



PRESIDENT'S REPORT

Transforming Energy for A Better World

2023 Annual Stockholders' Meeting
24 April 2023

The background of the image features the Philippine flag, which is divided into three horizontal stripes of blue, white, and red, with a golden sun and three stars in the center. The flag is set against a blue background with a geometric pattern. The text is overlaid on the right side of the image.

2022 Philippine GDP

7.6%



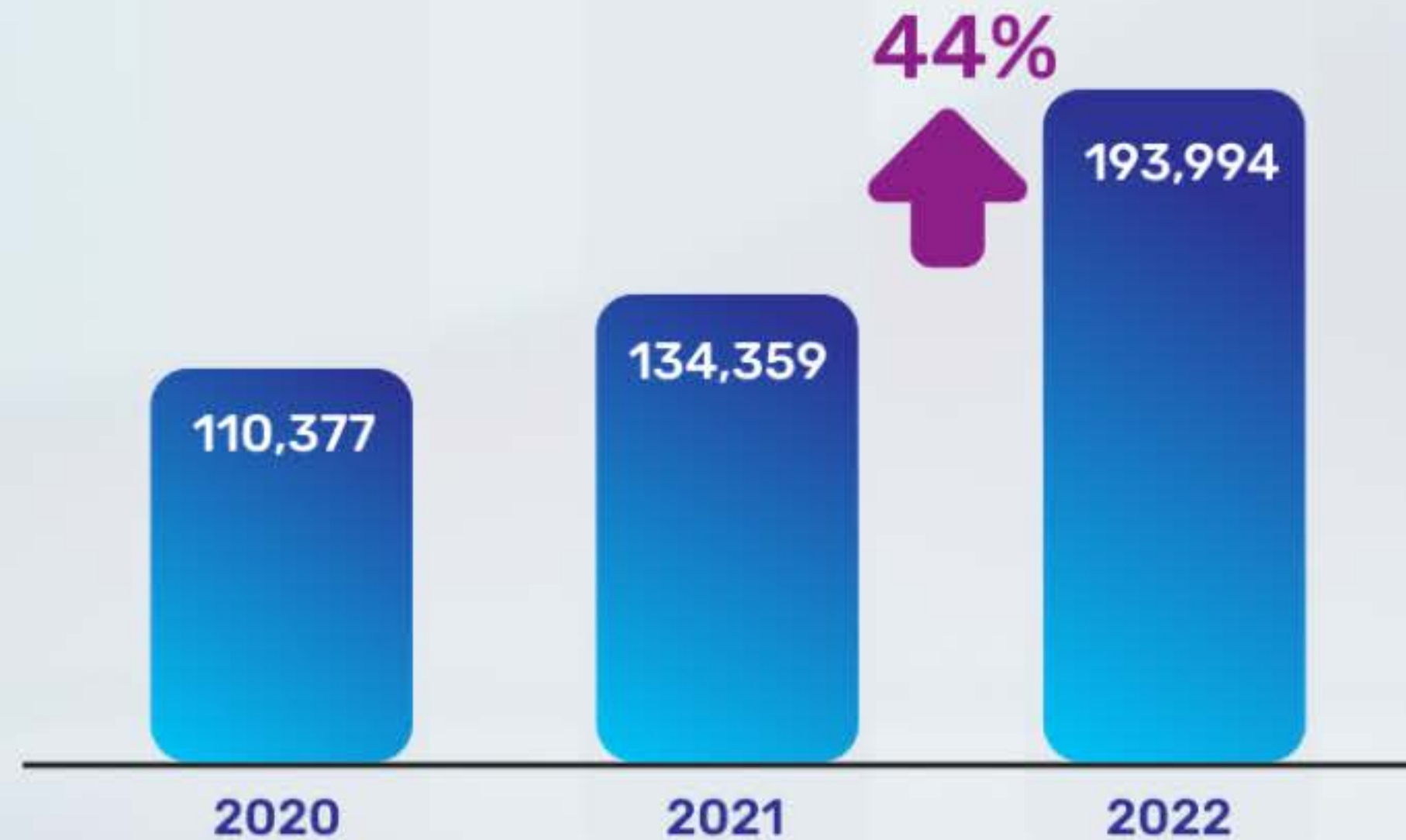




FINANCIAL HIGHLIGHTS

REVENUE

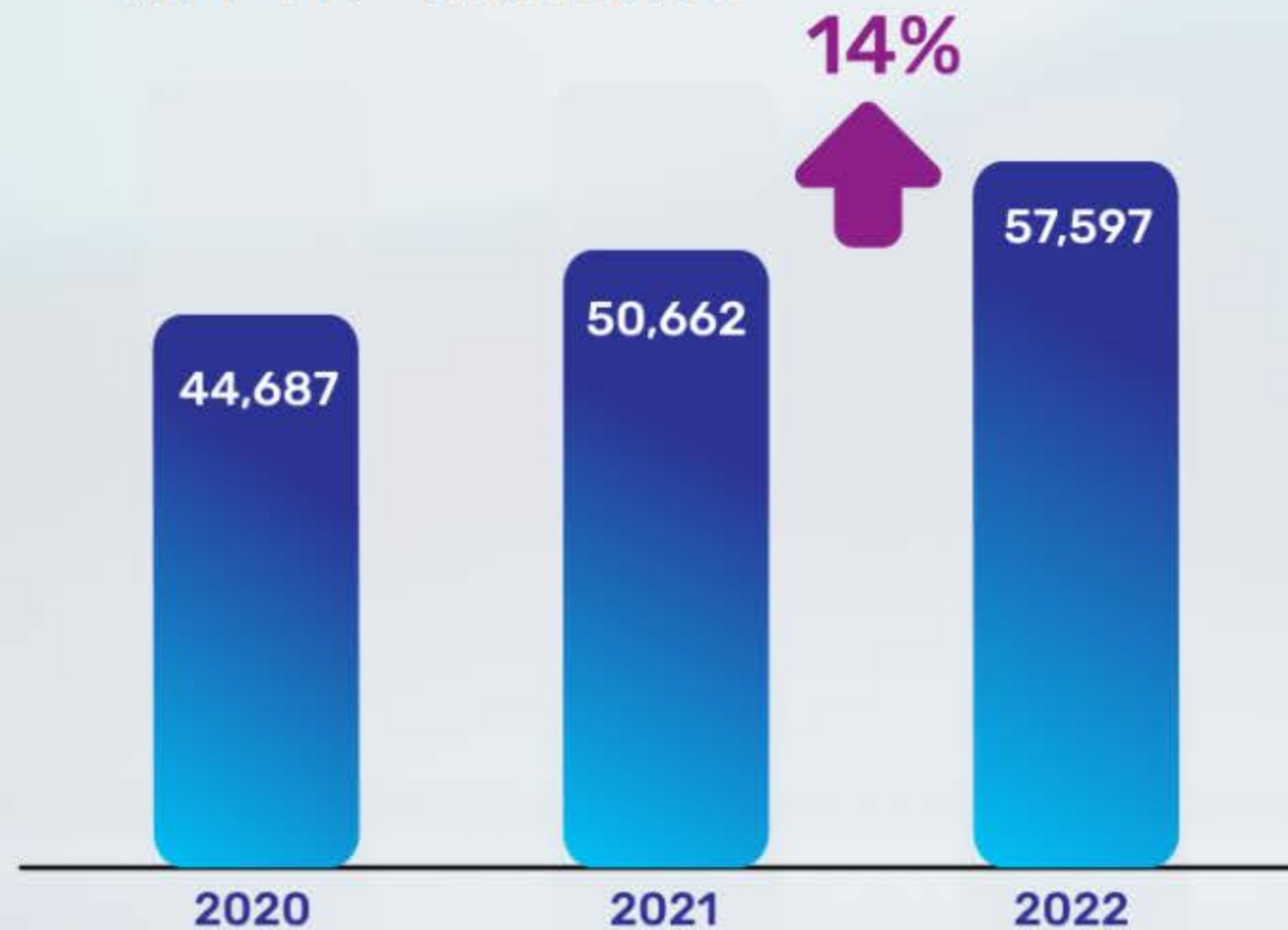
in PHP millions



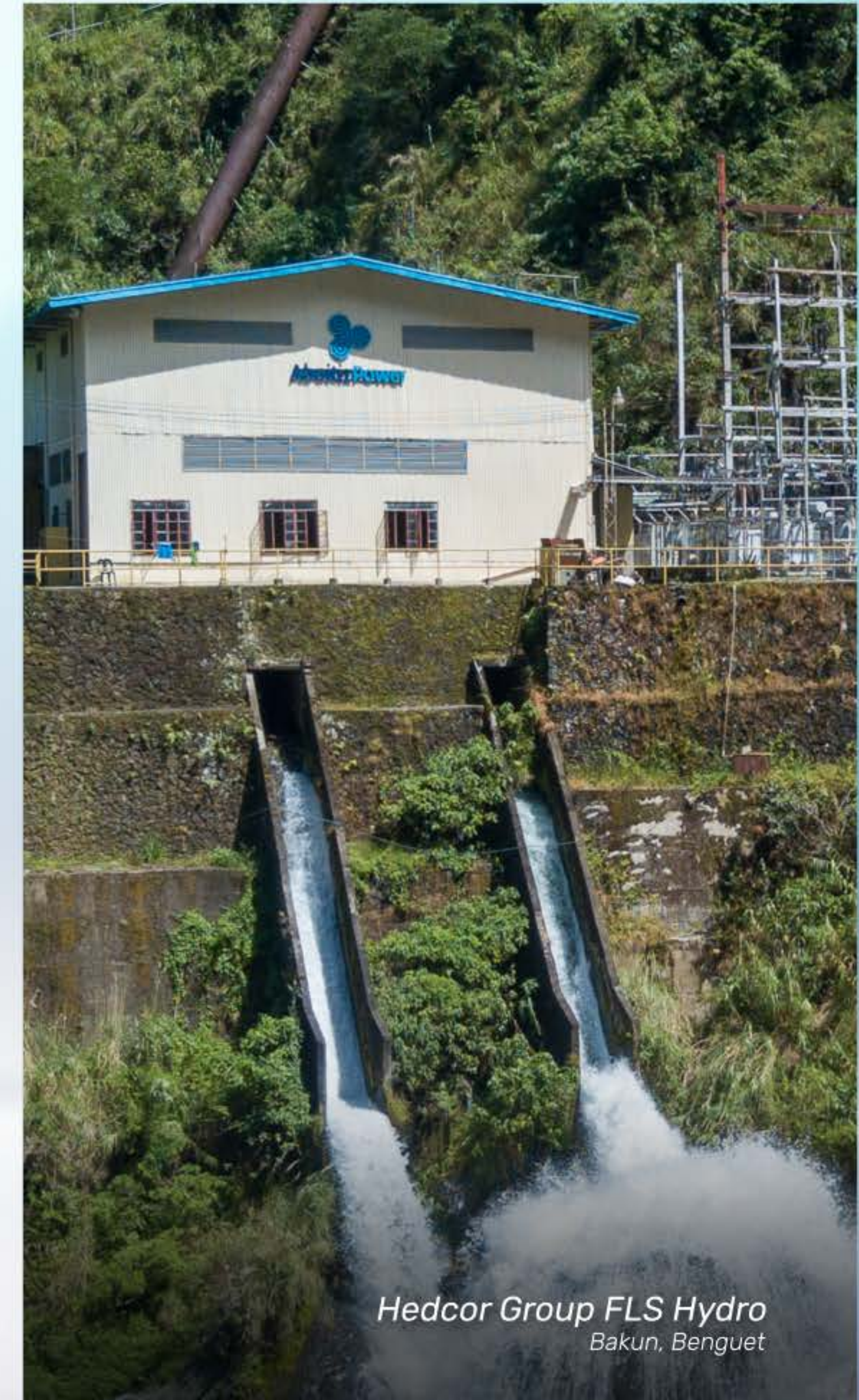
FINANCIAL HIGHLIGHTS

EBITDA

in PHP millions



EBITDA = earnings before interest, taxes, depreciation and amortization

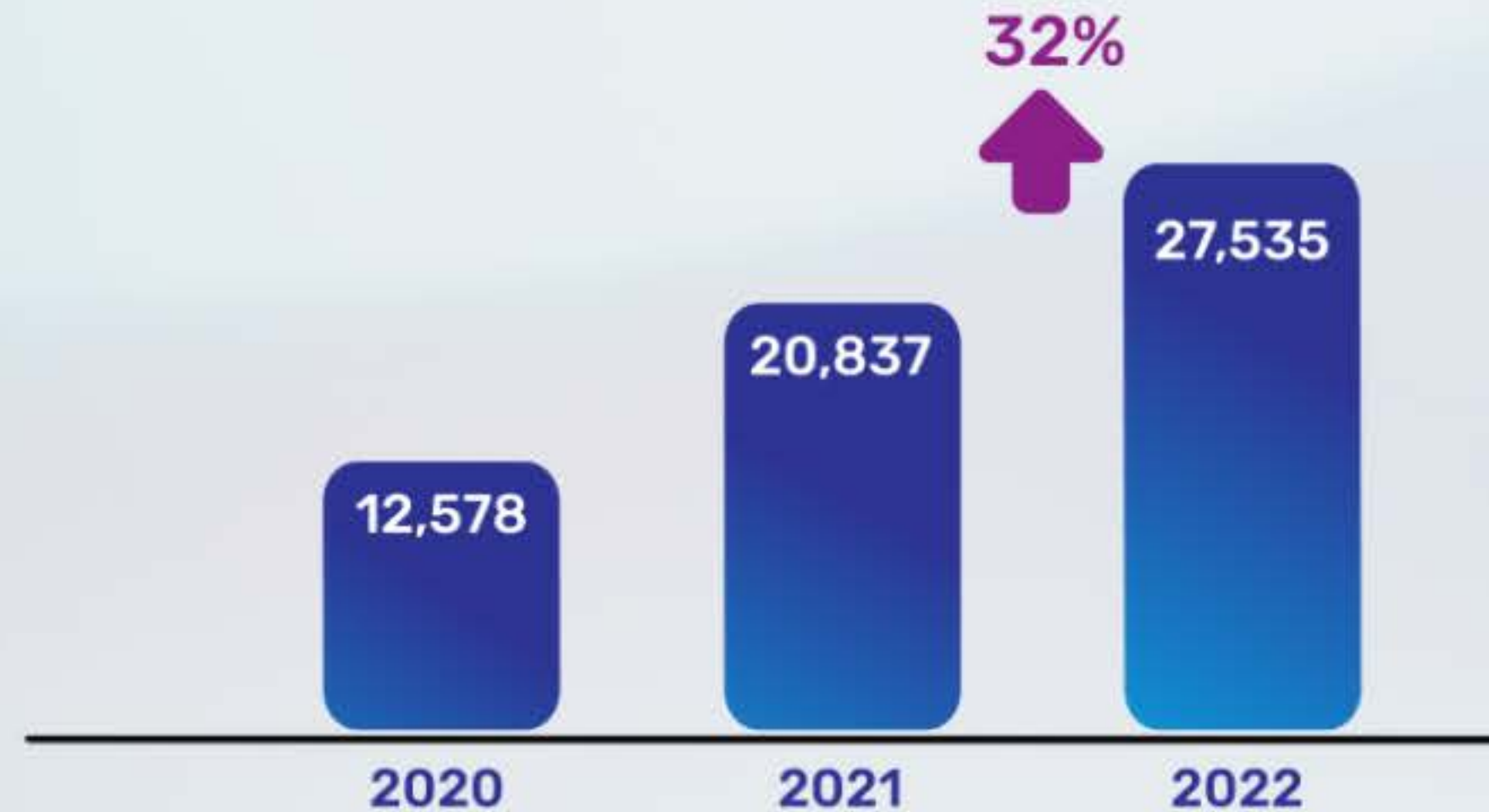


*Hedcor Group FLS Hydro
Bakun, Benguet*

FINANCIAL HIGHLIGHTS

NET INCOME

in PHP millions



EPS	1.71	2.83	3.74
ROE	11%	17%	20%

EPS = earnings per share

ROE = return on equity



San Carlos Sun Power
San Carlos City, Negros Occidental

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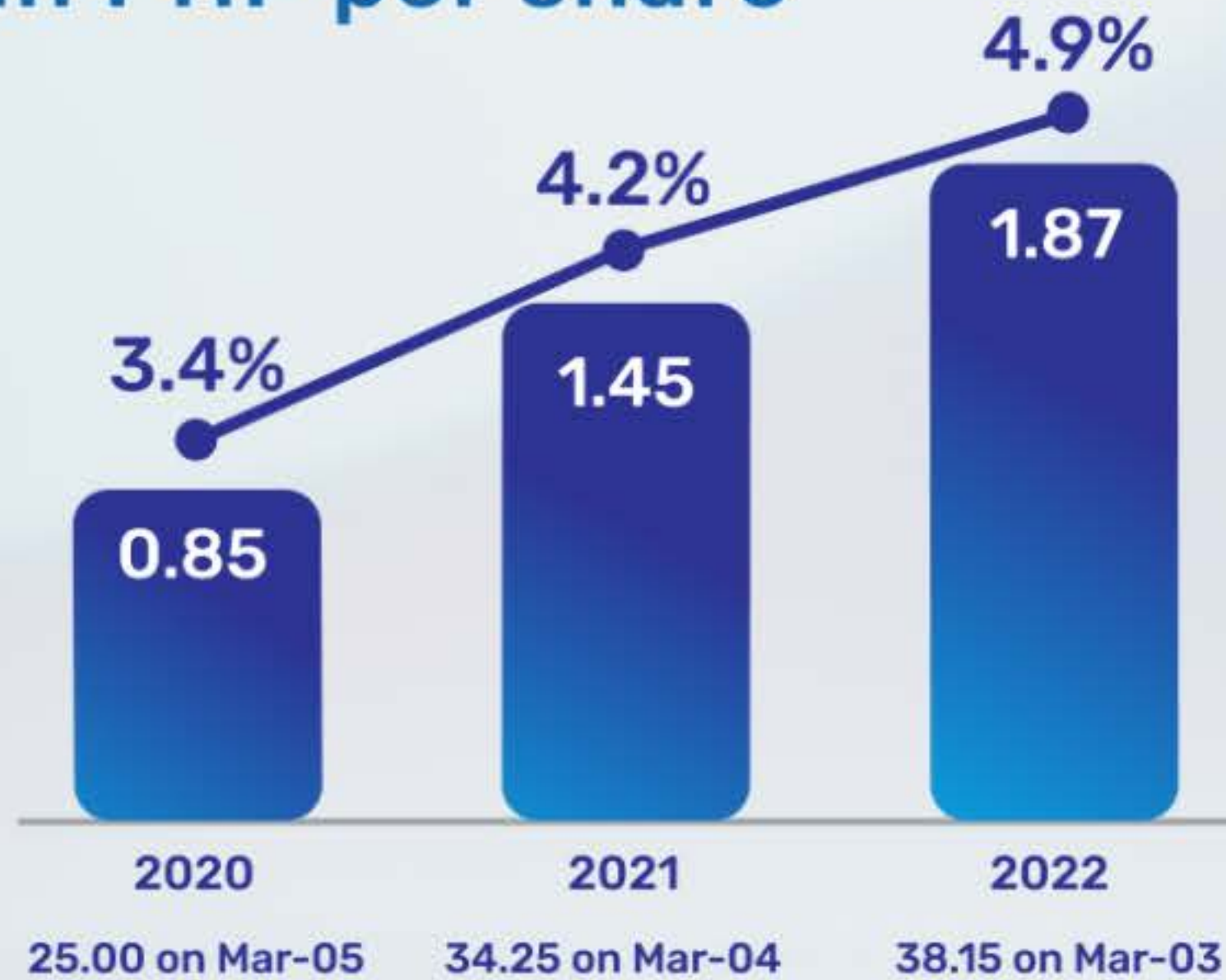
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DIVIDENDS

CASH DIVIDEND

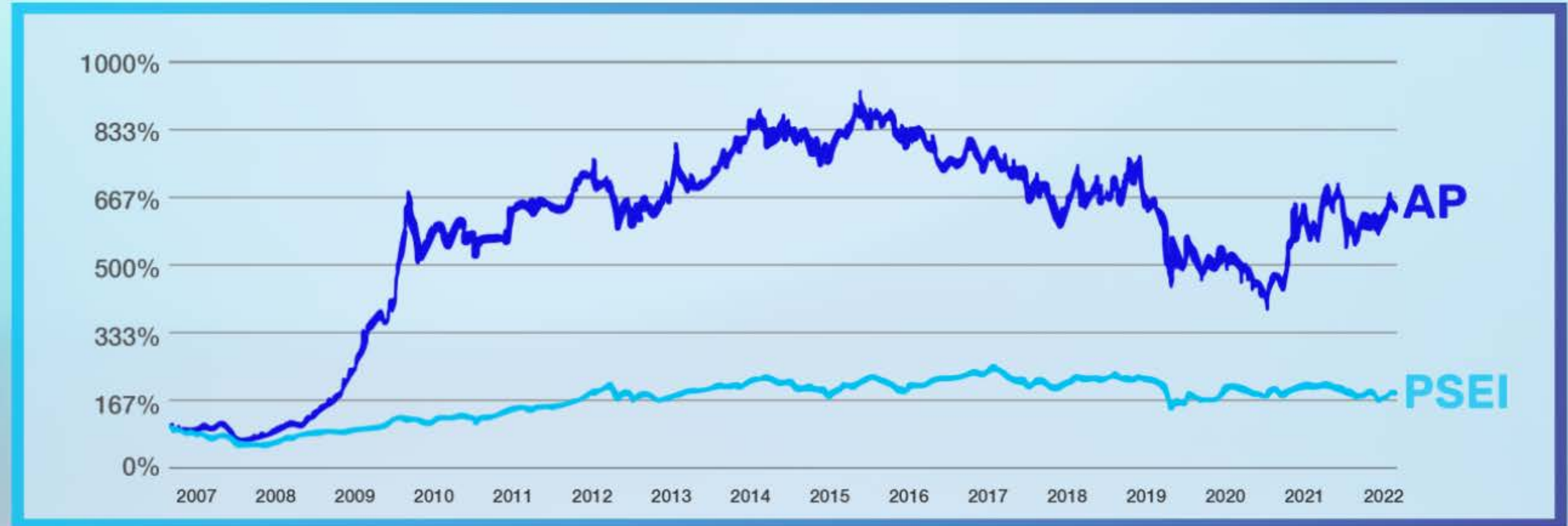
in PHP per share



- Dividend yield (yields are computed by dividing DPS by the closing price on declaration date)
- Dividend per share (in pesos/share)



AP 15-YEAR STOCK PERFORMANCE



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Total Shareholder Return Compounded Annual Growth Rate



Total shareholder return (TSR) is computed by combining share price appreciation and dividends paid to show TRS expressed as a growth rate

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OPERATING RESULTS

GENERATION AND RETAIL ELECTRICITY SUPPLY



CAPACITY SALES
4,034 MW

ENERGY SALES
30,251 GWh



OPERATING RESULTS

DISTRIBUTION



POWER SALES
5,785 GWh

CUSTOMER BASE
Over 1 million



Cotabato Light and Power Company
Cotabato City

BALANCE SHEET

TOTAL ASSETS
in PHP millions



STOCKHOLDERS EQUITY
in PHP millions



*Equity Attributable to Equity Holders of the Parent

NET DEBT
in PHP millions



	2020	2021	2022
Net D/E Ratio	1.40x	1.11x	0.99x
Current Ratio	1.38x	1.53x	1.78x

RISK MANAGEMENT





Together, we are building the Philippines' first techglomerate

Aboitiz Integrated Report 2022

Risk Management



Enterprise Risk Management

Due to the rapidly changing risk landscape of the world and the Aboitiz Group's transition to a more federalized set-up, it is crucial to maintain a strong enterprise risk management (ERM) framework that can adapt to support overall business goals and strategies. Therefore, in 2022, the Risk Management Team developed a three-year roadmap that outlines the transformational themes for AEV's ERM framework. This roadmap starts with a review and alignment phase, then progresses to strengthening and optimization of risk management tools and practices. The roadmap contains clear actions that support AEV's commitment to safeguard, shape, and service the risk management needs of its strategic business units (SBUs), albeit at varying levels throughout the Group's Great Transformation journey.

Moving forward, the company will look to adapt its ERM framework to balance out risk oversight of SBUs, strengthening controls within AEV's own support functions, and supporting the growth or launch of new businesses via the Voyage program. Process improvement and automation initiatives will continue to be explored in the years ahead to ensure that risk management practices are made more efficient. Key risk indicators will also be reviewed to maintain relevance and adequacy in terms of monitoring key risk exposures and assessing overall risk posture for AEV.

Managing Top Risks

To ensure that we are managing risks that are relevant to our business goals, we regularly review the Risk Management Plans of all Aboitiz Group business units and discuss these with senior management and the Board. Some of the top risks that we continuously monitor are:

Climate Transition Risk

- ▶ This is the risk arising from the accelerated transitioning to a lower-carbon economy in response to climate change action. It has the potential to result in financial losses, business disruption, as well as have a negative impact on the organization's reputation.
- ▶ There has been a sustained increase in the public's awareness of climate change issues over the last decade. Likewise, setbacks (from economic reopening to the Russia-Ukraine conflict) in global carbon emission reduction goals will undoubtedly call for a quicker and more cohesive global response to climate change.
- ▶ Work is progressing to develop a comprehensive corporate transition plan, aligned with global transition goals.
- ▶ AEV continues to work proactively

with key stakeholders (including lenders, insurers, suppliers, and regulators) to manage relationships, understand critical business impacts brought about by new climate-related policies, and implement mitigating measures. In addition, AEV will continue to enter into partnerships to provide the Group access to transition-related expertise and technology. SBUs are already crafting their respective transition roadmaps to ensure long-term strategies are recalibrated and business viability is maintained. Aside from strengthening our ESG practices, we are also working to increase our understanding of energy transition mechanisms (ETM) and carbon offset markets to ensure that we not only manage risks but also position ourselves well to maximize related opportunities.

Cyber and Information Security Risk

- ▶ This is the risk arising from any event or incident that may compromise the confidentiality, integrity, and availability of the organization's data/information, and may have negative implications on the organization's bottom line, operations, and/or reputation.
- ▶ As AEV and its SBUs continue to pursue business growth and increase the use of technology to support that growth, there is also a greater need to manage risks associated with an expanding digital and technology footprint.
- ▶ We continue to strengthen our cyber and information security posture with key initiatives that include, among others: the alignment of Cyber & Information Security Controls and Governance practices across the Group, the implementation of the AEV Data Governance Program, and the

harmonization of the individual vendor management processes of AEV's corporate service units (CSUs). Third-party vendors play a vital role in the operations. However, they also bring with them a set of risks that can negatively impact an organization's security posture. As such, monitoring third-party risks has become a critical aspect of risk management. We operationalized the real-time third party risk monitoring service, which continuously monitors and manages the Group's third-party providers. In 2022, we completed the Cyber Risk Quantification (CRQ) project, which allowed us to better analyze and understand the impacts of cyber data breaches under a centralized IT infrastructure set-up. Hence, as we journey through our Great Transformation and pursue federalization

CORPORATE SOCIAL RESPONSIBILITY

PHP 155 million

CSR initiatives spending in 2022



10%

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FTSE4Good

constituent for the
5th consecutive year



SUSTAINALYTICS

2021	2022
33.4	28.6

S&P Global

78th percentile among
our global peers

ACGS

ASEAN CORPORATE GOVERNANCE SCORECARD

4-arrow recognition

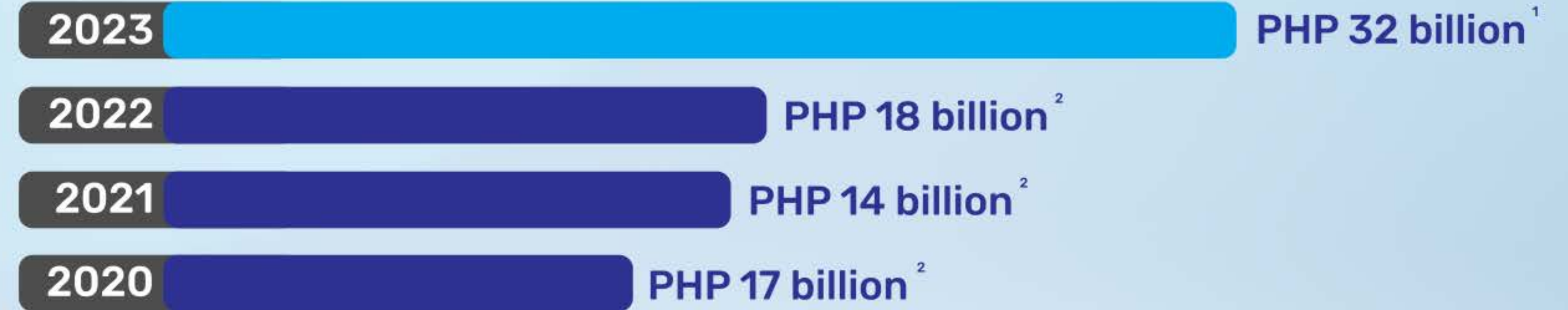


GT2025[∞]
THE GREAT TRANSFORMATION BEGINS WITH YOU AND ME

abooitiz

to become the country's first techglomerate

CAPITAL EXPENDITURES



*Includes 100% of Subsidiaries and Affiliates 1 - Budgeted figure 2 - Actual figure



Aboitiz Renewables, Inc.

an AboitizPower subsidiary

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50:50 **balanced**
mix portfolio
by 2030

*AP Renewables Inc. Makban Geothermal
Calauan, Laguna*

*Therma Visayas, Inc.
Toledo City, Cebu*



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*Solar Projects
in Pangasinan*

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*Binary Geothermal Project
in Albay*



1,000+ MW
ONGOING AND DISCLOSED
RE PROJECTS IN OUR PIPELINE

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24 MW Magat BESS

SN Aboitiz Power Group
Ramon, Isabela

Operational by 2024

BESS = Battery Energy Storage System



49 MW Maco BESS

Therma Marine, Inc.
Maco, Davao de Oro

**Switched on in
November 2022**

BESS = Battery Energy Storage System





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#OneNEWAboitiz



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