deposits In compliance with the OLSA requirement with BDO.
15%	increase in Investment Properties Appraisal of Land, classified as investment properties
27%	increase in Right of Use Asset Renewal of certain Lease Contracts.
15%	decrease in Intangible Asset Normal amortization.
8%	increase in Investment in Joint Ventures Due to the company's share in the Net Income and the additional Joint Venture Agreements entered into during the year.
106%	increase in Deferred Tax Assets Coming from some subsidiaries reporting losses.
6%	decrease in Non-current Assets Completion of certain projects and related services.
60%	decrease in Non-current Assets Classified as Held for Sale Certain sale of assets to JV were consummate and executed as planned.

17%	decrease in Interest Bearing Loans-Current Settlement of maturing debts during the year.
70%	increase in Trade Payables In relation to the increasing petroleum products prices and longer payment terms.
87%	increase in Derivative Financial Liabilities Related to the forward contracts entered into by PNX SG
45%	decrease in Lease Liabilities-Current Due to the cancellation and re-structuring of certain lease contracts.
100%	decrease in Income Tax Payable Net of the offset against creditable withholding taxes allowable for application for subsidiaries reporting net income.
22%	increase in Lease Liability-Non Current Renewal of certain leased contracts.
13%	decrease in Deferred Tax Liability Coming from the lower fair value gains of certain properties recognized during the year net of the allowable offset to Deferred Tax Asset for the year.
6%	increase in Non-current liabilities Increase in Customer Cylinder Deposits, Cash Bonds, Security Deposits, Unearned Rent and Post-employment benefit obligation.
19%	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.
15%	decrease in Retained Earnings Increase coming from the Net Loss after tax and the dividends declared and distributed during the year.

Material (5% or more) changes to the Group's Income Statement as of December 30, 2021 vs. December 30, 2020

70%	increase in Sale of Goods Mainly due to the increase in fuel prices during the year.
9%	increase in fuel service and other revenue Coming from PNX SG.
42%	increase in rent income Coming from PPPI's new operating sites and non-fuel related businesses as the ease of mobility started to increase economic activities.
75%	increase in Cost of Sales and Services This mirrors the increase in the sale of goods, reflecting the downwards price movements in the world market in 2021 compared to 2020.
5%	decrease in Selling and Admin Expenses Relative to the company's effort to reduce its expenses in response to the impact of the pandemic.
82%	increase in Finance Costs As the increase in fuel prices requires higher working capital, the equivalent volume of trade related likewise increased despite the reduction in average interest rates.

- 78% decrease in Finance Income
Net realized and unrealized forex gains and losses as well as PNX SG's forward contract results.
- 103% increase in Fair Value Gains on Investment Properties
Fair value gains on investment properties leased to third party customers.
- 79% decrease in Equity Share in Net Income of a Joint Venture
This is the net share from all the operating Joint Ventures during the year.
- 101% decrease in Other income
There was no one-time other income made during the year.
- 217% increase in Tax Benefit
Due to the net loss for the year.
- 102% decrease in Translation Adjustments Loss
Net forex exposure from foreign denominated subsidiaries resulted in gain on translation adjustment.
- 63% decrease in Gain in Revaluation of Land (OCI)
Related to the gain on the investment property revaluation for the year.
- 127% decrease in Remeasurement of Post-Employment Benefit Obligation Loss (OCI)
The actuarial valuation resulted in net gain on remeasurement.
- 66% decrease in Tax Expense (OCI)
Net effect of the lower gain in revaluation of land and gain 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

- The Parent Company held its annual stockholders' meeting last April 30, 2020, at the Phoenix Corporate Headquarters in Davao City via remote communications or live streaming.
- The Board of Directors has declared cash dividends for the Company's preferred shares (3rd Tranche) for the year as follows:

Shares	Record Date	Payment Date	Interest Rate Per Annum
PNX3B	February 22, 2021	March 18, 2021	8.1078%
PNX4	February 22, 2021	February 26, 2021	7.5673%
PNX3B	June 15, 2021	June 18, 2021	8.1078%
PNX4	May 21, 2021	May 24, 2021	7.5673%
PNX3B	September 16, 2021	September 20, 2021	8.1078%
PNX4	August 17, 2021	August 20, 2021	7.5673%
PNX3B	September 16, 2021	September 20, 2021	8.1078%
PNX4	November 17, 2021	November 22, 2021	7.568%
PNX3B	December 15, 2021	December 20, 2021	8.1078%

3. As of December 31, 2021, 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 Group does not anticipate having any cash flow or liquidity issues. 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 is not in default or 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

MA. CONCEPCION DE CLARO

Chief Finance Officer

JONAREST Z. SIBOG

VP for Controllershship

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
LSFO 1% Sulfur

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 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 HT2 Grease NLGI 2 Lithium-Calcium (10g)
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 10 SAE 40 (200L)

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 SMO SAE 30 (1L)

Phoenix SMO SAE 40 (1L)

Phoenix All Purpose Oil (120ml)

Phoenix Heat Transfer Oil ISO 32 (200L)

SPECIALTY CHEMICALS

Phoenix Brake & Parts Cleaner & Degreaser (500ml)

Disinfectant Fluid (80ml)

Novax Adblue DEF (2L, 20L, 200L & 1000L)

Car Revitalizer Machine

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:

15th to 17th Floors, Udenna Tower,
Rizal Drive cor. 4th Avenue,
Bonifacio Global City, Taguig,
Metro Manila, Philippines 1634
Tel: (02) 8403-4013
Fax: (02) 8403-4021

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.

15th to 17th Floors, Udenna Tower,
Rizal Drive cor. 4th Avenue,
Bonifacio Global City, Taguig,
Metro Manila, Philippines 1634
Tel: (02) 8403-4013
Fax: (02) 8403-4021

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

PLDT Toll-Free: 1-800-10-PNX FUEL (769-3835)
Globe Toll-Free: 1-800-8-PNXFUEL (769-3835)
Globe Mobile Numbers: 0917-313-7011 to 18
Smart Mobile Numbers: 0998-960-4246 to 53

E-mail: info@phoenixfuels.ph
Website: www.phoenixfuels.ph
Facebook: www.facebook.com/phoenixfuels.ph
Twitter: twitter.com/phoenixfuels
Instagram: www.instagram.com/phoenixfuels
LinkedIn: www.linkedin.com/company/phoenixfuels/



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