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PETRON

**Petron Corporation
PCOR**

PSE Disclosure Form 4-29 - Disbursement of Proceeds and Progress Report
References: Memorandum No. 626 - 2007 dated December 20, 2007
Section 4.4 of the Revised Disclosure Rules

Annual Report
 Quarterly Report
 Others -

Subject of the Disclosure

Annual Report for the Year Ended December 31, 2023

Background/Description of the Disclosure

Further to our disclosure dated October 12, 2023, please see attached Annual Report dated January 5, 2024 for the year ended December 31, 2023 on the full utilization of the proceeds from the offer and issuance of the Series 4 Preferred Shares of the Company as of September 30, 2023, together with the external auditor's report dated October 4, 2023.

Other Relevant Information

None.

Filed on behalf by:

Name	Jhoanna Jasmine Javier-Elacio
Designation	Assistant Vice President - General Counsel and Corporate Secretary/Compliance Officer

January 5, 2024



PHILIPPINE STOCK EXCHANGE, INC.

Disclosure Department
6th Floor, PSE Tower
5th Avenue corner 28th Street
BGC, Taguig City

Attention : **Ms. Alexandra D. Tom Wong**
Officer-in-Charge, Disclosure Department

SECURITIES AND EXCHANGE COMMISSION

G/F Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Attention : **Mr. Vicente Graciano P. Felizmenio, Jr.**
Director, Markets & Securities Regulation Department

Re : **First and Final Annual Summary of Application of Proceeds
For the Year Ended December 31, 2023**

Gentlemen:

Please be advised that the total net proceeds from the offering of Petron Preferred Shares Series 4 ("PRF4A", "PRF4B" and "PRF4C") amounting to Php13,883,434,178.19 have been fully utilized as of September 30, 2023, as reported in our first and final quarterly progress report dated October 4, 2023.

Details of the utilization are as follows:

Preferred Shares Series 4 ("PRF4A", "PRF4B" & "PRF4C") Gross Proceeds	Php	14,000,000,000.00
Less: Underwriting and Selling Fees, Filing Fees, Taxes, Legal and Professional Fees and Other Expenses		(116,565,821.81)
Net Proceeds	Php	13,883,434,178.19
Less: Partial redemption of 2018 Senior Perpetual Capital Securities		(13,883,434,178.19)
Balance	Php	0.00

Enclosed herewith is the certification of the external auditor on the full use of proceeds.

Very truly yours,

ALBERT S. SARTE
Deputy Chief Finance Officer
and Treasurer

MYRNA C. GERONIMO
Vice President and Controller



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Agreed-Upon Procedures Report on the Use of Proceeds from the Issuance of P12.5 Billion Preferred Shares Series 4 With Oversubscription Option of up to P10 Billion Series 4 Preferred Shares (the “Offering”)

The Board of Directors and Stockholders
PETRON CORPORATION
SMC Head Office Complex
40 San Miguel Avenue
Mandaluyong City

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting Petron Corporation (the “Company”) in complying with the requirement of the Philippines Stock Exchange (PSE) to submit an external auditor’s report of findings on the accuracy of the information being represented by the Company relating to the use of proceeds from the Offering as of and for the quarter ended September 30, 2023.

Responsibilities of the Engaging Party and the Responsible Party

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

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

Firm Regulatory Registration & Accreditation:
PRC-BOA Registration No. 0003, valid until November 21, 2023
SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Up on Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed upon procedures. This agreed-upon procedures engagement is not an assurance engagement.

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

Professional Ethics and Quality Control

We have complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies Philippine Standard on Quality Management (PSQM) 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Company, on the use of proceeds from the Offering.

The results of agreed-upon procedures performed are summarized as follows:

1. We have obtained and checked the mathematical accuracy of the Company's First and Final Quarterly Progress Report for the period ended September 30, 2023. No exceptions noted.
2. We have compared the list of all the disbursement in the Progress Report with the schedule of planned use of proceeds from the Offering as indicated in the Final Prospectus dated June 13, 2023 ("Prospectus") and agreed amounts to the related supporting documents such as proof of bank transfer, billing invoices or statements, and official receipts. No exceptions noted.

As presented by the Company and based on the above procedures, the table below lists the details and amount of disbursements of the proceeds of the Offering for the quarter ended September 30, 2023:

Purpose	Disbursements		Difference	Remarks
	Allocations per Prospectus	Amounts per Progress Report		
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P109,037,862	P116,565,822	P7,527,960	a
Partial redemption of 2018 Senior Perpetual Capital Securities (SPCS)	12,390,962,138	13,883,434,178	1,492,472,040	b
Total	P12,500,000,000	P14,000,000,000	P1,500,000,000	

- a. Refers to additional fees, commissions and expenses related to the oversubscription amounting to P1,500,000,000 from the P12,500,000,000 base offer as indicated in the Prospectus.
- b. Refers to net proceeds from the oversubscription of P1,500,000,000 which the Company used to pay for the partial redemption of 2018 SPCS.

The table below shows the amount of disbursement per Progress Report and the actual disbursements showing the balance of proceeds as at and for the quarter ended September 30, 2023:

Purpose	Amount of Disbursement per Progress Report	Actual Disbursements	Balance as of September 30, 2023
Underwriting and selling fees, filing fees, taxes, legal and professional fees and other expenses	P116,565,822	(P116,565,822)	P -
Partial redemption of 2018 SPCS	13,883,434,178	(13,883,434,178)	-
Total	P14,000,000,000	(P14,000,000,000)	P -

3. The net proceeds from the Offering amounting to P13,883,434,178 were fully utilized and disbursed as of September 30, 2023. Given full utilization of the net proceeds from the Offering, the Company's progress report for the quarter ended September 30, 2023 is the first and final report.



4. We have obtained written management representation and confirmed that there were no reallocations made on the Company's planned use of proceeds from the Offering or any changes in the work program as disclosed in the Prospectus.

R.G. MANABAT & CO.

Rohanie C. Galicia

ROHANIE C. GALICIA
Partner
CPA License No. 0118706

October 4, 2023
Makati City, Metro Manila