

COVER SHEET

SEC Registration Number

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Company Name

[illegible]

Principal Office (No./Street/Barangay/City/Town)Province)

[illegible]

Form Type

17 - A

Department requiring the report

M	S	R	D
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Secondary License Type, If Applicable

Permit to Sell Securities

COMPANY INFORMATION

Company's Email Address

raslag.corp@yahoo.com.ph

Company's Telephone Number/s

(02) 86366486

Mobile Number

09209318033

No. of Stockholders

**Annual Meeting
Month/Day**

April 19

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Epifania B. Moral

Email Address

ebmoral@yahoo.com

Telephone Number/s

(02)86366486

Mobile Number

09209318033

Contact Person's Address

1210 Robinsons Equitable Tower, ADB Ave. cor. Poveda St., Ortigas Center, Pasig City

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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

Yes ☒]

No ☐]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes ☒]

No ☐]

13. As of December 31, 2022, the aggregate market value of the voting stock held by non-affiliates for the Company amounts to Five Hundred Six Million Four Hundred Fifty Eight Three Hundred Sixty Four (₱506,458,364) or 305,095,400 shares at ₱1.66 per share.

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. The following documents are incorporated by reference:

Not Applicable

TABLE OF CONTENTS

	Page No.
PART I – BUSINESS AND GENERAL INFORMATION	
Item 1. Business	1
Item 2. Properties	11
Item 3. Legal Proceedings	16
Item 4. Submission of Matters to a Vote of Security Holders	16
PART II – OPERATIONAL AND FINANCIAL INFORMATION	
Item 5. Market for Registrant’s Common Equity and Related Stockholders Matters	16
Item 6. Management’s Discussion and Analysis or Plan of Operation	19
Item 7. Financial Statements	27
Item 8. Changes and Disagreements with Accountants on Accounting and Financial Disclosure	27
PART III – CONTROL AND COMPENSATION INFORMATION	
Item 9. Directors and Executive Officers of the Registrant	28
Item 10. Executive Compensation	39
Item 11. Security Ownership of Certain Beneficial Owners and Management	40
Item 12. Certain Relationships and Related Transactions	42
PART IV – EXHIBIT AND SCHEDULES	
Item 13. Exhibits	
a. 2022 Sustainability Report	
b. 2022 Audited Financial Statements	

PART I. BUSINESS AND GENERAL INFORMATION

Item 1. Business

Description of Business

RASLAG Corp. (“RASLAG” or the “Company”) is a domestic renewable energy developer incorporated on April 30, 2013 at a time when the Philippine government was aggressively implementing Republic Act No. 9153, also known as the Renewal Energy (“RE”) Act of 2008. True to its solar development goals and in keeping with its roots, the corporate name RASLAG is derived from the Kapampangan word “aslag”, meaning “light”, and the “r” stands for “renewables”. It is one of the country’s pioneers in solar energy development, being the first to install a utility-scale solar power plant in Luzon, developing the second solar power plant (“RASLAG-1”) to be awarded FIT-1 by the DOE and completing the first solar power plant (“RASLAG-2”) to be awarded Feed in Tariff -2 by the DOE.

The Company is the brainchild of Engr. Peter G. Nepomuceno, a well-respected veteran of Central Luzon commerce and the power industry. He is also the patriarch of the Nepomuceno family of Angeles City (“Nepomucenos”), a family whose business ventures and civic accomplishments helped transform Pampanga.

The idea for establishing RASLAG came as Engineers Nepomuceno and Conrado Pecjo, the then Business Development Manager of Angeles Power, Inc.(“API”), were contemplating a new power project for API. Seeing the government’s strong push for renewable energy and sensing the massive and transformative potential of clean power, they acted on their sound judgment and foresight to establish a renewable energy developer that became RASLAG.

RASLAG strives to be at the forefront of renewable energy development in the country and power a sustainable economy. Its mission is to develop and operate high-performing solar power projects as it offers dependable, clean, and economical electricity to power communities and businesses.

RASLAG is a publicly-listed company duly incorporated under the laws of the Republic of the Philippines. Beginning June 6, 2022, its shares are traded on the Main Board of the Philippine Stock Exchange under the ticker symbol ASLAG.

Milestones

Starting with a small core team of eight, the vision of RASLAG’s founders was immediately translated into two solar power plants—the 10.046 MWp RASLAG-1 and the 13.141 MWp RASLAG-2 Solar Power Plant, which were both completed in 2015. These two operating plants have been awarded FIT.

RASLAG-1 was the second solar plant to be included in FIT-1 with a ₱9.68/kWh base tariff, while RASLAG-2 was the first solar plant to be awarded FIT-2 with a ₱8.69/kWh base tariff. Both plants are



entitled to twenty guaranteed FIT payments from the government, subject to annual escalation in consideration of local inflation and foreign exchange, for twenty (20) years starting in 2015 for RASLAG-1 and RASLAG-2. These assured payments are expected to give RASLAG at least ₱300mn in annual gross sales and approximately ₱100mn in annual net income of for the next 14 years.

The third project of RASLAG, the 18.011 MWp RASLAG-3 Solar Power Project (“RASLAG-3”) successfully started its operation on July 2022. It was granted with the final certificate of approval to connect (“FCATC”) by the NGCP on December 2022 and it is currently awaiting the release of its Certificate of Compliance (“COC”) from the Energy Regulatory Commission (“ERC”). RASLAG-3 operates as a merchant plant in the Wholesale Electricity Spot Market (“WESM”) and enjoys the must-dispatch status and price-taker as an intermittent RE plant. The completion of RASLAG-3 almost doubles the installed capacity of the Company to 41.198 MWp.

RASLAG-3 is situated in a 12.8-hectare property in Brgy. Bical, Mabalacat and Brgy. San Jose, Magalang, Pampanga. Economies of scale, global solar PV costs, and more efficient design and technologies have allowed the Company to develop RASLAG-3 at almost half the per-MW cost of RASLAG-1 and RASLAG-2 and to require almost half the land per-MW. These major factors allow RASLAG to achieve similar investment returns to RASLAG-1 and RASLAG-2 with significantly lower offtake tariffs.

RASLAG is currently on track to dwarf its already lofty accomplishments. Leveraging on the aforementioned advances in solar PV economics and technologies, RASLAG is in the advanced stages of land acquisition, permitting, and land development works for its eventual largest plant, the 36.646 MWp RASLAG-4 Solar Power Project. The land development works include soil test analysis, land conversion, and all works in preparation for the development stage. This project would be situated in a 25-hectare property in Brgy. San Pablo, Magalang, Pampanga. Construction of RASLAG-4 is targeted to commence in the second quarter of 2023 and is expected to follow a similar eight-month timetable before achieving commercial operations status in March 2024.

The Company also plans to build an approximately 60-MW solar plant for its RASLAG-5 project. While a 44-hectare land located at Barangays Acli and Panipuan, Mexico, Pampanga, has been fully acquired at acquisition cost of ₱321mn, the Board of Directors and stockholders on April 19, 2022 approved the sale or repurpose of the land initially allocated for the RASLAG-5 project, due to the following factors:

1. Strong possible connection and congestion constraint in the Mexico, Pampanga substation as more plants are expected to connect to this NGCP substation in the next 2 years, among them are Arayat Solar, RASLAG-3, RASLAG-4, etc.;
2. Difficulty in acquiring right of way access due to the influx of real estate development projects near the area; and
3. The land has substantially increased its market value in a span of 4 to 5 years by more than ₱200 mn, as appraised by Royal Asia Corporation.

Given the above, RASLAG is committed to exploring all possible options to connect the RASLAG-5 project to the grid. If this proves to be impractical or uneconomical with its Mexico site, the Company considers relocating the project to alternative locations while maintaining the original timetable.

An alternative location for RASLAG 5 is the 33-hectare site in Bataan. RASLAG is also eyeing a 37 to 40-hectare site in Gerona, Tarlac which can accommodate the capacity of a 50-60 MWp solar project.

The Company plans to build RASLAG-5 within the next five years.

PROJECT	LOCATION	AREA (Sqm)	Capacity	Status
RASLAG-1	Suclaban, Mexico, Pampanga	129,438	10.046 MWp	Operational
RASLAG-2	Suclaban & Gandus, Mexico, Pampanga	133,460	13.141 MWp	Operational
RASLAG-3	Bical, Mabalacat/San Jose, Magalang, Pampanga	128,012	18.011 MWp	Operational (Testing and Commissioning)
RASLAG-4	San Pablo, Magalang, Pampanga	251,750	36.646 MWp	Land acquisition
RASLAG-5	Saba, Hermosa, Bataan	334,486	46.820 MWp	Land acquisition

2. Nature of the Business

RASLAG develops, owns, and operates utility-scale solar power plants and supplies electricity generated from its plants to the Philippine national grid or other customers. Although RASLAG's initial intent was to remain a humble RE power producer in the Kapampangan region, it has future plans in extending its reach to different markets for RE, realizing the limitless potential of RE development in the country. It aims to supply green energy to the Filipino people through the programs prescribed by the RE Law.

Its target markets are mainly large-scale electricity consumers—specifically, distribution utilities, electric cooperatives, RES, directly-connected customers, and wholesale or bulk users (also identified by the DOE and ERC as “contestable customers”). It intends to participate in the former's competitive selection processes as well the GEAP set forth by the DOE. It also wills to trade its excess energy to the WESM and Renewable Energy Market, should excess energy be available for trading.

Products and Services

The main product of RASLAG is the supply of power generated from renewable energy, specifically solar. It develops, owns, and operates solar power plants to provide utility-scale renewable energy to grid customers; prioritizing distribution utilities, electric cooperatives, directly-connected grid customers, RES, and contestable customers.

Currently, RASLAG has three operational solar power plants namely, RASLAG-1, RASLAG-2 and RASLAG 3. RASLAG-1 and RASLAG-2 operates under the Feed-in Tariff (“FIT”) scheme of the government. In 2022, RASLAG-1 and RASLAG-2 have combined earnings from FIT amounting to P289.7M.

On the other hand, RASLAG-3 is a merchant plant in the WESM. It received a total of P94.0M from its WESM transactions since its operations on July 2022.

Distribution Method of Products or Services

Electricity generation in the Philippines is usually gross pooled in the national electric grid. The generated energy goes to the electricity transmission highways owned by the government arm TransCo and operated by the privately-owned NGCP and is instantaneously delivered to distribution utilities like MERALCO, AEC and other DUs or ECs. In some instances, power plants are embedded in the distribution system of the DUs. This is the case for RASLAG-1 and RASLAG-2.

RASLAG-1 and RASLAG-2 are embedded in the distribution system of AEC. Their generated energy goes directly to the system of AEC and is metered correspondingly by the latter. The metered quantities of the RASLAG plants are then wheeled to the NGCP-operated national grid for dispatch.

On the other hand, RASLAG-3 is connected directly to the 69 kV transmission grid of the NGCP and its generated energy is supplied as a merchant plant in the WESM.

For the incoming RASLAG projects, they are planned to be connected directly to the national transmission grid, same with RASLAG-3.

Status of RASLAG-3 and RASLAG-4 Solar Power Projects

Upon completion, RASLAG-3 started its operations on July 7, 2022. It was granted the Final Certificate of Approval to Connect by the NGCP on December 21, 2022. It has essentially complied with the requirements of the ERC and is currently waiting for the release of its Certificate of Compliance (COC). RASLAG-3 trades all its energy generation in the WESM.

RASLAG-4 was granted with the Solar Energy Operating Contract (SEOC) from the DOE on October 2022. It is currently processing its System Impact Study (SIS) with the NGCP and has mobilised its partner contractor for the land development. RASLAG 4 is targeted to start construction in the second quarter of 2023 and commercially operate in the first quarter of 2024.

Competition

According to the data from the Department of Energy (DOE), Central Luzon has an installed solar capacity of 748.441MW in 2022. As of November 2022, DOE listed 24 solar power projects by 14 different companies. A new addition to this list is Jobin-Sqm Inc. (JOBIN)'s Sta Rita Solar Phase 3b, which began its commission in November 2022. It has an installed capacity of 34.4MW and is situated at Subic Bay Freeport Zone. Sta Rita Solar (Phase 1, 2, and 3A) has also updated its registered capacities from 32.1MW installed capacity and 25.9 dependable capacity to 64.4MW and 59.3MW, respectively, doubling its previous values.

Terasu Energy Inc., formed by Sindicatum Renewable Energy Holdings Philippines, Inc., commenced its Sta Rosa Solar project in Concepcion, Tarlac, in the second half of 2022. The project has an installed capacity of 60.1 MW. While on the south side, Bataan Solar Energy, Inc has its 4.4MW solar power energy project commissioned in June 2022.

Arayat-Mexico Solar Power Plant was commissioned in April 2022 and reported its full commercial operations in August 2022. The 72MW solar project is situated in Arayat, Pampanga, and was developed by Greencore Power Solutions 3, Inc.

RASLAG-3 joins the power family in Region 3 in July 2022, after it received its provisional certificate of approval to connect (PCATC) from the NGCP.

Power Plant	Owner / Operator	Location	Installed
Concepcion 1 Solar	Solar Philippines Tarlac Corporation	Concepcion , Tarlac	20.7
Concepcion 2 Solar	Solar Philippines Tarlac Corporation	Concepcion , Tarlac	70.9
Gigasol Palauig	GIGASOL 3, Inc.	Palauig, Zambales	63.162
50 MWDC Tarlac Solar Power Project-1 (TSPP-1)	PetroSolar Corp.	Tarlac City, Tarlac	50.1
BulacanSol	PowerSource First Bulacan Solar, Inc.	San Miguel, Bulacan	50
Sta. Rosa Solar Power Project	Terasu Energy, Inc.	Sta. Rosa, Concepcion, Tarlac	42.8
Sta. Rita Solar (Phase I, II, and 3B)	Jobin-SQM, Inc.	Mt. Sta. Rita, Subic Bay Freeport Zone	52.4
Sta. Rita Solar (Phase 3B)	Jobin-SQM, Inc.	Mt. Sta. Rita, Subic Bay Freeport Zone	34.4
RASLAG-1	Raslag Corp.	Brgy. Suclaban, Mexico, Pampanga	10
RASLAG-2	Raslag Corp.	Brgy. Suclaban, Mexico, Pampanga	13.1
Bataan Solar Energy Project	Bataan Solar Energy, Inc. (BSEI)	Barangay Batangas-II, Mariveles, Bataan	4.4
Arayat - Mexico Solar Power Plant	Greencore Power Solutions 3, Inc.	Barangay San Antonio, Arayat, Pampanga	72
RASLAG-3	Raslag Corp.	Magalang - Mabalacat, Pampanga	18.011

Solar Philippines Tarlac Corp. of the Solar Philippines Group still led its competitors with 91.6 MW installed capacity of two solar plants located in Concepcion, Tarlac. In 2020, Solar Philippines Tarlac's power plants generated 156 GWh in electricity. The Solar Philippines Group further plans to expand its energy portfolio in the region through Solar Philippines Nueva Ecija Corp., which will develop a 500 MW solar farm in Peñaranda, Nueva Ecija.

GIGASOL 3, Inc., a subsidiary of AC Energy Corp., has a 63 MW solar facility in Palauig, Zambales that went online this year. AC Energy, on the other hand, has begun the construction of a 283 MW solar farm in San Marcelino, Zambales.

PetroSolar Corp., an indirect subsidiary of PetroEnergy Resources Corp., currently has a capacity of 50.1 MW for its Tarlac Solar Power Project-1 ("TSPP-1") in Tarlac. It also has the 20 MW Tarlac Solar Power Project-2 ("TSPP-2") installed in the same province.

PowerSource First Bulacan Solar, Inc.'s 50 MW solar power plant located in San Miguel, Bulacan commenced operations this year while Terasu Energy, Inc.'s 40 MW solar facility has received ERC's approval to connect to the Luzon grid during the second half.

Competitive Edge

The Company believes that it can compete with its competitors in the industry given its track record of operating two power plants which are FIT eligible. With the leadership of the Company's senior management team who has decades of experience in the power generation industry, the Company will be able to deliver its projects in the pipeline. Once all of its projects are completed, the Company will have a larger market share of the renewable energy plants in Region 3.

Also, there are several potential markets, not only for RASLAG but for all RE developers, in the RE Sector. There's the GEAP, the GEOP, the RPS and the WESM.

In any of the markets mentioned above, one key factor to consider in our competitiveness is our track record to fast track the delivery of the Company's projects. RASLAG-1 and RASLAG-2 were among the first RE developers to avail in the two (2) rollouts of FIT scheme of the government for solar which the Company is now enjoying and has generated comfortable profit margins. In 2022, RASLAG-3 was able to capitalize on high WESM rates which average was way above RASLAG-3's target price.

RASLAG's selling point has always been its ability to squeeze in its cost per kilowatt-peak, its

capacity to finish the project ahead of schedule through the company's business strategies, and accelerated sourcing of project financing given RASLAG's excellent track record when it comes to paying out its loans.

RASLAG is also able to create value by strategically positioning its projects as evident from RASLAG-1 and RASLAG-2 in NLEX, and RASLAG-3 which is just 800 meters from the provincial highway. Also, its projects are near the NGCP transmission lines and/or substations which translate to lower project costs.

Finally, the Company takes pride of its good relationship with the EPC Contractor and O&M Contractors. All of these are business strengths of RASLAG to position itself in creating strong financials for long term profit growth.

Raw Materials and Principal Suppliers

RASLAG does not have any tangible raw materials for the generation of its electricity. Instead, it uses solar energy from the sun for the operation of its solar plants.

The principal equipment of the solar plants include: (i) solar panels, (ii) mounting structures, (iii) Medium Voltage Power Station with houses the inverters and transformers ("MVPs"), (iv) string combiner boxes, (v) DC and AC cables and (vi) SCADA monitoring system.

The Company is not dependent upon one or a limited number of suppliers for essential raw materials, energy or other items.

The Company has an existing 12-year product warranty and 25-year output guarantee with JA Solar for the solar panels. The panels have a 0.5% annual degradation and is projected that after twenty-five (25) years, their production output is still at 80%. If there is evidence of accelerated degradation, the panels will be checked and replaced, if needed.

The Company has the sole discretion where to source the needed equipment, replacement or spare parts weighing relevant considerations like competitive prices, quality, timeliness and after-sales service, among others.

Dependence on Single or Few Customers

RASLAG-1 and RASLAG-2's sole customer is the government through the National Transmission Corporation (TransCo) . Despite this, the Company is assured of its regular revenue streams because of the FIT awarded by the DOE.

The Company is protected by the Renewable Energy Payment Agreement which guarantees RASLAG with Feed-in Tariff rates of Php 9.68/kWh and Php 8.69/kWh for RASLAG-1 and RASLAG-2, respectively. These rates are subject to incremental adjustments as confirmed by the Energy Regulatory Commission (ERC).

RASLAG-3 on the other hand is a merchant plant in the WESM. It is a price-taker and it enjoys a must-dispatch generator status in the market. In 2022, the average WESM settlement rate of RASLAG-3 is 8.90 Php/kWh.

Dependence on Related Parties

The Company is not dependent on its related parties. But advances for working capital requirements and operations are extended, as needed. Please see Note 20 of the 2022 Audited Financial Statements for more details.

Licenses and Permits

Below is the list of the major licenses and permits of RASLAG's solar power plants:

	Issuing Agency	Permits/Licenses/Certificates/Agreements	Status	Validity Period	Expiration
RASLAG I	Board of Investments (BOI)	Certificate of Registration	COR No. 2014-119 issued August 6, 2014	10 years from the start of commercial operation	February 5, 2025
RASLAG II			COR NO. 2015-188 issued September 10, 2015	10 years from the start of commercial operation	December 23, 2025
RASLAG III			COR NO. 2021-108 issued July 15, 2021	10 years from the start of commercial operation	Under testing and commissioning stage
RASLAG IV			As of December 31, 2022, not yet applied, waiting for the BOI endorsement from the DOE	10 years from the start of commercial operation	N/A
RASLAG I	Department of Energy (DOE)	DOE Certificate of Registration as RE Developer	COR issued on February 5, 2014	25 years from Effective Date	February 5, 2039
RASLAG II			COR issued on February 5, 2014 (Same COR as RASLAG I)	25 years from Effective Date	February 5, 2039
RASLAG III			COR issued on January 28, 2020	25 years from Effective Date	January 28, 2045
RASLAG IV			COR issued on October 17, 2022	25 years from Effective Date	October 17, 2047
RASLAG I	Department of Energy (DOE)	Solar Energy Service Contract (SESC) / Solar Energy Operating Contract (SEOC)	SESC No. 2014-01-062 dated February 5, 2014	25 years from Effective Date	February 5, 2039
RASLAG II			SESC No. 2014-01-062 dated February 5, 2014 (same SESC as RASLAG I)	25 years from Effective Date	February 5, 2039
RASLAG III			SESC No. 2019-12-559 dated January 28, 2020	25 years from Effective Date	January 28, 2045
RASLAG IV			SEOC No. 2022-09-636 issued on October 26, 2022	25 years from Effective Date	October 26, 2047
RASLAG I	Department of Environment and Natural Resources (DENR)	Environmental Compliance Certificate (ECC)	ECC RO-1312-0497 issued September 9, 2015	perpetual unless revoked	N/A
RASLAG II			ECC RO-1312-0497 issued September 9, 2015 (same ECC as RASLAG I)	perpetual unless revoked	N/A
RASLAG III			ECC OL-RO3-2020-0289 dated February 9, 2021	perpetual unless revoked	N/A
RASLAG IV			pending application	perpetual unless revoked	N/A
RASLAG I	Energy Regulatory Commission (ERC)	Certificate of Compliance (COC) or Provisional Authority to Operate (PAO)	PAO extension issued on November 14, 2022	1 year from October 5, 2022	October 4, 2023
RASLAG II			PAO extension issued on November 14, 2022	1 year from October 5, 2022	October 4, 2023
RASLAG III			COC application - March 28, 2022	5 years	pending issuance
RASLAG IV			N/A (still under predevelopment stage)	N/A	N/A
RASLAG I	National Transmission Corporation (TransCo)	Renewable Energy Payment Agreement (REPA)	REPA dated March 27, 2015 (REPA-0011)	20 years	February 4, 2035
RASLAG II			REPA dated February 16, 2015; TRANSCO Letter dated March 17, 2016 stating effectivity of REPA on March 17, 2016 (REPA-0033)	20 years	December 22, 2035
RASLAG III			N/A (RASLAG III is a merchant plant in the WESM)	N/A	N/A
RASLAG IV			N/A	N/A	N/A
RASLAG I	Philippine Electricity Market Corporation (PEMC) or Independent Electricity Market	Wholesale Electricity Spot Market Registration	Registration Effective Date April 23, 2015	perpetual unless revoked	N/A
RASLAG II			Registration Effective Date February 23, 2016	perpetual unless revoked	N/A
RASLAG III			Registration Effective Date June 18, 2022	perpetual unless revoked	N/A
RASLAG IV			Not yet applied	perpetual unless revoked	N/A

RASLAG Certificate of Compliance with the ERC

Solar power plants are required to obtain the necessary approval from the Energy Regulatory Commission (ERC) before they can commercially operate. The ERC issues a Certificate of Compliance (COC) or a Provisional Authority to Operate (“PAO”) to power generators that have completed the necessary requirements.

RASLAG-1 and RASLAG-2 were granted a PAO by the ERC on October 5, 2022 which is valid until October 4, 2023. On the other hand, RASLAG-3 has already complied with the necessary requirements for its COC application and is now waiting for its issuance from the ERC.

Research and Development

Although RASLAG operates with a lean organization, it has a dedicated team for its research and development (“R&D”) efforts. However, its allocated budget for R&D is not that substantial in the last three years.

Costs and Effects of Compliance with Environmental Laws

RASLAG has demonstrated a strong commitment to compliance with environmental laws and regulations, as evidenced by the absence of any financial sanctions for non-compliance. The company has also successfully secured all necessary permits and approvals for both new projects and the daily operations of its power plants.

Employees

RASLAG operates with a lean organization. Currently, the Company has 14 regular employees, and it plans to add around 16 more in 2023. This is to support the expansion projects of the Company in the coming years. The breakdown of the employees is as follows:

Administration – 6

Production – 8

The employees do not have a Union and are not subject collective bargaining agreement (“CBA”).

Risks Relating to the Company and Its Business

The Company’s operations and profitability highly depend on government’s existing regulations governing renewable energy, such the Feed-in-Tariff (FIT) and other related regulations.

- **Regulations with regard to the approval of future projects**

Obtaining key permits and contracts is crucial for the development of power projects. Delays caused by agencies' lack of manpower, force majeure events, and other unforeseen reasons can severely impact project timelines, and these may not be within the Company's control. The Company mitigates this potential risk by maintaining a good track record for compliance and by taking part and being involved in policy changes. The Company also maintains good working relationships with key agencies and keeps track of changes in regulations.

- **Nonrenewal of FIT Certificate of Compliance (“FIT COC”) / Provisional Authority to Operate (“PAO”) from the Energy Regulatory Commission (“ERC”)**

Nonrenewal of FIT COC/COC or PAO will adversely impact the Company’s business operations as

no power generator can operate without a valid COC or PAO from the ERC. Given this, the Company in its full power and effort strives to maintain compliance with the required obligations and requirements under the FIT COC/COC or PAO.

Key measures for mitigating this risk are to uphold the good track record of the Company, monitor compliance and validity dates of permits/certifications, maintain good relationship with the regulators, and ensure up-to-date information about the current rules and regulations by regularly attending workshops, public consultation drafts, seminars, and awareness on new publications and dates of effectivity.

- **The Company may be adversely affected by price fluctuations in the Wholesale Electricity Spot Market (“WESM”)**

WESM prices are not guaranteed to always be on the high side. They fluctuate due to certain market conditions that are beyond the Company’s control. These conditions include but are not limited to changes in the generation capacity in the markets, electric supply disruptions, changes in power demand or in patterns of power usage, force majeure events, and changes in the power market and environmental regulations and legislation.

To manage this risk, RASLAG-1 and RASLAG-2 are under the FIT scheme of the government that protects a portion of the Company’s revenues from WESM price fluctuations. As for RASLAG-3, it is positioned to capitalize on high WESM prices which is evident from the average price of WESM in 2022 which is way above its target price for the project. While capitalizing on this, to mitigate price fluctuations going below the target market level, RASLAG will eventually venture out its generation to the Green Energy Auction Program, and to distribution utilities/ electric cooperatives/ Retail Electricity Suppliers (“RES”) for their Renewable Portfolio Standards (“RPS”) requirement.

- **Exposure to credit and collection risks**

Credit and collection risk is inherent in businesses, including the power business. The Company can never guarantee prompt payment on the part of its customers. For RASLAG, its two FIT-eligible plants, through the FIT programme, are contracted to the Government of the Philippines. For its FIT revenues from its FIT-eligible plants, RASLAG collects payments from TransCo. As of December 2022, TransCo is current with its payment which is within the forty (40) days prescribed in accordance with the REPAs between the Company and TransCo.

The Company has not experienced any default on payments from TransCo although it had experienced delays in the past. Given the unavoidable risk of collection for the Company’s future projects, the Company ensures that it follows a strict accreditation process for its potential offtake partners. All agreements and contracts are thoroughly reviewed and carefully drafted to ensure the proper provision on solid legal compulsion regarding timely payments.

- **Exposure to risks in the operation of its power plants**

The operation of power generation plants is subject to the following risks:

- breakdown or failure of power generation equipment, transmission lines, pipelines or other equipment or processes, leading to unplanned outages and operational issues;
- flaws in the equipment design or in power plant construction;
- issues with the quality or interruptions in the supply of key inputs, including fuel or water;

- operator error;
- performance below expected levels of output or efficiency;
- force majeure and catastrophic events including, but not limited to, fires, explosions, earthquakes, volcanic eruptions, floods and terrorist acts that could cause forced outages, suspension of operations, loss of life, severe damage and plant destruction;
- planned and unplanned power outages due to maintenance, expansion and refurbishment;
- inability to obtain the renewal of or the cancellation of required regulatory permits and approvals; and
- opposition from local communities and special interest groups.

The non-occurrence of the above risks cannot be guaranteed as these are inherent in the power generation industry.

At best, the Company ensures that suppliers cover a portion of the risks, a proper insurance plan is in place and a highly competent operations team in charge of strict monitoring of the performance and maintenance of the power plants. The operations team shall always ensure the observance of strict maintenance and repair protocols.

- **The Company may encounter difficulties acquiring or completing the acquisition of land to follow through on its growth strategies and targets**

The ideal topography for solar farms are flat lands, or rolling hills at worst. However, land suitable for utility-scale solar power plants is limited in the Philippines given that the solar industry is competing with agriculture, commercial, and industrial real estate because flat lands and rolling hills are also suitable for these uses.

The Company has a very experienced land acquisition team, led by a management group with decades of experience in developing and operating businesses in various land-intensive industries such as residential, commercial, and industrial real estate. The Company, its land acquisition team, its management team, and its Related Parties also maintain good relations with local government units and regulators and, to the best of their abilities, comply with the requirements and regulations of said stakeholders.

- **The Company's success is dependent upon its ability to attract and retain key personnel.**

The Company depends on its senior executives and key management members to implement the Company's projects and business strategies. If any of these individuals resigns or discontinues his or her service, it is possible that a suitable replacement may not be found in a timely manner. If this were to happen, there could be a material adverse effect on the Company's ability to successfully operate its power projects and implement its business strategies.

It is worth noting though that the Company is not dependent on any individual employee for its operations.

Power generation involves the use of highly complex machinery and processes and the Company's success depends on the effective operation and maintenance of equipment for its power generation assets. Although the Company is circumspect in the selection of its key personnel, any failure on the part of such personnel could have a material adverse effect on the Company's business, financial condition and, results of operations.

To mitigate such risks, the Company structures the organization in such a way that there is

development and advancement opportunities for each individual within the organization, maintains competitive benefits and compensation structure and ensures provision of training to its employees. These programs hope to encourage its key personnel to stay with the Company and not compete with the business.

- **The Company's power plants have an operating lifespan which may affect their revenue-generation capacity**

The equipment used in a solar plant is prone to deterioration especially the solar panels that are designated as the core of the solar plant. Solar panels have an annual degradation pursuant to its natural degradation. To protect the operational performance of the plant against degradation outside its design parameters, an arrangement with the suppliers for a performance guarantee is put in place to ensure that the panels are still operating at optimal levels throughout its operating life. Every year, if the actual efficiency computed is lower than the designed efficiency, the Company may exercise its rights under the performance guarantee provision of the contract to replace the suboptimal panels to achieve the operational efficiency targets as designed.

Generally, with RASLAG's monitoring and maintenance strategies and in coordination with our O&M contractors, each of the equipment is monitored regularly to be able to perform as designed and operate at maximum potential and is subjected to a regular maintenance schedule to make sure each equipment in the solar plant is properly maintained.

- **The Company may be affected by potential reliance on specialized equipments**

The supply of major equipment such as PV modules, inverters, and other peripherals, which are imported from other countries may pose a risk to the Company. Where issues on port congestion and other logistical problems arise especially during the time of COVID-19 pandemic, this may also be a source of delay in the completion of projects that may impact the revenue streams of the Company. As the technology for solar becomes more accessible and put out in the market, the Company would be able to source its equipment from various suppliers. In this way, Raslag is not reliant on a limited group of suppliers for its PV modules, inverters and other peripherals.

To mitigate this risk, the Company has expanded its supplier options to have wider access to its equipment requirements. Furthermore, it is planning to establish a system whereby logistical problems and delay in port congestion will be minimized, if not completely avoided.

Item 2. Description of Property

Relevant discussion on Property also appears on Notes 6, 11 and 12 of the Audited Financial Statements of the Company as of December 31, 2022.

Property, Plant and Equipment

This account consists of the following as at December 31, 2022 and 2021:

Property and equipment	₱2,466,434,031	₱2,241,804,911
Right-of-use asset (ROUA)	<u>1,409,481</u>	<u>-</u>
	<u>₱2,467,834,512</u>	<u>₱2,241,804,911</u>

The gross carrying amounts of property, plant and equipment at the beginning and end of December 31, 2022 and December 31, 2021 are as follows:

	Land	Land Improvements	Office Equipment and Furniture and Fixtures	Machinery and Equipment	Building	CIP	Total
Balance at January 1, 2022							
net of accumulated depreciation	₱ 776,033,768	₱ 17,829,091	₱ 272,495	₱ 1,096,708,109	₱ 13,857,677	₱ 22,311,544	₱ 1,730,058,929
Additions	253,616,252	1,226,969	140,400	-	-	392,065,847	593,696,247
Reclassifications	(320,667,449)	13,365,344	-	(720,000)	-	-	(720,000)
Depreciation	-	(6,444,280)	-	-	-	-	-
	-	)	(159,431)	(75,556,399)	(978,190)	-	(81,230,265)
Balance as of December 31, 2022	₱ 776,033,767	₱ 17,829,091	₱ 253,464	₱ 1,020,431,710	₱ 12,879,487	₱ 414,377,391	₱ 2,241,804,911
net of accumulated depreciation							
Balance at January 1, 2021							
net of accumulated depreciation	₱ 574,543,768	₱ 22,365,336	₱ 272,495	₱ 1,096,708,109	₱ 13,857,677	₱ 22,311,544	₱ 1,730,058,929
Additions	201,490,000	-	140,400	-	-	392,065,847	593,696,247
Disposals	-	-	-	(720,000)	-	-	(720,000)
Depreciation charges for the period	-	(4,536,245)	-	-	-	-	-
	-	)	(159,431)	(75,556,399)	(978,190)	-	(81,230,265)
Balance as of December 31, 2021	₱ 776,033,767	₱ 17,829,091	₱ 253,464	₱ 1,020,431,710	₱ 12,879,487	₱ 414,377,391	₱ 2,241,804,911
net of accumulated depreciation							
Balance at January 1, 2020							
net of accumulated depreciation	₱ 568,272,734	₱ 24,240,769	₱ 451,842	₱ 1,173,819,135	₱ 14,835,865	₱ -	₱ 1,781,620,345
Additions	6,271,034	2,630,200	-	-	-	22,311,544	31,212,778
Depreciation charges for the period	-	(4,505,633)	-	-	-	-	-
	-	)	(179,347)	(77,111,026)	(978,188)	-	(82,774,194)
Balance as of December 31, 2020	₱ 574,543,768	₱ 22,365,336	₱ 272,495	₱ 1,096,708,109	₱ 13,857,677	₱ 22,311,544	₱ 1,730,058,929
net of accumulated depreciation							

The Company's land and certain machineries and equipment which totaled to ₱2.5 billion and ₱1.8 million as of December 31, 2022 and 2021, respectively, are used as collaterals for certain interest-bearing loans and borrowings (see Note 11).

In 2022, the Company's stockholders and BOD approved the plan to sell certain parcels of land which were originally intended to be used in operations. As the intention changed with respect to these assets, management reclassified them from Property and Equipment to Non-current Assets Held for Sale in the 2022 statement of financial position. The asset is carried at its cost amounting ₱320.7 million at the date of reclassification and as at year end.

Also in 2022, the CIP pertaining to the RASLAG-3 project amounting to ₱609.1 million, was reclassified to other Property and Equipment asset classes upon completion of the project. The remaining CIP relates to future expansion projects. These accounts are not depreciated until such time that the assets are completed and available for use.

In 2021, the Company sold certain transportation equipment at its carrying amount; hence, there was no gain or loss on the transaction (see Note 20.3). There was no similar transaction in 2022.

In 2021, the Company acquired parcels of land located in Magalang, Pampanga from a third party with a purchase price of ₱201.5 million. In 2022, the Company acquired additional parcels of land in Hermosa, Bataan with a purchase price of ₱251.4 million.

The Company paid a down payments of the purchase price for such acquisitions and the balance is payable in 12 equal monthly installments. Total payments made by the Company amounted to ₱93.1 million in 2022 and ₱78.6mn in 2021. The outstanding balance arising from these transactions is presented as part of Trade payables under Trade and Other Payables in the statement of financial position (see Note 12).

The Company incurred borrowing costs amounting to ₱8.3 million in 2022 and ₱1.4 million in 2021 which were all capitalized based on interest rates of 3.5% to 6.1% in both years (see Note 11).

The Company has mortgaged the property of RASLAG-1 located in Brgy. Suclaban, Mexico, Pampanga to BPI to secure a loan of ₱500mn. The Company has mortgaged the property of RASLAG-2 located in Brgy. Suclaban, Mexico, Pampanga to BPI to secure a loan of ₱800mn. The Company has mortgaged the property of RASLAG-3 located in Brgy. Mabalacat, Magalang, Pampanga to BPI to secure a loan of ₱600mn. These loans carry a variable interest rate ranging from 3.5% to 6.1% per annum with a tenor of twelve (12) years on the first and second debt facilities and ten (10) years on the third debt facility. The proceeds of the loans were used for the construction of the solar plants.

In 2022, the Company entered into a 5-year lease contract with a third party for its office space. Consequently, as at the commencement of the lease, the Company recognized ROUA and lease liability amounting to ₱1.5 million.

As at December 31, 2022, the carrying amount of the ROUA amounted to ₱1.4 million after recognizing amortization amounting to ₱0.1 million (see Note 14). The ROUA is presented as part of Property and Equipment account in the 2022 statement of financial position and the amortization is presented as part of depreciation expense under other Operating Expenses account in the 2022 statement of comprehensive income.

The current portion of the lease liability amounting to ₱0.1 million is presented as part of the Trade and Other Payables account (see Note 12), while the non-current portion amounting to ₱1.3 million is presented as Lease Liability in the 2022 statement of financial position. The total interest expense incurred on the lease liability amounted to ₱0.1 million in 2022 and is presented as part of the Finance Costs in the 2022 statement of comprehensive income [(see Note 14.2(a))].

Total payments in relation to the lease which relate to monthly rentals amounted to ₱0.2 million in 2022.

There is no property owned by the Company that is under a lease arrangement. All properties listed above are solely owned and acquired by the Company. The Company's main focus is to keep expanding their solar plants in the future, therefore, the Company will continue to look for lands either in the region they are operating or elsewhere.

INTEREST-BEARING LOANS AND BORROWINGS

The breakdown of this account follows:

	2022	2021
Non-current	₱1,026,250,000	₱ 967,454,546
Current	125,454,545	125,454,545
	₱ 1,070,454,546	₱ 1,092,909,091

As of December 31, 2022, the Company has three (3) loan facilities with Bank of the Philippine Islands (BPI or the Bank). There is no remaining undrawn amount from all of the Company's loan facilities amounted as of December 31, 2022.

In 2014, the Company made several drawdowns from the facility totaling to ₱500.0mn ("1st Loan Facility"). These are payable on a quarterly basis until 2026.

In 2015, the Company made several drawdowns from the facility totaling ₱800mn, which are also payable on a quarterly basis beginning January 7, 2018 until October 7, 2027 ("2nd Loan Facility").

In 2021, the Company has made several drawdowns totaling to ₱397.0mn from a ₱600.0mn loan facility, which are also payable on a quarterly basis beginning November 29, 2023 until September 29, 2031 ("3rd Loan Facility"). The purpose of this loan facility is to finance the construction of RASLAG-3.

The principal repayments of these loans amounted to ₱125.5mn 2022 and 2021, respectively.

The loans are subject to an interest rate ranging from 3.5% to 6.1% per annum in 2022 and 2021. Interest expense incurred from these loans amounted to ₱30.6mn, ₱46.3mn and ₱47.1mn in for the years ended December 31, 2022, 2021 and 2020, respectively, and is presented as part of Finance Costs in the statements of comprehensive income (see Note 14.2). Accrued interest amounted to ₱8.9mn and ₱17.7mn as of December 31, 2022 and 2021, respectively, and is presented as part of Accrued expenses under Trade and Other Payables in statements of financial position (see Note 12).

The interest-bearing loans and borrowings are secured by the following:

- a. real estate mortgage on various parcels of land with a carrying value of ₱1,029.7mn and ₱776.0mn as of December 31, 2022, and 2021, respectively (see Note 6);
- b. unregistered chattel mortgage on solar power plant, machinery and equipment with a carrying value of ₱1.5bn and ₱1.0bn as of December 31, 2022, and 2021, respectively (see Note 6);
- c. assignment of receivables from offtaker and/or distribution utility amounting to ₱79.1mn and ₱49.0mn as of December 31, 2022, and 2021, respectively (see Note 9);
- d. corporate guaranty of API, Angeles Electric Corporation (AEC) and J TEN (see Note 20.5); and,
- e. personal guaranty of the Company's President (see Note 20.5).

In addition, the loan agreement on the 1st Loan Facility dated June 6, 2014 (the Loan Agreement) initially included stockholders' pledge on the shares of stock of the Company amounting to ₱550.0mn. However, no formal pledge agreement was executed between the Company and BPI. On March 23, 2022, the Loan Agreement was amended to remove the aforementioned pledge as a security to the 1st Loan Facility.

The Company is required to maintain a debt-to-equity ratio of not more than 2.5 for the 1st and 2nd Loan Facilities and 1.2 debt service coverage ratio for the 3rd Loan Facility. The Company is compliant with the required ratios for December 31, 2022, and 2021.

Shown below are the details of the three (3) debt facilities:

RASLAG CORP.
SUMMARY OF DEBT FACILITIES
 AS OF DECEMBER 31, 2022

First, Term: 12 years (with 1-year grace period) Interest repricing: 90-day			
Date of Drawdown	Amount	Start of Interest Payment	Inclusive Date of Quarterly Principal Payment
July 9, 2014	₱ 150,000,000.00	October 9, 2014	October 9, 2015 to July 9, 2026 (₱45mn per year)
July 21, 2014	150,000,000.00	October 9, 2014	
July 21, 2014	100,000,000.00	October 9, 2014	
November 8, 2014	100,000,000.00	January 9, 2015	
Total	₱ 500,000,000.00		

Second, Term: 12 years (with 2-year grace period) Interest repricing: 90-day			
Date of Drawdown	Amount	Start of Interest Payment	Inclusive Date of Quarterly Principal Payment
October 7, 2015	₱ 300,000,000.00	January 7, 2016	January 7, 2018 to October 7, 2027 (₱80mn per year)
October 21, 2015	200,000,000.00	January 7, 2016	
December 7, 2015	300,000,000.00	January 7, 2016	
Total	₱ 800,000,000.00		

Third, Term: 10 years (with 2-year grace period) Interest repricing: Interest repricing: subject for review monthly based on prevailing market conditions			
Date of Drawdown	Amount	Start of Interest Payment	Inclusive Date of Quarterly Principal Payment
September 29, 2021	₱ 81,000,000.00	October 29, 2021	November 29, 2023 to August 29, 2031 (₱75.0mn per year)
December 24, 2021	316,000,000.00	January 29, 2022	
April 22, 2022	203,000,000.00	May 29, 2022	
Total	₱ 600,000,000.00		

TRADE AND OTHER PAYABLES

This account consists of:

	Notes	2022	2021
Accrued expenses	11	₱157,677,480	₱135,516,346
Trade payables	6.1	17,514,665	24,341,705
Withholding taxes payable		1,748,473	1,138,970
Lease Liability	6.2	44,802	-
		₱ 176,985,420	₱160,997,021

Trade payables include the outstanding balance on the acquisition of parcels of land amounting to ₱146.2mn and ₱122.9mn as of December 31, 2022 and 2021, respectively.

Accrued expenses includes accrued interest amounting to ₱8.9mn and ₱17.7mn as of December 31, 2022 and 2021, respectively.

Item 3. Legal Proceedings

There are no material pending legal proceedings to which the registrant or any of its affiliates is a party or of which any of their property is the subject.

Item 4. Submission of Matters to a Vote Security Holders

There were no matters submitted to the vote of security holders during the calendar year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION**Item 5. Market for Issuer's Common Equity and related Stockholders Matters**

The Company's application for initial public offering (IPO) was approved by PSE on June 6, 2022 and its shares of common stock are traded on the PSE. Below is a history of the trading prices of said shares for the year 2022.

2022	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
High	N/A	2.22	2.34	1.82
Low	N/A	1.62	1.68	1.56

Holders

As of December 31, 2022, there are 13 holders of the Company's 1,500,000,000 outstanding shares of common stock.

Below is a list of the top twenty (20) holders of the Company's shares of common stock as of December 31, 2022:

	Name of Stockholder	Number of Shares Held	Percent of Total Outstanding Shares
1	J TEN EQUITIES, INC.	852,751,995	56.85%
2	ANGELES POWER, INC.	284,625,000	18.98%
3	PCD NOMINEE CORPORATION (FILIPINO)	360,161,700	24.01%
4	PCD NOMINEE CORPORATION (NON-FILIPINO)	2,405,700	0.16%
5	MYRA P. VILLANUEVA	30,000	0.00%
6	MILAGROS P. VILLANUEVA	10,000	0.00%
7	MYRNA P. VILLANUEVA	10,000	0.00%
8	MARIETTA V. CABREZA	2,000	0.00%
9	JENNIFER T. RAMOS	2,000	0.00%
10	MARIA RITA JOSEFINA V. CHUA	400	0.00%
11	GEROMIN T. NEPOMUCENO, JR.	400	0.00%
12	PETER G. NEPOMUCENO	400	0.00%
13	ROBERT GERARD B. NEPOMUCENO	400	0.00%
14	OLIVER B. BUTALID	1	0.00%
15	PEDRO H. MANIEGO, JR.	1	0.00%
16	DANIEL GABRIEL M. MONTECILLO	1	0.00%
17	CONRADO D. PECJO	1	0.00%
18	ARSENIO N. VALDES	1	0.00%
		1,500,000,000	100.00%

Dividends

Limitations and Requirements

Under Philippine law, dividends may be declared out of a corporation's Unrestricted Retained Earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose. From time to time, the Company may reallocate capital among subsidiaries, if any, depending on its business requirements.

The Revised Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividend without its consent, and

such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation.

The Revised Corporation Code generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by definite expansion plans approved by the board of directors of the corporation, (ii) when distribution is prohibited under any loan agreement with any financial institution or creditor without its consent, and such consent has not been secured, (iii) when retention is necessary under special circumstances, such as when there is a need for special reserves for probable contingencies, or (iv) when the non-distribution of dividends is consistent with the policy or requirement of a government office.

Record Date

Pursuant to existing SEC rules, cash dividends declared by the Company must have a record date not less than ten (10) nor more than thirty (30) days from the date of declaration. In case no record date is specified, it is deemed to be fixed at fifteen (15) days after the company's declaration. For stock dividends, the record date should not be less than ten (10) nor more than thirty (30) days from the date of the shareholders' approval, provided however, that the set record date is not to be less than ten (10) trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

Dividend History

For the years ended December 31, 2018, 2019, 2020, 2021 and 2022, the Company has declared the following cash dividends:

YEAR	DIVIDEND PER SHARE (₱)	TOTAL AMOUNT (₱)
2018	32.00/share	240,000,000.00
2019	10.00/share	75,000,000.00
2020	0.05/share	50,000,000.00
2021	0.15/share	150,000,000.00
2022	0.0334/share	50,100,000.00

Other than the foregoing, no other dividends have been declared and paid by the Company. The Company declared ₱0.0334 per share or ₱50.1 million to stockholders of record as of December 8, 2022 and paid on December 22, 2022.

Dividend Policy

As approved by the Board of Directors on December 6, 2021, the Company shall have a dividend policy of maintaining an annual cash dividend payment ratio for Common Shares of 30% to 50% of the core net income after tax for the preceding fiscal year, subject to the requirements of applicable laws, rules and regulations; availability of cash and unrestricted retained earnings; and other circumstances which may restrict the payment of dividends. For purposes hereof, "core net income" means the net income after tax generated from the main operations of the business, excluding any extraordinary or

non-recurring income/expense. In the case of the Company, core net income is the income mainly from the generation of electricity less the recurring expenses of the Company less taxes.

For the avoidance of doubt, the foregoing policy does not preclude the Board from declaring special cash dividends in such amount as the Board may, at its discretion, consider appropriate under the circumstances.

The Board is authorized to declare dividends only from the Company's unrestricted retained earnings, and the Board may not declare dividends which will impair the Company's capital. Dividends may be payable in cash, property, or stock of the Company, or a combination thereof, as the Board determines at its discretion.

Dividends to be paid in cash by the Company are subject to approval by a majority of the Board and no further approval from the Company's stockholders is required. Pursuant to existing SEC rules, cash dividends declared by the Company must have a record date that is neither less than ten (10) days nor more than thirty (30) days from the date the cash dividends are declared, provided, however, that the set record date is not to be less than ten (10) trading days from receipt by the PSE of the notice of declaration of cash dividend. In case no record date is specified, it is deemed to be fixed at fifteen (15) days from the Company's declaration.

The declaration of stock dividends is subject to the approval of stockholders representing at least two-thirds of the outstanding capital stock. In cases where the stock dividends shall be sourced from an increase in the authorized capital stock of the Company, such increase shall be subject to the required approvals of the SEC for the same. The record date with respect to stock dividends is to be neither less than ten (10) days nor more than thirty (30) days from the date of stockholders' approval, provided, however, that the set record date is not to be less than ten (10) trading days from receipt by the PSE of the notice of declaration of stock dividend. In relation to foreign stockholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP.

Item 6. Management Discussion and Analysis of Financial Condition and Results of Operations

Below are the major changes on the company's results of operation and financial condition due to the above transaction.

Results of Operations FY 2022 vs FY 2021

Material Changes to the Statement of Comprehensive Income for the Calendar Year ended December 31, 2022, compared to the Statement of Comprehensive Income for the Calendar Year ended December 31, 2021 (increase/ decrease of 5% or more)

Sale of Electricity

Revenue derived from the sale of electricity by the company increased by 31.5% to ₱383.8mn in 2022 from ₱291.8mn in 2021. This increase in sales of electricity in 2022 was brought by RASLAG-3 operations starting on July 7, 2022.

Cost of Electricity Sold

The cost of electricity sold during 2022 increased by 24.9% from ₱93.7mn to ₱116.9mn brought by the following: increase in salaries and wages by 308.4% as a result of the incentive bonus to employees due to the company's initial public offering; market fees increased by 72.9% and depreciation increased by 21.6% due to RASLAG-3 operations; while operating and maintenance decreased by 12.3% as a result of lower rates from the new Operating and Maintenance provider engaged by the Company.

Gross Profit

Gross profit increased by 34.7% year on year to 266.8mn in 2022 from ₱198.1mn in 2021 as a result of RASLAG-3 operations this year.

Operating Expenses

In year 2022, operating expenses of the company increased by 57.9% to ₱85.0mn from ₱53.8mn in 2021. Taxes and Licenses increased by 22.7% in 2022 to ₱27.7mn from ₱22.5mn in 2021 as a result of payments of deficiency taxes and of the documentary stamp taxes for the loan final drawdown. Professional fees increased significantly by 187.4% from ₱10.3mn in 2021 to ₱29.5mn as a result of professional fees incurred in relation to the planned initial public offering of the Company on the Philippine Stock Exchange in 2022. Donations and contributions increased by 21.8% in 2022 as a result of donations made by the company and contributions to ER1-94 funds to DOE. Insurance expenses increased by 36.6% during the year of 2022 to ₱3.6mn from ₱2.6mn in 2021 due to the increase in insurance premiums during the period attributable for RASLAG-3. Representation expense increased from ₱0.07mn to ₱1.1mn in 2022 due to expenses related to land conversion during 2022. Salaries and wages increased by 138.9% from ₱3.0mn to ₱7.2mn in 2022 as a result of additional personnel hired. Communications, light and water increased by 305.5% from ₱1.7mn to ₱6.9mn in 2022 as a result of RASLAG-3's operations.

Finance Costs

Finance costs decreased by 16.1% to ₱39.2mn 2022 compared to ₱46.8mn in 2021. The net decrease in finance cost was brought by the decrease on interest on loans as a result of repayments and .

Finance Income

Finance Income increased in 2021 from ₱18.7mn to ₱10.7mn as a result of decreased on foreign currency gains amounting to ₱6.2mn.

Profit before tax

Profit before tax increased by 31.8% year on year from ₱116.3mn in 2021 to ₱153.3mn in 2022 brought by RASLAG-3 operations.

Tax Expense

In 2022, RASLAG-1 and RASLAG-2 was subjected to 10% corporate income tax rate beginning February 5, 2022 and December 21, 2022, respectively which resulted to ₱6.1mn increase in Tax Expense.

Net Income

Net income after tax increased by 26.6% year on year from ₱116.2mn in 2021 to ₱147.1mn in 2022.

Financial Position
FY 2022 vs FY 2021

Material Changes to the Statement of Financial Position as of December 31, 2022 compared to the Statement of Financial Position as of December 31, 2021 (increase/ decrease of 5% or more)

Property, Plant and Equipment

In 2022, Property, plant and equipment increased by 10.1% to ₱2,467.8mn from ₱2,241.8mn in 2021.

Land owned by the Company increased by 8.6% from ₱776mn in 2021 to ₱778mn in 2022 as a result of the acquisition of an additional parcel of land for RASLAG-5 in Hermosa, Bataan and reclassification of RASLAG-5's previous site to Non-current Asset Held for Sale. Land Improvements, Control Buildings, and Solar Farms decreased by 45.7%, 56.8% and 49.1% respectively as a result of capitalization of the accounts from CIP due to RASLAG-3's operations. Decrease in Other PPE's of 54.2% was a result of the reclassification.

Construction in Progress decreased significantly during the year from ₱414.4mn in end-2021 to ₱186.8mn in end-2022 brought by the reclassification of RASLAG-3 and the construction of RASLAG-4.

Cash and other Cash Equivalents

Cash and cash equivalents increased significantly by 184.5% year on year to ₱434.6mn in 2022 from ₱152.8mn in 2021. The increase was a result of the Company's initial public offering (IPO) in 2022.

Trade and Other Receivables

In 2022, Trade Receivables increased by 61.5% to ₱94.4mn from ₱63.4mn in 2021. The increase was brought by higher in trade receivables and FIT rate adjustments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss decreased by 15.6% year on year. The decrease was brought by foreign exchange gains amounting to ₱2.8mn net by fair value losses amounting to ₱8.4mn.

Prepayments and other current assets

In 2022, a growth of 64.9% in Prepayments was realized increasing from ₱59.9mn to ₱98.9mn. The increase was a result of an increase in input VAT of ₱15.5mn attributable to the VAT on importation of equipment for the Raslag-3 project; increase in prepaid expense of ₱16.0mn and in spares of ₱2.3mn.

Trade and other payables

In 2022, Trade and other payables increased by 9.9% from ₱160.9mn to ₱177.0mn. Increase was in relation to acquisition of a parcel of land located in Hermosa, Bataan.

Advances from Stockholders

In 2022, the Company has no advances from stockholders.

Long Term Debt

Long Term Debt increased significantly by 6.1% as a result of drawdowns from the ₱600 loan facility granted by the BPI for the construction of RASLAG-3. Drawdowns in 2022 and 2021 amounted to ₱203mn and ₱397mn, respectively.

Post Employment Benefit Obligation

Post-employment benefit obligation increased to ₱9.6mn in 2022 from ₱4.8mn in 2021. The increase was related to the actuarial valuation of the multiemployer retirement plan and the transfer of seven (7) employees from Angeles Power, Inc. to Raslag Corp in 2021.

Capital Stock

Capital stock increased by 30.4% to ₱1,500mn in 2022 from ₱1,150mn in 2021 as a result of the Company's IPO in June 2022 and after stockholders J Ten Equities, Inc. and Angeles Power, Inc. reinvested ₱150mn in cash dividends in 2021 as additional common equity subscriptions in the Company.

Retained Earnings

Retained earnings increased by 26.6%, ₱147.1mn in 2022 and ₱116.2mn in 2021, respectively; and decreased in the declaration of cash dividends amounting to ₱50.1mn or ₱0.0334 per share in 2022 and ₱150mn or ₱0.15 per share in 2021.

The key performance indicators of the Company are shown below:

	December 31, 2022	December 31, 2021
Current Ratio ¹	2.02	1.09
Quick Ratio ²	1.62	0.75
Solvency Ratio ³	2.56	2.09
Debt Ratio ⁴	0.33	0.41
Debt to Equity Ratio ⁵	0.55	0.79
Interest Coverage Ratio ⁶	4.70	3.47
Asset to Equity Ratio ⁷	1.64	1.92
Gross Profit Margin ⁸	0.70	0.68
Net Profit Margin ⁹	0.38	0.40
Return on Assets ¹⁰	0.04	0.04
Return on Equity ¹¹	0.07	0.08

*1 – Current Assets/Current Liabilities

*2 – Quick Assets (Current Assets less Other Current Assets)/Current Liabilities

*3 – Total Assets/Total Liabilities

*4 – Total Debt/Total Assets

*5 – Total Debt/Total Stockholder's Equity (Total debt includes interest bearing loans and borrowings)

*6 – Earnings Before Interest and Taxes/Interest Charges

*7 – Total Assets/Total Stockholder's Equity

*8 – Sales -Cost of Electricity Sold/Sales

*9 – Net Profit/Sales

*10 – Net profit/Total Assets

*11 – Net Profit/Total Stockholder's Equity

- Due to the Company's sound financial condition, there is no foreseeable trend or event which may have a material impact on its short-term or long-term liquidity.
- Funding will be sourced from internally-generated funds and/or bank loans.
- There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.
- RASLAG-3 started its operations on July 7, 2022.
- There is no element of income arising from continuing operations.
- There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.
- There were no known events and uncertainties that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligation), and other relationship of the Company with consolidated entities or other persons created during the reporting period.

RESULTS OF OPERATIONS

FY 2021 vs FY 2020

Material Changes to the Statement of Comprehensive Income for the Calendar Year ended December 31, 2021, compared to the Statement of Comprehensive Income for the Calendar Year ended December 31, 2020 (increase/ decrease of 5% or more)

Sale of Electricity

Revenue derived from the sale of electricity by the company decreased by 26.3% to ₱291.8mn in 2021 from ₱395.8mn in 2020 with all revenue coming from the RASLAG-1 and RASLAG-2 power plants whose revenues decreased by 28.9% and 24.0% respectively. This decrease in sales of electricity in 2021 was a result of recognition of FIT rate adjustments from 2016 to 2020 as per ERC Resolution No. 6, Series of 2020 in the previous financial year ending December 31, 2020.

Operating and Maintenance Fees

In 2021, Operating and Maintenance Fees decreased by 40.5% from by ₱18.6mn in 2021 to ₱11.1mn in 2020 as a result of lower rates from the new Operating and Maintenance provider engaged by the Company.

Market Fees

Market fees increased by 420% during the year of 2021 to ₱1.1mn from ₱0.2mn in 2020 due to increase in market fees charged by Philippine Electricity Management Corporation.

Gross Profit

Gross profit decreased by 33.0% year on year to ₱198.1mn due to the recognition of FIT rate adjustments and recorded as electricity sales for the period 2016 to 2020 on the previous year ending December 31, 2020. Excluding the recognition of FIT rate adjustments during 2020, gross profit increased by 4.9% to ₱198.1mn in 2021 from ₱188.8mn in 2020.

The cost of electricity sold during 2021 decreased by 6.6% from ₱100.3mn to ₱93.6mn in 2021 as a result of the decrease in operating and maintenance fees.

Operating Expenses

In year 2021, operating expenses of the company increased by 19.2% to ₱53.8 from ₱45.1 in 2020. Taxes and Licenses increased by 42.1% in 2021 from ₱22.5mn to ₱15.8mn in 2020 as a result of the documentary stamp taxes for the loan drawdowns as well as the stock subscriptions. Professional Fees increased significantly from ₱3.8mn in 2021 to ₱10.3mn as a result of professional fees incurred in relation to the planned initial public offering of the Company on the Philippine Stock Exchange in 2022. Donations and contributions decreased by 84.9% in 2021 as a result of the one time payment to the DOE in 2020. Insurance expenses increased by 25% during the year of 2021 to ₱2.6mn from ₱2.1mn in 2020 due to the increase in insurance premiums during the period. Representation expense decreased by 94% from ₱1.4mn to ₱0.07mn in 2021 due to expenses related to land conversion during 2020. Depreciation Expense decreased by 46.2% due to the disposal of the company vehicle in 2021 as well as full depreciation of office equipments and furniture and fixtures.

Other Income

The decrease was due to the non-occurrence of other income which resulted from the reimbursement of imported materials by the contractor in 2020.

Finance Costs

Finance costs decreased by 25.6% to ₱46.7mn in 2021 compared to ₱62.8mn in 2020. The decrease in finance cost was brought by the one time occurrence of foreign currency losses during 2020.

Finance Income

Finance Income increased significantly in 2021 from ₱2.1mn to ₱18.7mn which is largely a result of foreign currency gains amounting to ₱13mn.

Profit before tax

Profit before tax decreased by 38.7% year on year from ₱189.8mn in 2020 to ₱116.2mn in 2021 essentially due to the one time booking of accrued revenues resulting from the ERC approved adjustment to FIT rates in 2020 as discussed previously.

Tax Expense

In 2021, a decrease of 99.3% in Tax Expense occurred as a result of the payment of deferred tax payment of the company in relation to the recognition/accrual of FIT Rate adjustments for the period of 2016-2020.

Net Income

Net income after tax decreased by 31% year on year from ₱178.8mn in 2020 to ₱116.2mn in 2021.

Financial Position
FY 2021 vs FY 2020
Material Changes to the Statement of Financial Position as of December 31, 2021 compared to the Statement of Financial Position as of December 31, 2020 (increase/ decrease of 5% or more)
Property, Plant and Equipment

In 2021, Property, plant and equipment increased by 21.6% to ₱2,241.8mn from ₱1,730.0mn in 2020.

Land owned by the Company increased by 35.1% from ₱574mn in 2020 to ₱776mn in 2021 as a result of the acquisition of an additional parcel of land for RASLAG-4 in Talimunduk, Pampanga. Land Improvements, Control Buildings, and Solar Farms decreased by 20.3%, 7.0% and 7.0% respectively due to the depreciation during the period. Decrease in Other PPE's of 7.0% was a result of sale of company vehicles as well as depreciation of assets.

Construction in Progress increased significantly during the year from ₱22.3mn in end-2020 to ₱414.3mn in end-2021 brought by the construction of RASLAG-3.

Cash and other Cash Equivalents

Cash and cash equivalents decreased by 47.4% year on year to ₱152.7mn in 2021 from ₱290.4mn in 2020. The decrease resulted from downpayments made for RASLAG-4 land, payments to the advances to the stockholders and payments for the construction of the 18MW RASLAG-3 project.

Trade and Other Receivables

In 2021, Trade Receivables increased by 23.1% to ₱63.3mn from ₱51.5mn in 2020. The increase was brought by higher in trade receivables, FIT rate adjustments and receivables from Angeles Power, Inc.

Decrease in other receivables in 2021 was due to collection of interest receivables during the year.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss increased by 5.0% year on year. The increase was brought by foreign exchange gains which amounts to ₱1.7mn net of fair value losses.

Prepayments and other current assets

In 2021, a significant growth of 213% in Prepayments was realized increasing from ₱19.1mn to ₱59.9mn. The increase was a result of an increase in input VAT of ₱41mn due largely attributable to the VAT on importation of equipment for the Raslag-3 project.

Trade and other payables

In 2021, Trade and other payables increased significantly from ₱29.3mn to ₱160.9mn. Increase was brought by the increase in trade payables of ₱127.1mn in relation to acquisition of a parcel of land located in Talimunduk, Magalang, Pampanga which is the location of the planned Raslag 4 Project; as well as a ₱3.5mn increase in accrued expenses and a ₱1.1mn increase in withholding taxes payable.

Advances from Stockholders

In 2021, the Company cleared all the advances from stockholders amounting to ₱100mn.

Long Term Debt

Long Term Debt increased significantly by 39% as a result of drawdowns from the ₱600 loan facility granted by the BPI for the construction of RASLAG-3. Drawdowns in 2021 amounted to ₱397mn.

Post Employment Benefit Obligation

Post employment benefit obligation increased to ₱4.8mn in 2021. The increase was related to the actuarial valuation of the multiemployer retirement plan and transfer of seven (7) employees from Angeles Power, Inc. to Raslag Corp.

Capital Stock

Capital stock increased by 15% to ₱1,150mn in 2021 after stockholders J Ten Equities, Inc. and Angeles Power, Inc. reinvested ₱150mn in cash dividends in 2021 as additional common equity subscriptions in the Company.

Retained Earnings

Retained earnings increased by ₱116.2mn in 2021 and ₱128.8mn in 2020, respectively and decreased by the declaration of cash dividends amounting to ₱150mn or ₱0.15 per share in 2021 and ₱50mn or ₱0.05 per share in 2020.

The key performance indicators of the Company are shown below:

	December 31, 2021	December 31, 2020
Current Ratio ¹	1.09	1.55
Quick Ratio ²	0.75	1.34
Solvency Ratio ³	2.09	2.32
Debt Ratio ⁴	0.41	0.37
Debt to Equity Ratio ⁵	0.79	0.65
Interest Coverage Ratio ⁶	3.47	4.80
Asset to Equity Ratio ⁷	1.92	1.76
Gross Profit Margin ⁸	0.68	0.75
Net Profit Margin ⁹	0.40	0.48
Return on Assets ¹⁰	0.04	0.09
Return on Equity ¹¹	0.08	0.15

*1 – Current Assets/Current Liabilities

- *2 – Quick Assets (Current Assets less Other Current Assets)/Current Liabilities
- *3 – Total Assets/Total Liabilities
- *4 – Total Debt/Total Assets
- *5 – Total Debt/Total Stockholder's Equity (Total debt includes interest bearing loans and borrowings)
- *6 – Earnings Before Interest and Taxes/Interest Charges
- *7 – Total Assets/Total Stockholder's Equity
- *8 – Sales -Cost of Electricity Sold/Sales
- *9 – Net Profit/Sales
- *10 – Net profit/Total Assets
- *11 – Net Profit/Total Stockholder's Equity

- Due to the Company's sound financial condition, there is no foreseeable trend or event which may have a material impact on its short-term or long-term liquidity.
- Funding will be sourced from internally-generated funds and/or bank loans.
- There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.
- There is no element of income arising from continuing operations.
- There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.
- There were no known events and uncertainties that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligation), and other relationship of the Company with consolidated entities or other persons created during the reporting period.

Item 7. Financial Statements

The Company's Audited Financial Statements for the years ended December 31, 2022 and 2021 are attached as exhibits to this report.

Item 8. Information on Independent Accountant and Other Related Matters

The present auditor of the Company, Punongbayan and Araullo, was also the auditor of the Company for the years 2016 to 2022. There have been no disagreements with said auditor on any matter of accounting principles or practices, financial statement disclosures, auditing scope or procedure, which disagreements, if not resolved to their satisfaction, would have caused the auditor to make reference thereto in its respective reports on the Company's financial statements for aforementioned years.

The external auditor of the Company billed the amounts of Php1,154,700 in 2022 and Php1,398,600 in 2021 in fees for the professional services rendered for the audit of the Company's annual financial statements and services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for 2022 and 2021. Non-audit services rendered by the external auditors for 2022 amounted to Php598,920. Except as disclosed above, no other services were rendered or fees billed by the external auditor of the Company for 2022 and 2021. All the above services have been approved by the Audit Committee through its internal policies and procedures of approval.

The Board of Directors, after consultation with the Audit Committee, recommends to the stockholders the engagement of the external auditors of the Company. The selection of external auditors is made on the basis of credibility, professional reputation, accreditation with the Philippine Securities and Exchange Commission, and affiliation with a reputable foreign partner. The professional fees of the

external auditors of the Company are approved by the Company's Audit Committee after approval by the stockholders of the engagement and prior to the commencement of each audit season.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

Following are the names, ages, positions and period of services of all directors and executive officers and all persons nominated or chosen to become such:

BOARD OF DIRECTORS AND OFFICERS

Name and Citizenship	Age	Position	Term of Office as Director	Period Already Served as Director
Peter Gomez Nepomuceno Filipino	86	Chairman of the Board/ President & CEO previously President & General Manager	1 year	10 years
Geromin Tancungco Nepomuceno Jr. Filipino	68	Vice-Chairman/ Treasurer/ Director	1 year	10 years
Conrado Dimla Pecjo Filipino	57	Director / Executive Vice-President previously Chief Operating Officer; previously Manager, Operations & Business Development	1 year	2 years
Robert Gerard Blanco Nepomuceno Filipino	59	Director / CFO	1 year	2 years
Maria Rita Josefina Valdes Chua Filipino	58	Director	1 year	10 years
Arsenio Nepomuceno Valdes Filipino	68	Director	1 year	2 years
Pedro Hipolito Maniego, Jr. Filipino	73	Independent Director	1 year	2 years
Daniel Gabriel Mata Montecillo Filipino	65	Independent Director	1 year	2 years
Oliver Botardo Butalid Filipino	62	Independent Director	1 year	2 years
Ruelito Quimson Soriano Filipino	57	Corporate Secretary	N/A	N/A
Paulo Samonte Faustino Filipino	32	Assistant Corporate Secretary	N/A	N/A
Lyra Gracia Yap Lipae-Fabella Filipino	46	Investor Relations & Compliance Officer	N/A	N/A

LEADERSHIP TEAM

Board of Directors



**ENGR. PETER G.
NEPOMUCENO**

Chairman



**ENGR. GEROMIN T.
NEPOMUCENO JR.**

Vice-Chairman



**MARIA RITA JOSEFINA
V. CHUA, CPA**

Director



ARSENIO N. VALDES

Director



**ROBERT GERARD B.
NEPOMUCENO**

Director



**ENGR. CONRADO D.
PECJO**

Director



**ATTY. PEDRO H.
MANIEGO JR.**

Independent Director



**DANIEL GABRIEL M.
MONTECILLO**

Independent Director



OLIVER B. BUTALID

Independent Director

LEADERSHIP TEAM

Key Officers



**ENGR. PETER G.
NEPOMUCENO**

President & CEO



**ENGR. CONRADO D.
PECJO**

Executive Vice President



**ENGR. GEROMIN T.
NEPOMUCENO JR.**

Treasurer



**ROBERT GERARD B.
NEPOMUCENO**

Chief Finance Officer



**ATTY. RUELITO Q.
SORIANO**

Corporate Secretary



**ATTY. PAULO S.
FAUSTINO**

Asst. Corporate Secretary



**ATTY. LYRA GRACIA Y. LIPAE-
FABELLA, CPA**

Compliance Officer and Investor
Relations Officer

PETER G. NEPOMUCENO, Chairman of the Board, President & CEO

Engr. Peter G. Nepomuceno is the visionary behind Raslag Corp. He founded the company in April 2013 with the vision of becoming a renewable energy leader that sustainably powers a growing economy. He has been in the power industry for more than sixty (60) years, serving in several companies in the electricity distribution and generation sectors.

At the age of 22, he started managing Angeles Electric Corporation, the distribution utility with the franchise area in Angeles City. He was elected President and General Manager of AEC in 1973 and retired as President in 2001. He continued serving AEC as Chairman of the Board until 2019. Under his leadership, Peter transformed AEC into one of the best and largest power distribution utilities in Luzon.

During the power crisis in 1992, Peter founded Angeles Power, Inc., the owner and operator of the 30 MW Calibu Diesel Power Plant. He serves as API's President and CEO up to the present.

Peter also put up J Ten Equities, Inc. in 2001, which is a key holding company of the Nepomuceno Family and a major shareholder of the Issuer.

Peter is currently the Chairman of Mindanao Energy Systems, Inc. (Minergy), Vice Chairman of Mindanao Power Corporation, and a Board Director of Cagayan Electric Power & Light Co., Inc. (CEPALCO). He also served as Chairman of Clark Electric Distribution Corporation ("CEDC") from 2015 up to 2020 and a director of Philippine Electricity Market Corporation ("PEMC") for five (5) years.

Aside from the power industry, Peter also handled several companies from other industries. He served as president of Juan D. Nepomuceno Sons Co., TGN Realty Corporation, New Move Realty, MAVWIN Properties, Teresa WaterWorks, Inc., Itafil Manufacturing Corp, Durastress Corporation, among others. He is presently a member of the Board of Trustee of Holy Angel University, the biggest university north of Manila.

Peter acquired his bachelor's degree from Ateneo De Manila University and his Civil Engineering degree from Mapua Institute of Technology.

GEROMIN T. NEPOMUCENO, JR., Director

Geromin T. Nepomuceno, Jr. has been a Director of RASLAG Corp. since 2013. He has vast experience in the electric power industry having been the President and General Manager of AEC from 2001 to 2019, and the Treasurer and Director of API from 1993 up to present.

Gerry is currently the Chairman of the Board of AEC. His leadership led AEC to being one the biggest distribution utilities in the country. He is also a Director of CEDC.

Aside from the power industry, Gerry is engaged in other industries being the Chairman of Angeles Industrial Park, Inc., Crismin Realty and MSN Food. He is also the President of Angeles Ice Plant, Treasurer and Director of TGN Realty, Teresa WaterWorks, Inc. and JTEN Equities, and a Director of JDN Sons, Inc. and Wespan Development Corporation.

Gerry is an active member of the Executive Committee of the Board of Trustees of Holy Angel University where he became the interim President in 2014 to 2015.

Gerry is a graduate of BS in Mechanical Engineering from De La Salle University and is a licensed mechanical engineer. He holds a Master's Degree in Business Management from the Asian Institute of Management.

CONRADO D. PECJO, Director, Executive Vice-President

Engr. Conrado D. Pecjo, together with Engr. Peter G. Nepomuceno, rallied the creation of RASLAG Corp. in 2013 to take advantage the support of the government to the then budding RE industry. He oversaw the conception, the construction and the successful commercial operation of RASLAG-1 and RASLAG-2 solar power plants. These plants are now enjoying the Feed-in Tariff Scheme of the government.

Pex, as he is fondly called, was the Operation and Business Development Manager of Angeles Power, Inc. – Calibu Diesel Power Plant before he became the EVP and COO of RASLAG. He started his career as a plant operator in Petersville Diesel Power Plant of Angeles Electric. He rose from the ranks and held various supervisory and managerial positions when he transferred to Angeles Power, Inc. in 1993. From being operations supervisor and mechanical maintenance supervisor, he became the operations manager of Calibu Diesel Power Plant in 2010. He eventually held the business development section of API from which the creation of an RE generation arm through RASLAG was conceptualized.

Pex also became a member of the Rules Change Committee of the Philippine Electricity Market Corporation for not more than four (4) years. He is a Professional Mechanical Engineer. He acquired his mechanical engineering degree from Holy Angel University in 1986 and has studied Executive Masters in Business Administration ("EMBA") in the Asian Institute of Management in 2008.

ROBERT GERARD B. NEPOMUCENO, Director, CFO

Robert Gerard B. Nepomuceno is one of the directors of RASLAG Corp. He is a member of the Risk and Oversight Committee of RASLAG and has been instrumental in the firm's PSE listing. He is also a Director of Angeles Electric Corporation since 2019.

Aside from the power industry, Rogie is also into the manufacturing industry. He is presently the President of Durastress Corporation, a manufacturer of pre-cast concrete products and a supplier of Ready-Mix Concrete. He started his career in Durastress as a supervisor in 2002 and has since made the company one of the largest manufacturers of concrete piles in the North. He is concurrently the President of Italfil Manufacturing Corp.

Rogie is a director of Juan D Nepomuceno Sons, Inc., Borealis Corp., Wespan Development Corp. and TGN Realty Corp. He is also the Chairman of the Bids and Awards Committee of Holy Angel University.

Rogie graduated from the Ateneo de Manila University in 1985 with Bachelor of Arts degree major in Economics. He finished his EMBA at the Asian Institute of Management in 2007.

MARIA RITA JOSEFINA V. CHUA, Director

Maria Rita Josefina V. Chua is a Director of RASLAG Corp. She has been with the company since its incorporation in 2013. She is currently the President of Angeles Electric Corporation and Teresa WaterWorks, Inc.

Aside from RASLAG, Marijo also serves as a Director for other electric companies such as Clark Electric Distribution Corporation and Angeles Power, Inc. She is a part of the Board of JTen Equities Inc, the holding company of RASLAG.

Marijo is also a Director of TGN Realty, Inc., JDN Sons, Inc., and Wespan Development Corporation. She is a member of the Board of Trustees of the Holy Angel University.

Marijo is a graduate of BS in Commerce Major in Accounting and Hotel Restaurant Management from St. Scholastica's College and holds a Master's Degree in Business Administration from the Ateneo Graduate School of Business. She is a Certified Public Accountant.

ARSENIO N. VALDES, Director

Arsenio N. Valdes is one the Directors of RASLAG Corp. His experience in the power industry spans from the distribution to the generation sectors, him being a Director of Angeles Electric Corporation (distribution utility) and Angeles Power, Inc. (generator). He is best known for his leadership in Juan D. Nepomuceno Sons, Inc. and TGN Realty Corporation as President from February 2007 to February 2019. He is currently the Chairman of Juan D Nepomuceno Sons, Inc., TGN Realty Corporation, Borealis Corp, and Wespan Development.

Arni is the President and CEO of Dolomatrix Philippines, Inc. He is also a Director of Teresa WaterWorks, Inc, Angeles Industrial Park, Inc. and JTen Equities, Inc.

Arni is also involved and holds key positions in various business, socio-civic and cause-oriented organizations. He is presently a Director and the Treasurer of the Metro Angeles Chamber of Commerce & Industry, Inc. (MACCII) where he was formerly the President and Chairman. He is currently an officer of the Metro Clark Information & Communication Technology (MCICT) Council. He is also an Adviser to the Environmental Practitioners Association where he was the past President.

Arni is a graduate of B.S. Industrial Management Engineering from the Dela Salle University and holds a Masters in Business Administration degree from the Ateneo De Manila University.

PEDRO H. MANIEGO, JR., Independent Director

Atty. Pedro H. Maniego, Jr. was the Chairman of the National Renewable Energy Board ("NREB") from September 2010 to June 2013. NREB's primary task is to facilitate the effective implementation of the Renewable Energy Act of 2008. Under his chairmanship, the NREB has initiated, spearheaded and/or guided the approval of the Feed-In Tariff rates, Renewable Energy Payment Agreement, Renewable Energy Service Agreement, FIT-Allowance Disbursement and Collection Guidelines, FIT-Allowance Petition, Net Metering Interconnection Standards and Net Metering Pricing Methodology with the Energy Regulatory Commission. The proposed mechanisms to implement the Renewable Portfolio Standards and Green Energy Option had been submitted to the Department of Energy for approval and issuance. Under its mandate to monitor and review the National Renewable Energy Program, the NREB has updated the program to bring back the share of RE sources in the power mix (in MWh) to at least 35% by 2030 in accordance to the INDC commitment of the Philippines under COP21.

A firm advocate of sustainable development, he is a professional industrial engineer, lawyer, economist, management consultant, and professorial lecturer, with more than fifty (50) years' experience in senior executive positions in the energy, metals, beverage, semiconductor, IT, munitions, construction, and venture capital sectors and the academe. He was a professor at the U.P. College of Engineering, President-CEO of PNOC Renewables Corporation, Executive Vice President and

Chief Operating Officer of Asean Fabricators, Inc. and Arms Corporation of the Philippines, market development manager of The Coca-Cola Export Corporation, and consultant to the Asian Development Bank, International Labor Organization, as well as several multinational and domestic firms.

Pete's education is multidisciplinary -- having graduated with degrees in B.S. Industrial Engineering and Bachelor of Laws from the University of the Philippines, and completed post-graduate studies in management, economics and engineering in the Asian Institute of Management, University of the Philippines, University of Asia & the Pacific, Federation of Korean Industries, and Carl Duisberg Gesellschaft of Germany. In 2011, he was chosen as the Awardee of the UP Alumni Engineers for Service to Industry. Currently, he is the Chairman of Secure Arms Guns and Ammo Corp; Independent Director of RASLAG Corp. and Armscor Global Defense Inc.; Fellow, Trustee, Chairman of the Fellow, Strategic Execution Pathway and Golf Committees of the Institute of Corporate Directors; a lecturer at UP Law Center's MCLE, Ateneo School of Government, and ICD's corporate governance programs; and a member of the Philippine Bar. He had obtained certificates with grades of Excellent in 14 courses on renewable energy development, climate finance, green banking and energy transformation at the Renewables Academy AG of Germany. He is a Certified Graduate of the Palladium Kaplan-Norton Balanced Scorecard and the Climate Reality Leadership Workshop under Nobel Laureate Al Gore. He is regularly invited as a speaker and resource person on renewable energy development in the Philippines, other Asian countries, Europe and the United States.

DANIEL GABRIEL M. MONTECILLO, Independent Director

Dennis Gabriel M. Montecillo is a management consultant, leadership speaker and facilitator, independent board director and executive coach. He is currently a senior consultant to the International Finance Corporation and to Ayala University in its Leadership Acceleration Program as well as several private, mid-sized Philippine corporates. He has been a guest lecturer at the Asian Institute of Management and was also formerly a CXO facilitator and speaker of Deloitte University Asia Pacific at its various management training programs in Singapore. He received his certification as an Associate Certified Coach from the International Coaching Federation ("ICF").

He retired as Executive Vice President and Group Head of the Corporate Client Segment of Bank of the Philippine Islands in 2018, where he was responsible for nationwide banking coverage of the firm's corporate clients. Immediately prior to this role, he was President of BPI Capital Corporation and Chairman of BPI Securities Corporation, the bank's investment banking and securities subsidiaries. He served for 4 ½ years in such capacities.

During his time at BPI, he was responsible for the reorganization of the corporate bank into two significant business initiatives, i.e., the Corporate Bank for large multinationals and domestic corporates, and the Business Bank, which services the small and medium-sized corporates in the country.

While at BPI Capital, he recast the investment bank into the leading domestic firm in the industry and competed successfully for business with the country's top corporates against the established international investment banking firms in the country. During his tenure, the firm won several international awards for excellence. During his tenure, among the more notable Philippine corporates that the firm took to the public capital markets are Max's Group, Store Specialists, and Metro Retail Stores Group.

Prior to returning to the Philippines, he spent seventeen (17) years in Hong Kong where he was CEO and founding equity partner of Diamond Dragon Advisors for three years, Asia's first private equity

fundraising firm and before that, CEO of Fidelis Holdings for three years. Fidelis was the international real estate investment company of the Ayala Group of Companies.

He has twenty-one (21) years of international investment banking experience, having worked in New York and Hong Kong at Bankers Trust, Credit Suisse and Morgan Stanley. During this time, he was part of and managed business development and transaction teams in corporate, real estate and leveraged finance, derivatives, private equity, mergers & acquisitions, and equity and debt capital markets.

Dennis is a fellow of the Institute of Corporate Directors (Philippines) and a member of the ICF, the Rotary Club of Manila and an associate member of the Singapore Institute of Directors.

He is an independent director of Metro Pacific Hospital Holdings, Inc., a holding company with interests in 19 hospitals nationwide, and Maybank Kim Eng Capital (Philippines), Inc., an investment bank that is a subsidiary of Maybank of Malaysia. He is also a director of the global board of International Care Ministries, an NGO devoted to the rural ultrapoor in the Philippines.

He has an MBA and MA from Stanford University in California, USA and bachelor's degrees in Management of Financial Institutions and Behavioral Sciences (magna cum laude) from De La Salle University in the Philippines.

OLIVER B. BUTALID, Independent Director

Oliver B. Butalid is an Independent Director of RASLAG Corp. He is also the current Chairman of Glocke Security Systems, Inc., a facility security service provider focused on industrial and institutional clients in the Central and Northern Luzon regions.

Oliver was a member of the Board of Governors appointed by President Gloria Macapagal Arroyo on March 2010 to 2012 and was subsequently reappointed by President Benigno Aquino III to serve up to 2016.

He was Supervising Fellow for the Local Government Program Management Unit at the Institute of Solidarity In Asia, the Philippine's leading corporate sector backed foundation dedicated to installing governance mechanisms (Balanced Scorecard) in the public sector from 2013 to 2016. He was also President and CEO of Philippine Mining Development Corp., a government owned and controlled corporation under the Department of Environment and Natural Resources from 2007 to 2010. He served as Commissioner at the Energy Regulatory Commission and was among the first batch of Commissioners appointed right after the effectivity of the Electric Power Industry Reform Act ("EPIRA") in 2001.

Oliver has over thirty (30) years' managerial experience in a broad range of business and development activities, both in the public and private sector. A policy maker, he has a strong grasp of the macroeconomic environment, industrial policy and regulatory framework of the electricity, water utility and mining industries.

He graduated with a B.S. Business Economics degree from the School of Economics in University of the Philippines Diliman. He later took and finished his Master's Degree in Business Economics at the University of Asia and the Pacific.

RUELITO Q. SORIANO, Corporate Secretary

Atty. Ruelito Q. Soriano was appointed Corporate Secretary of RASLAG in April 2021. He is also the Managing Partner of the law firm of Quiason Makalintal Barot Torres Ibarra Sison & Damaso, and a supervising attorney for the Corporate Group and the Tax Group. He specializes in mergers & acquisitions, corporate & project financing, securities offerings, and tax planning and structuring advice for the firm's various clients.

Ruel concurrently serves as Co-Chief Compliance and Risk Management Officer for Operations of the Transnational Diversified Group. He is Chairman of the Board of Directors of MarCoPay, Inc. (a dual currency e-money issuer), MCP Finance, Inc., MCP Insurance and Management Agency, Inc., and MCP Innovations, Inc., and sits in the boards of Transnational Diversified Group, Inc., Adventure International Tours, Inc., Universal Holidays, Inc., among others. He also serves as Compliance Officer of Easycall Communications, Philippines, Inc., and Corporate Secretary of Tonik Digital Bank, Inc., among others.

He obtained his bachelor's degrees in Economics and Law from the Ateneo de Manila University.

PAULO S. FAUSTINO, Assistant Corporate Secretary

Atty. Paulo S. Faustino is the Assistant Corporate Secretary of RASLAG Corp., having assumed such position in April 2021. He is also the Corporate Secretary of Bettzeit Southeast Asia Inc. and Residencia Santa Fe Inc. He is an associate lawyer of Quiason Makalintal Barot Torres Ibarra Sison & Damaso, where he specializes in corporate law, taxation law and special projects.

Paulo graduated with a degree of Juris Doctor from the University of the Philippines in 2017 and was admitted to the Philippine bar in 2018. He also holds a degree in BA Political Science which he obtained in 2011 from the University of the Philippines.

LYRA GRACIA Y. LIPAE-FABELLA, Investor Relations and Compliance Officer

Atty. Lyra Gracia Y. Lipae-Fabella was the legal counsel of RASLAG in its initial public offering in 2022. She is a Certified Public Accountant and member of the Integrated Bar of the Philippines. She serves/has served as Corporate Secretary to various publicly-listed companies, namely: Oriental Peninsula Resources Group Inc., Millennium Global Holdings, Inc., Haus Talk, Inc., Apollo Global Capital, Inc., Boulevard Holdings, Inc., Pacifica, Inc., and Greenergy Holdings, Inc. She is also the Managing Partner of the Fabella and Fabella Law Office. She previously worked as Junior Auditor at Sycip Gorres Velayo & Co., Associate at Tan Venturanza Valdez, and Securities Counsel III with the Securities and Exchange Commission.

Lyra obtained her Bachelor of Laws degree from San Beda College in Manila and her BS Business Administration and Accountancy degree from the University of the Philippines in Quezon City.

Significant Employees

The following are the significant employees who are not executive officers but are expected by the Company to make a significant contribution to the business. It is worth noting though that the Company is not dependent on any significant employee.

EPIFANIA B. MORAL, Accounting Manager

Epifania B. Moral is the Accounting Manager of RASLAG Corp. She has been with the Company since its incorporation in 2013 and was part of the team that worked for the realization of the RASLAG-1, RASLAG-2, and RASLAG-3 Solar Projects. She also handles the Company's importation.

Fanny started her career with Angeles Power, Inc. in 1994 and rose from the ranks. She graduated Bachelor of Science in Accountancy from Polytechnic University of the Philippines and studied her Master's degree in Business Administration in 1998 from the Graduate School of the same university.

ANGELO PAOLO L. USI, Operation & Business Development Research Engineer

Engr. Angelo Paolo L. Usi is one of the Operations and Business Development Research Engineers of RASLAG Corp. He is under the management of Engr. Conrado D. Pecjo and he took major roles in the project construction and successful commercial operation of RASLAG-1 and RASLAG-2 solar power plants. Engr. Usi started his career in 2010 as a staff engineer in Angeles Power, Inc., the conventional power generation company of the Nepomuceno Family.

Usi graduated from the Holy Angel University ("HAU") with a degree in B.S. Mechanical Engineering. He was the President of the Philippine Society of Mechanical Engineers ("PSME") HAU Junior Unit in his college days and upon graduation, he became a member of the PSME Pampanga Chapter and held the positions of Secretary in 2011-2013 and Vice President for Internal Affairs in 2013-2014.

MARY SHEENA Y. PINEDA-MANALANG, Operation & Business Development Research Engineer

Mary Sheena Y. Pineda-Manalang is one of the pioneer employees of RASLAG who worked on the realization of RASLAG-1 and RASLAG-2 solar projects. She handles various regulatory and industry compliances including but not limited to market compliances and government permits and certifications.

Sheena is a Registered Electrical Engineer by profession. She acquired her Bachelor of Science degree in Electrical Engineering from Holy Angel University and took her Master's degree in Engineering Management from the same university.

LOURDINO T. PAGUIO, Operation and Maintenance Supervisor

Lourdino Paguio is the Operation and Maintenance Supervisor of RASLAG Corp. He has been with the Company since 2019, handling the operation and maintenance of the RASLAG-1 and RASLAG-2 Solar Projects. Before his transfer to RASLAG, Mr. Paguio was an Operations Supervisor in the Calibu Diesel Power Plant of Angeles Power, Inc. He was with API for more than 25 years and had experienced working in three different departments of the company (Logistics, Maintenance, Operations).

Dines graduated from Holy Angel University with a degree in Electrical Engineering. He has attended various seminars and lectures regarding the operations and maintenance of solar power plants.

Family Relationships

Peter G. Nepomuceno is the father of Robert Gerard B. Nepomuceno and uncle of Geromin T. Nepomuceno, Jr., Maria Rita Josefina V. Chua, and Arsenio N. Valdes.

Maria Rita Josefina V. Chua and Arsenio N. Valdes are siblings. They are first cousins with Robert Gerard B. Nepomuceno and Geromin T. Nepomuceno, Jr. who are also first cousins.

Other than the ones disclosed, there are no other family relationships known to the Company.

Involvement in Certain Legal Proceedings

To the best of the Company's knowledge, none of the following enumerated events have occurred during the past five (5) years that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the registrant:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Item 10. Compensation

Information as to the aggregate compensation during the last three (3) fiscal years paid to the Company's and five (5) most highly compensated executive officers, and all other officers and directors, as a group, are as follows:

	Year	Salary (In ₱)*	Bonus (In ₱)	Others** (In ₱)	Per diem/ Allowance (In ₱)
Top five (5) most highly compensated executive officers	2020	6,656,000	1,024,000	1,040,684	680,000
Peter G. Nepomuceno Conrado D. Pecjo Robert Gerard B. Nepomuceno Geromin T. Nepomuceno, Jr. Rafael N. Mapua	2021	7,150,000	1,100,000	1,056,684	880,000
	2022	2,504,000	2,032,353	240,000	640,000
All officers and directors as a group	2020	10,314,200	1,586,800	1,470,664	1,190,000
	2021	11,314,500	1,713,000	1,496,864	2,384,300
	2022	2,504,000	2,032,353	240,000	2,570,000

**Some executive officers receive compensation from affiliate Angeles Power, Inc., also a stockholder of Raslag Corp. In 2020 and 2021 (January), key management personnel compensation was shouldered by Angeles Power Corporation at no cost to the Company*

Compensation of Executive Officers**Employment Contracts and Termination of Employment and Change-in-Control Arrangement**

There are no special arrangements on the employment contract of any executive officer. The said officer will be compensated upon his resignation, retirement or other termination from the Company or its subsidiaries, or as may result from a change-in-control in accordance with the provisions of the law.

Compensation of Directors

Under the By-Laws of the Company, by resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among directors in such manner as the Board may determine, subject to the approval of stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders.

Except for reasonable per diems/allowances, the directors have served without compensation. The directors did not also receive any amount or form of compensation for committee participation or special assignments.

Currently, each of the independent directors are receiving ₱40,000.00 per diem per meeting and each of other directors including the Chairman are receiving ₱20,000.00 per diem per meeting.

There are no other arrangements for compensation either by way of payments for committee participation or special assignments. There are also no outstanding warrants or options held by the Company's Chief Executive Officer, other officers and/or directors. There are no special employment contracts between the Company and Senior Management.

Management Incentive Plans

The Company plans to establish a Bonus Scheme ("BS") to provide executives and key managers a long-term incentive that is designed to reward the achievements of those who exhibit exemplary performance in the business. The BS will grant cash bonuses to executives and managers of different salary grade levels assuming they have exceeded expectations on their Key Performance Indicators ("KPIs"), usually based on financial objectives. The Company's Board of Directors intends to setup several committees, one of which is the compensation committee that will provide oversight on its policies and implementation procedure. The approval of the BS will be based on the discretion and approval of the Board of Directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management as of December 31, 2022

Security Ownership of Certain Record and Beneficial Stockholders

The following are the top 20 stockholders of the Company as of December 31, 2022:

Title of Class of Shares		Name	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Shares Held
common	1	J Ten Equities, Inc.	Peter G. Nepomuceno/ Chairman and President	Filipino	852,751,995	56.85%
common	2	Angeles Power, Inc.	Peter G. Nepomuceno/ Chairman and President	Filipino	284,625,000	18.98%
common	3	PCD Nominee Corporation	N/A	Filipino	360,161,700*	24.01%
common	4	PCD Nominee Corporation	N/A	Foreign	2,405,700	0.16%
common	5	Myra p. Villanueva	N/A	Filipino	30,000	0.00%
common	6	Milagros O. Villanueva	N/A	Filipino	10,000	0.00%
common	7	Myrna P. Villanueva	N/A	Filipino	10,000	0.00%
common	8	Jennifer T. Ramos	N/A	Filipino	2,000	0.00%
common	9	Marietta T. Ramos	N/A	Filipino	2,000	0.00%
common	10	Peter G. Nepomuceno	N/A	Filipino	400	0.00%
common	11	Robert Gerard B. Nepomuceno	N/A	Filipino	400	0.00%
common	12	Geromin T. Nepomuceno, Jr.	N/A	Filipino	400	0.00%
common	13	Maria Rita Josefina V. Chua	N/A	Filipino	400	0.00%

common	13	Arsenio N. Valdes	N/A	Filipino	1	0.00%
common	14	Conrado D. Pecjo	N/A	Filipino	1	0.00%
common	15	Pedro H. Maniego, Jr.	N/A	Filipino	1	0.00%
common	16	Daniel Gabriel M. Montecillo	N/A	Filipino	1	0.00%
common	17	Oliver B. Butalid	N/A	Filipino	1	0.00%
		SUBTOTAL			1,500,000,000	100.00%
		OTHERS			0	0
		TOTAL ISSUED AND OUTSTANDING			1,500,000,000	100.00%

**Note: Under PCD account, the following companies owned more than 5%:
China Bank Securities Corporation 154,217,001 10.28%*

Security Ownership of the Company's Directors and Management

The following table shows the security ownership of directors and executive officers in the common shares of the Company as of December 31, 2022:

Title of Class of Shares	Name	Amount and Nature of Beneficial Ownership	Citizenship	%
common	Peter G. Nepomuceno Chairman, President & CEO	Direct 400 Indirect 1,163,312,811	Filipino	77.55
common	Maria Rita Josefina V. Chua Director	Direct 500,400 Indirect 0	Filipino	0.03
common	Geromin T. Nepomuceno Jr., Treasurer, Director	Direct 400 Indirect 0	Filipino	0.00
common	Robert Gerard B. Nepomuceno CFO, Director	Direct 1,250,400 Indirect 0	Filipino	0.08
common	Arsenio N. Valdes Director	Direct 500,001 Indirect 29,090,184	Filipino	0.03
common	Conrado D. Pecjo EVP Director	Direct 100,001 Indirect 0	Filipino	0.01
common	Pedro H. Maniego, Jr. Independent Director	Direct 100,001 Indirect 0	Filipino	0.01
common	Daniel Gabriel M. Montecillo Independent Director	Direct 1 Indirect 0	Filipino	0.00
common	Oliver B. Butalid Independent Director	Direct 1 Indirect 0	Filipino	0.00
common	Ruelito Q. Soriano Corporate Secretary	Direct 50,000 Indirect 0	Filipino	0.00
common	Paulo S. Faustino Asst. Corporate Secretary	Direct 0 Indirect 0	Filipino	0.00
common	Lyra Gracia Y. Lipae-Fabella	Direct 0 Indirect 0	Filipino	0.00
TOTAL		1,194,904,600		79.66

As of December 31, 2022, the Company's directors and executive officers owned an aggregate of 1,194,904,600 shares equivalent to 79.66% of the Company's outstanding shares. No voting trust or similar agreement was signed which will give any party more than 5% of the outstanding capital stock. As of December 31, 2022, the Company has a total of 1,500,000,000 shares issued and outstanding of which a total of 1,497,594,300 shares or 99.89% are owned by Filipino citizens, and 2,405,700 shares or 0.16% are owned by foreigners.

Change in Control

There are no arrangements which may result in a change in control of the registrant.

Item 12. Family Relationships

Peter G. Nepomuceno is the father of Robert Gerard B. Nepomuceno and uncle of Geromin T. Nepomuceno, Jr., Maria Rita Josefina V. Chua, and Arsenio N. Valdes.

Maria Rita Josefina V. Chua and Arsenio N. Valdes are siblings. They are first cousins with Robert Gerard B. Nepomuceno and Geromin T. Nepomuceno, Jr. who are also first cousins.

Other than the ones disclosed, there are no other family relationships known to the Company.

PART IV EXHIBITS AND SCHEDULES**Item 13. (a) Exhibits**

Exhibit No.	Description of Exhibits
1	2022 Sustainability Report
2	Audited Financial Statements for the Year Ended December 31, 2022 and Supplementary Schedules

(b) Reports on SEC Form 17-C Filed During the Report Period

July 5, 2022	Closing report on the price-stabilization activity						
July 8, 2022	Start of the testing and commissioning of the 18.011 MWp Raslag-3 Solar Power Plant Project in Pampanga, the Company's third operating solar power plant						
July 14, 2022	Progress report on the application of proceeds from the Primary Offer of 350,000,000 Common Shares						
July 15, 2022	Acquisition of Shares by T.G.N. Realty Corporation ("TGN"). An affiliate						
July 22, 2022	Approval of the Board of Directors on the Change in the Use of IPO proceeds <table border="1"> <thead> <tr> <th>FROM</th><th>TO</th></tr> </thead> <tbody> <tr> <td>Funding pre-development work for RASLAG-5 and other pipeline solar projects</td><td>Funding the purchase of real property for RASLAG-5 Solar Power project in lieu of the original location intended for such project.</td></tr> <tr> <td>Amount of allocation: ₱250mn Estimated Schedule of Disbursement: July 2022 to July 2024</td><td>Amount of allocation: ₱250mn Estimated Schedule of Disbursement: Beginning the last week of August 2022</td></tr> </tbody> </table> Given the above, the Company shall allocate ₱250mn of the proceeds from the initial public offering towards funding the purchase of real property of approximately 33 hectares for the RASLAG-5 Solar Power Project.	FROM	TO	Funding pre-development work for RASLAG-5 and other pipeline solar projects	Funding the purchase of real property for RASLAG-5 Solar Power project in lieu of the original location intended for such project.	Amount of allocation: ₱250mn Estimated Schedule of Disbursement: July 2022 to July 2024	Amount of allocation: ₱250mn Estimated Schedule of Disbursement: Beginning the last week of August 2022
FROM	TO						
Funding pre-development work for RASLAG-5 and other pipeline solar projects	Funding the purchase of real property for RASLAG-5 Solar Power project in lieu of the original location intended for such project.						
Amount of allocation: ₱250mn Estimated Schedule of Disbursement: July 2022 to July 2024	Amount of allocation: ₱250mn Estimated Schedule of Disbursement: Beginning the last week of August 2022						
August 3, 2022	Acquisition of Shares by TGN						
August 5, 2022	Acquisition of Shares by TGN						
August 18, 2022	Acquisition of Shares by TGN						
August 19, 2022	Acquisition of Shares by TGN						
August 25, 2022	Acquisition of Shares by TGN						
August 26, 2022	Acquisition of Shares by TGN						
August 30, 2022	Acquisition of Shares by TGN						
August 31, 2022	Acquisition of Shares by TGN						
September 1, 2022	Acquisition of Shares by TGN						

September 2, 2022	Acquisition of Shares by TGN								
September 5, 2022	Acquisition of Shares by TGN								
September 6, 2022	Acquisition of Shares by TGN								
September 8, 2022	Acquisition of Shares by TGN								
September 12, 2022	Acquisition of Shares by TGN								
September 15, 2022	Acquisition of Shares by TGN								
September 20, 2022	Acquisition of Shares by TGN								
September 22, 2022	Acquisition of Shares by TGN								
September 22, 2022	Attendance to the corporate governance webinar of the following: 1. Daniel Gabriel M. Montecillo – Independent Director 2. Conrado D. Pecjo – Director/Executive Vice-President								
September 27, 2022	Acquisition of Shares by TGN								
September 28, 2022	Acquisition of Shares by TGN								
September 30, 2022	Acquisition of Shares by TGN								
October 3, 2022	Acquisition of Shares by TGN								
October 13, 2022	Progress report on the application of proceeds from the Primary Offer of 350,000,000 Common Shares								
October 17, 2022	Material Actions of the Board of Directors Please be informed that during the meeting of the Board of Directors of RASLAG CORP. (the Company) held today, the following items were approved: a. Change in the business address of the Company effective on October 16, 2022, shown below details as follows: <table border="1"> <thead> <tr> <th>FROM</th><th>TO</th></tr> </thead> <tbody> <tr> <td>1905 ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY</td><td><u>1210</u> ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY</td></tr> </tbody> </table> The rationale for the change of business address is to move to a bigger space and accommodate the growing needs of the Company and its personnel. b. Amendment of the Articles of Incorporation to change the Principal Office of the Company, shown below as follows: <table border="1"> <thead> <tr> <th>FROM</th><th>TO</th></tr> </thead> <tbody> <tr> <td>1905 ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY</td><td>ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY</td></tr> </tbody> </table> This amendment shall be presented for approval/ratification by the stockholders during the next annual stockholders' meeting and subject to the approval of the Securities and Exchange Commission. c. Borrowing of a maximum amount of P250,000,000.00 (below the materiality threshold for related party transactions) from the Company's affiliates.	FROM	TO	1905 ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY	<u>1210</u> ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY	FROM	TO	1905 ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY	ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY
FROM	TO								
1905 ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY	<u>1210</u> ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY								
FROM	TO								
1905 ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY	ROBINSONS EQUITQBLE TOWER, ADB AVE. COR. POVEDA ST., ORTIGAS CENTER, PASIG CITY								

d. Change in the Use of Proceeds from the Initial Public Offering of Shares of the Company as follows, the execution of which shall be 30 days or more from today.

i) Reallocation of a portion of the funds for the Construction and development works to Payment for the balance of RASLAG-4 land to fully pay the same, show below as follows:

FROM	TO:
Construction and Development Works - Amount	Construction and Development Works - Amount
Land Conversion - 7,000,000	Land Conversion - 7,000,000
Project, Development, Technical Works and Feasibility Studies - 11,000,000	Project, Development, Technical Works and Feasibility Studies - 11,000,000
Permits and Approvals, and Initial Payments for Right of Way of Transmission Lines - 30,000,000	Permits and Approvals, and Initial Payments for Right of Way of Transmission Lines - 30,000,000
Project Implementation, Down Payment for Onshore and Offshore Suppliers 332,000,000	Project Implementation, Down Payment for Onshore and Offshore Suppliers 291,366,055
TOTAL - 380,000,000	TOTAL - 339,366,000
	Payment for the balance of RASLAG-4 Land 40,633,945
	GRAND TOTAL - 380,000,000

ii) Moving up of the schedule of disbursement of the P380 mn funds to allow the early start of the development and construction of RASLAG-4, shown below as follows:

FROM	TO
Funding the equity portion of RASLAG-4's development and construction	Funding the equity portion of RASLAG-4's development and construction, and <u>payment for the balance of RASLAG-4 Land</u>
Amount of allocation: P380mn Estimated Schedule of Disbursement: 1H 2023	Amount of allocation: P380mn Estimated Schedule of Disbursement: Starting mid-November 2022

Old Contact Details

Old Contact Details	New Contact Details
Telephone Numbers: (632)863664686 to 88 Fax Numbers: (632) 86366490 E-mail Address: raslag.corp@yahoo.com.ph	Telephone Numbers: (632)863664686 to 87 Fax Numbers: - E-mail Address: raslag.corp@yahoo.com.ph

October 28, 2022	Attendance to the corporate governance webinar of the following: 1. Peter G. Nepomuceno – Chairman/President & CEO; 2. Geromin T. Nepomuceno, Jr. – Vice Chairman/Treasurer; 3. Conrado D. Pecjo – Director/Executive Vice President; 4. Robert Gerard B. Nepomuceno – Director CFO; 5. Maria Rita Josefina V. Chua – Director; 6. Arsenio N. Valdes – Director; 7. Oliver B. Butalid – Director; 8. Pedro H. Maniego, Jr. – Independent Director 9. Paulo S. Faustino – Asst. Corporate Secretary; and 10. Lyra Gracia Y. Lipae-Fabella – Investor Relations and Compliance Officer
November 3, 2022	Attendance to the corporate governance webinar of Atty. Ruelito Q. Soriano, the Company's Corporate Secretary.
November 9, 2022	Approval of the Board of Directors of the following: 1. Declaration of cash dividends in the total amount of P50,100,000.00 or P0.0334 per share to stockholders of record as of December 8, 2022 payable on December 22, 2022; and 2. Selection of Solenergy Systems, Inc. as EPC Contractor for RASLAG-4 (subject to the finalization of the contract price by management)
November 17, 2022	Acquisition of Shares by TGN
November 18, 2022	Acquisition of Shares by TGN
November 23, 2022	Acquisition of Shares by TGN
November 24, 2022	Acquisition of Shares by TGN
November 25, 2022	Acquisition of Shares by TGN
November 28, 2022	Acquisition of Shares by TGN
November 29, 2022	Acquisition of Shares by TGN
December 1, 2022	Acquisition of Shares by TGN
December 2, 2022	Acquisition of Shares by TGN
December 9, 2022	Acquisition of Shares by TGN
December 19, 2022	Acquisition of Shares by TGN
December 29, 2022	Acquisition of Shares by TGN

(c) Reports on SEC Form 17-Q until 31 December 2022

Date	Subject
15 August 2022	Second Quarter Results
14 November 2022	Third Quarter Results

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in QUEZON CITY on APRIL 13, 2023.

By:



PETER G. NEPOMUCENO
Chairman/President & CEO



ROBERT GERARD B. NEPOMUCENO
Chief Financial Officer



RUELITO Q. SORIANO
Corporate Secretary

SUBSCRIBED AND SWORN before me in QUEZON CITY on APR 13 2023,
affiants exhibiting to me their respective IDs, as follows:

NAME	Valid ID	DATE OF ISSUE/ VALID UNTIL	PLACE OF ISSUE
PETER G. NEPOMUCENO	Passport No. P8988782B	Feb 17, 2022/ Feb 16, 2032	DFA NCR WEST
ROBERT GERARD B. NEPOMUCENO	Passport No. P7194896A	May 16, 2018/ May 15, 2028	DFA PAMPANGA
RUELITO Q. SORIANO	Driver's License N19-83-005520	August 18, 2023	

Doc. No. 212;
Page No. 87;
Book No. 89;
Series of 2023:


ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
Until December 31, 2023
PTR No. 3716371 / January 3, 2023 Q.C
IEP No. 167803 / November 25, 2021 Q.C
Roll No. 30457 / 05-09-1980
MCLE VII-0006994 / 09-21-2021
ADM. MATTER No. NP-005 (2022-2023)
TIN NO. 131-942-754

RASLAG CORP

SUSTAINABILITY REPORT 2022

Contextual Information

Company Details	
Name of Organization	RASLAG CORP. (RASLAG)
Location of Headquarters	1905 Robinson Equitable Tower, ADB Avenue corner Poveda St., Ortigas Center, Pasig City
Location of Operations	Pampanga, Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	RASLAG CORP (no subsidiaries)
Business Model, including Primary Activities, Brands, Products, and Services	Renewable Energy development and power generation from Renewable Energy (RE) resources The development and utilization of RE resources, actual operation of RE system and facilities and/or the generation of electricity from RE resources.
Reporting Period	January 1 to December 31, 2022
Highest Ranking Person responsible for this report	Engr. Peter G. Nepomuceno (President & CEO)

Materiality Process

RASLAG followed the guidelines set by SEC in identifying and assessing the material topics of the company. As this will be the first sustainability report for the company, RASLAG created a team consisting of representatives from its relevant departments to build the report. The team aims to publish a sustainability report in accordance with, or at least with reference to, the GRI Standards or SASB standards in the future.

Understanding the Organization Context

Its first step was to take a macro perspective of the overall activities and business linkages of the company. From there, the team took a deeper understanding of the business processes to list its stakeholders. This is while it considers the mission, vision, values, business model, and overall position of RASLAG in the electric power and renewable energy industry.

Identification of the Actual and Potential Impact of RASLAG

RASLAG then mapped out its actual and potential impact on the economy, environment, and people in 2022. It referred to its internal records and solicited comments from its stakeholders in identifying its actual and potential impact. For full transparency, it listed not only its positive impact but also the negative impact of its operations.

Impact Evaluation

RASLAG used the Materiality Matrix provided by the SEC guidelines on Sustainability Reporting in assessing its identified impact.

Approval of the List of Impact

The sustainability report was then submitted to the Corporate Governance Committee of RASLAG's Board of Directors (BOD) for their comments and approval.

ECONOMIC

Economic Performance (January 1- December 31, 2022)

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)*	383,759,154	PhP
Direct economic value distributed:	193,513,624	Php
a. Operating costs (26%)	47,509,837	PhP
b. Employee wages and benefits (8%)	16,063,523	PhP
c. Payments to suppliers, other operating costs (5%)	9,740,892	Php
d. Dividends given to stockholders and interest payments to loan providers (46%)	89,547,843	PhP
e. Taxes given to government (14%)	28,601,737	PhP
f. Investments to community (e.g. donations, CSR) (1%)	2,253,490	PhP

Direct economic value generated (revenue) consists of: RASLAG-1 – P138.0M; RASLAG-2 – P151.7M and RASLAG-3 – P94.0M which started its operations on July 7, 2022

RASLAG's primary source of revenue comes from its three operational power plants - RASLAG 1, RASLAG 2, and RASLAG 3. RASLAG 1 and RASLAG 2 operate under the Philippine government's Feed-in Tariff (FIT) scheme which is a feature of the Renewable Energy Act of 2008 or RE Law (Republic Act 9513). This scheme incentivizes the operation of RASLAG for 20 years at Php 9.68/kWh for RASLAG 1 and Php 8.69 / kWh for RASLAG 2. RASLAG 1 and 2 both enjoyed Income Tax Holidays (ITH) for seven years as mandated in the RE Law. RASLAG 1 and RASLAG 2's ITH ended in February 2022 and December 2022 respectively.

RASLAG 3 on the other hand started its operation on July 8, 2022, as a merchant plant and a price-taker in the Wholesale Electricity Spot Market (WESM). It enjoys a preferential dispatch status in the WESM being an intermittent Renewable Energy (RE) plant.

In summary, RASLAG's FIT proceeds amounted to P289.7M, while it received P94.0M from its WESM transactions. The distribution of RASLAG's economic value for 2022 is as follows: 46% to payments to the provider of capital, 26% to operating expenses, 14% to taxes given to the government, 5% to O&M providers, 8% to employee wages and benefits and 1% to investments to communities.

Risks and Management Approach

Policy and Regulatory Risks

Affected Stakeholders: Regulator, Stockholders, Lending institutions

Policy and regulatory risks are major concerns for RASLAG. The company's revenue heavily relies on the Feed-in Tariff scheme for RASLAG 1 and 2, and the WESM proceeds for RASLAG 3. Any changes in policies and regulations can pose significant risks to the plants' operations and the company's revenue streams.

For instance, there is a risk that the change or addition in the requirements for the renewal of the Certificate of Compliance (COC) with the Energy Regulatory Commission (ERC) could affect the ability of the organization to comply with the requirements in a timely manner. There are also risks in the amendment of the RE Law, WESM rules, and other government agency policies. Political instability and changes in the leadership of government agencies can also pose risks to the regulatory environment for RASLAG.

Therefore, it is crucial for RASLAG to closely monitor policy and regulatory changes and adapt accordingly to mitigate these risks and ensure the sustainability of its operations and revenue. Relationships with regulators and government agencies should be fostered so that RASLAG can easily communicate its concerns when the need arises. Currently, a dedicated regulatory affairs team consisting of 4 members is handling the regulatory concerns of the company.

Risks of Ineffective CSR and Donations to Community Impact

Affected Stakeholder: Host Communities

One risk for RASLAG in terms of its Corporate Social Responsibility (CSR) activities and community donations is the possibility of having an ineffective impact on the community. This can happen if the projects or donations do not align with the needs and priorities of the community, or if they are not implemented effectively. In such cases, the community may not benefit significantly from RASLAG's efforts.

Additionally, there is a risk that the CSR and community donations may not be sustainable in the long run. For example, if the donations only provide short-term relief or support, they may not address the underlying issues that the community is facing and may not lead to long-term improvement in the community's well-being.

Another risk is the possibility of mismanagement or misuse of the funds allocated for CSR and community donations. If the funds are not managed effectively or transparently, there may be issues with accountability and trust from the community.

To mitigate these risks, it is important for RASLAG to conduct thorough assessments of the community's needs and priorities, and to ensure that the projects and donations align with these needs. The company should also establish clear goals and metrics for its CSR efforts and regularly evaluate their impact. Effective communication and collaboration with the community can also help ensure that CSR and community donations are implemented in a sustainable and impactful way. Additionally, strong internal controls and transparency in financial management can help prevent mismanagement or misuse of funds.

Opportunities

Direct Economic Revenue Generated

RASLAG has several potential opportunities for expanding its revenue generation within the Philippine electric power industry. One strategy is to grow its renewable energy (RE) portfolio in support of the goal of the government for a 35% RE share in the power mix by 2030. Another is by diversifying its business through the exploration of the supply sector or retail market, such as establishing a Retail Electricity Supplier affiliate.

The retail market is a relatively young sector in the electric power industry. It caters to end-users or contestable customers with average electricity peak demand currently at 500 kiloWatt (kW), subject to 250 kW reduction in the future depending on the evaluation of ERC. These end-users now have the freedom to choose their power supplier other than the franchised DU or EC in their location, making the market more competitive.

RASLAG can also expand its market by offering its energy generation to other customers aside from the spot market.

Corporate Social Responsibility

RASLAG will develop a CSR program in 2023 to effectively monitor its CSR initiatives. The company will also expand its focus beyond education and explore other areas of the community that may require support, such as nutrition. Currently, RASLAG focuses its CSR initiatives to education by supporting the infrastructure of the primary schools in its host communities. This is aside from the one centavo per kiloWatt-hour (Php 0.01/kWh) it allocates to its host communities in accordance with the ER 1-94 program of the government.

RASLAG's Governance Around Climate-related Risks and Opportunities

One of the primary reasons for the establishment of RASLAG is its recognition of the vulnerability of the country to natural calamities caused by climate change. To help address the effects of climate change, RASLAG committed to offer renewable energy by building solar power plants. However, the exposure of the plants to these natural disasters also necessitated RASLAG to prepare for climate-related risks.

The actual and potential impact¹ of climate-related risks and opportunities on RASLAG's businesses, strategy, and financial planning

The Philippines' geographical location makes it vulnerable to the effects of climate change and natural disasters. These events can cause disruptions to the day-to-day operations of RASLAG, especially RASLAG's solar power plant operations. Overall interruption of the plants caused by damages in the major equipment, deration of plant capacity due to the damages of some of the equipment, the inability of the plant to transmit power due to grid outages, and workforce disruption are the major impact of these events to RASLAG.

These disruptions can have significant financial impact on RASLAG, especially if the company has not provided for possible damages. The costs associated with repairing or replacing damaged equipment, loss of revenue due to plant downtime, and the expenses incurred to manage workforce disruptions can be substantial. Therefore, it is crucial for RASLAG to have a risk management plan that considers the

¹ For this disclosure, impact refers to the impact of climate-related issues on the company.

potential impact of climate-related risks and natural disasters, and to ensure that the company is financially prepared to manage these risks.

RASLAG established a Risk Oversight Committee (ROC) to oversee the risks and quantify them for better analysis and strategic placement. RASLAG also takes several measures during the planning stage of its projects and facilities to manage climate-related risks. These include the application of new technologies or designs that can improve and strengthen the resistance against natural disasters of equipment and facilities, continuous monitoring of weather conditions, fortification of disaster resiliency plans, and insurance coverage. For instance, RASLAG conducted geotechnical analysis on all its plants' locations to assess and evaluate their soil condition before designing the mounting structure of the panels. With the information gathered from the geotechnical analysis, all the mounting structures were designed to withstand category 5 typhoons.

In addition, RASLAG consults with its internal auditor to review and monitor the implementation of risk mitigation measures. The responsibility for managing risk is shared among all the stakeholders of the project and the company. However, the decision for selecting whether to proceed with the mitigation plan and implement corrective actions, exclusively those that have associated cost or schedule delays, lies with the management.

To minimize plant outages due to climate-related risks, RASLAG continuously monitors and measures its performance using different indicators such as gross and net capacity factor, plant availability, and plant outages. The company also uses other metrics such as compliance with environmental laws, its budget for repairs and maintenance, and its insurance claims to assess how it manages these climate-related risks and opportunities.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	37.7	%

Risks and Management Approach

RASLAG prioritizes local suppliers when sourcing materials for its operations. However, due to the specialized nature of the majority of RASLAG solar power plants equipment (solar panels, inverters, string combiner box, etc.), the procurement team is also forced to source bulk of its material requirements offshore. As a result, 37.7% of the procurement budget is allocated to local suppliers. Despite this, RASLAG makes a conscious effort to explore local alternatives before contacting its offshore suppliers.

RASLAG has been proactively building relationships with local suppliers, as well as offshore suppliers and their local counterparts since the construction of its first power plant. This effort continues, particularly now that some of its equipment are out of warranty. By expanding its list of suppliers, RASLAG aims to mitigate the risk of material unavailability and ensure a stable supply chain. The company recognizes that relying solely on offshore suppliers for specialized equipment poses a risk to operations, and thus prioritizes sourcing materials locally whenever possible. Through these efforts, RASLAG can diversify its procurement channels and maintain a reliable flow of materials.

However, in instances that sourcing offshore becomes inevitable, RASLAG takes measures to explore alternative options in other countries to mitigate the risks associated with potential supply chain disruptions. One such challenge that may arise is port congestion. This can lead to increased costs due to delays in the delivery of materials. To avoid such issues, RASLAG shall diversify its supply chain sources by seeking out reliable partners in other regions or countries that offer competitive prices and efficient delivery options.

Opportunities

Since RASLAG does not have a supplier accreditation policy just yet, it will establish one in 2023. This will be drafted by the Sustainability Officer of the company. Establishing a supplier accreditation policy would involve developing a set of criteria and standards for evaluating potential suppliers. This would allow RASLAG to assess the financial stability, track record, and overall capability of potential suppliers to ensure that they can meet the company's needs and expectations. The supplier accreditation policy will also be aligned to the sustainability objectives of the company. By doing so, RASLAG can reduce the risk of suppliers failing to deliver on their commitments or providing subpar products or services.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	0	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	0	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Impact and Risks

RASLAG has not recorded any incident of corruption committed by its directors, officers, employees or business partners in 2022.

Opportunities

While RASLAG did not record any corruption incidents in 2022, establishing an anti-corruption policy in 2023 will be prioritized by the company. The policy will present a framework for preventing and spotting corrupt practices within the organization and will serve as a strong deterrent to offenders.

The policy will also cover a range of issues, including ethical standards, conflicts of interest, political aid, and transparency in financial reporting. By establishing clear guidelines and protocols for employees and stakeholders to follow, RASLAG can ensure that everyone is aware of the company's stance on corruption and understands the consequences of engaging in corrupt practices.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	91.182	GJ
Energy consumption (electricity)	426,959.06	kWh

For its three operational power plants, RASLAG utilized a total of 426,959.06 kWh of energy in 2022. Its kWh consumption is 1% of the total gross energy generated by all its plants and 51% of it is self-generated through its solar farms. RASLAG also consumed 91.182 GJ of diesel for the transportation of its employees and necessary materials to its plants.

Opportunities

Although RASLAG has kept its energy consumption to a minimum in 2022, RASLAG can further maximize its energy reduction efforts by exploring the establishment of an energy conservation and efficiency program to track its consumption, identify areas for improvement and reduce usage. By doing so, RASLAG can determine which areas of its operations consume the most energy and implement targeted measures to reduce consumption in those areas.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal (from deep wells)	39	Cubic meters
Water consumption (from water utility)	629.68	Cubic meters
Water recycled and reused	0	Cubic meters

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

Impact and Risks

Water is an essential resource for RASLAG particularly for cleaning its solar panels to maintain the plants' optimal operation. In 2022, RASLAG used a total of 629.68 cubic meters of water while it withdrew 39 cubic meters from its deep wells in RASLAG 1 and 2. RASLAG acknowledges the importance of responsible water usage and has taken advantage of the country's abundant rainfall as a natural way to clean its solar panels whenever possible.

However, RASLAG's options are limited during the dry season. It is forced to source its water requirement from its deep wells and water utilities. As regards the latter, its water permit from the National Water Resources Board (NWRB) limits the amount of water it can use. To mitigate the risk of overconsumption and over-extraction, RASLAG monitors its consumption regularly and submits quarterly reports to the NWRB.

Opportunities

RASLAG can further its cause for responsible water usage by exploring the integration of rainwater collection systems in its present and future plants. This technology can significantly reduce the amount of water sourced from utilities for cleaning the solar panels, thus contributing to the company's sustainability goals. By implementing such a system, RASLAG can reduce its dependence on external sources of water and promote the efficient use of resources.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	0	kg/liters
• non-renewable	0	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

The only input of RASLAG to generate electricity is sunlight. Its daily operations do not require the use of fuel or any other non-renewable resources to produce electricity. Therefore, it uses no materials for its operation.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity		Units
Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value	None		ha

outside protected areas			
Habitats protected or restored	None		ha
IUCN ¹ Red List species and national conservation list species with habitats in areas affected by operations	None		ha

One of the requirements of RASLAG in choosing land for its projects is that they should be far from protected and indigenous people's areas. It also seems to it that it has minimal to no impact on the biodiversity of its adjacent locations. For RASLAG 1 and 2, both sites used to be non-irrigable land that was duly reclassified for industrial use. The same is true for RASLAG 3. Therefore, no biodiversity or ecosystem was disturbed by RASLAG's construction or operation.

Opportunities

RASLAG shall support the preservation of the biodiversity of its host communities as one of its CSR initiatives. It can also further its support to the tree planting activities of the DENR by not only planting the minimum number of trees required but also by expanding its community reach. As a start, it will double the 100 trees required by the Board of Investments to 200 trees per project.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	6.80	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

Air pollutants

Disclosure	Quantity	Units
NO _x	0	kg
SO _x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

The operations of RASLAG do not produce any direct GHG emissions as it uses renewable sources, particularly solar energy, to generate electricity. The only source of RASLAG's air emissions is its fuel consumption for the transport of its manpower and equipment classified under its (Scope 2) GHG Emissions.

During construction, an increase in noise and air pollution was noted within the immediate vicinity but these did not affect the residents as the construction site is reasonably distant from residential areas.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		kg
Reusable	0	kg
Recyclable (plastic, bottles, metal materials)	3,735.5	kg
Composted (food waste)	200	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

RASLAG recorded a total of 3,935.5 kg of solid waste in 2022, the main source of which comes from recyclable wastes. The recyclables wastes are mostly composed of defective solar panels which were donated to All Vision Enterprises. In addition, waste generated during the construction of RASLAG 3 were handled and managed by RASLAG's EPC contractor, Solenergy. All other recyclables are periodically delivered to the LGU's material recovery facility for recycling.

RASLAG has not recorded any hazardous waste in 2022.

Opportunities

As part of its commitment to environmental sustainability, the organization shall implement several practices to manage its hazardous wastes. Firstly, it shall apply for a hazardous waste generator ID with the Department of Environment and Natural Resources (DENR) to properly identify and track the hazardous wastes it generates. RASLAG can also apply for membership in the Environmental Practitioner's Association (EPA), a non-profit organization that promotes sustainable environmental practices.

RASLAG can also explore the circular economy approach (i.e., a sustainable framework model that aims to eliminate waste and promote the continuous use of resources) to significantly extend the life of the company's equipment.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

Impact and Risks

RASLAG has demonstrated a strong commitment to compliance with environmental laws and regulations, as evidenced by the absence of any financial sanctions for non-compliance. The company has also successfully secured all necessary permits and approvals for both new projects and the daily operations of its power plants.

To further ensure compliance, RASLAG has taken proactive measures such as dedicating a Pollution Control Officer (PCO) to each of its solar power plants. The PCO is responsible for overseeing all permitting and reportorial requirements, ensuring that they are completed accurately and on time. By maintaining a dedicated focus on compliance, RASLAG can mitigate the risk of any potential violations.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ²		
a. Number of female employees	3	#
b. Number of male employees	11	#
Attrition rate ³	9%	rate
Ratio of lowest paid employee's wage against minimum wage	1.52	ratio

**lowest-paid employee 1.52x the minimum wage.*

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	33%	0%
PhilHealth	Y	33%	0%
Pag-ibig	Y	0%	0%
Parental leaves	Y	0%	0%
Vacation leaves	Y	67%	54%
Sick leaves	Y	67%	54%
Medical benefits (aside from PhilHealth))	Y	67%	54%
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	Y	0%	0%

² Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

³ Attrition rate = (no. of employees that left the workforce)/(average of total no. of employees of previous year and total no. of employees of current year)

Further education support	Y	33%	0%
Company stock options	N		
Telecommuting	Y	During pandemic/case to case basis	During pandemic/case To case basis
Flexible-working Hours	Y	During pandemic/case to case basis	During pandemic/case to case basis
(Others)			

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	271.5	hours
a. Female employees	191.5	hours
b. Male employees	80	hours
Average training hours provided to employees		
a. Female employees	40	hours/employee
b. Male employees	80	hours/employee

Risks and Management Approach

The major risk associated with training personnel is that they may leave and transfer their newly learned abilities to a competitor. To mitigate this risk, RASLAG will establish a training contract outlining the terms and conditions of any employee training the company would deliver. To comply with labor rules, the contract should also incorporate legal considerations.

Opportunities

RASLAG shall undertake a Training Need Analysis (TNA) in order to determine the knowledge and abilities of employees which are currently lacking concerning their job requirements. This project helps the organization to establish an effective development and training strategy that focuses on enhancing the overall performance of the employees.

RASLAG may also support and encourage employees to attend conferences to interact and meet colleagues in their industry. Beside improving their morale, employees can increase their knowledge, discover new insights, and remain informed of the most recent industry developments

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

There were no recorded labor-management relations issues in 2022, nor has there been any.

A good relationship between employees and employers is vital for minimizing industrial disputes. RASLAG has been mitigating the risks of labor-management disputes by opening all its communication channels between the management and the employees. It promotes an environment in which employees can voice their opinions and concerns directly to the management.

Opportunities

Investing in labor relations is as important as any other business practice for encouraging open communication. Providing workshops on coping with stress and resolving problems will help employees in dealing with potential environmental difficulties.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	21	%
% of male workers in the workforce	79	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

RASLAG prioritizes experience, expertise, skills, courses, and training attended when selecting candidates for open positions. This is regardless of the schools the candidates attended, their age, gender, marital status, or religion. This approach reduces the risks associated with a lack of diversity and ensures that employees are hired based on their qualifications and competitiveness, rather than their personal characteristics.

However, RASLAG also gives a special preference to the residents of its host communities. This is to support the socioeconomic development of the communities where RASLAG plants operate.

To further promote diversity and equality, RASLAG has a hiring process for internal employees to apply for higher positions. All interested employees are encouraged to submit their applications, and the best applicant is selected based on specific criteria.

RASLAG also promotes the hiring of employees belonging to ethnic groups, including indigenous people, by allowing its partner agencies to recruit and immerse them in the company. This helps promote diversity and inclusivity within the organization.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	27,544	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work related ill-health	0	#
No. of safety drills	0	#

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	No	
Child labor	No	
Human Rights	No	

RASLAG has no policies yet on forced labor, child labor and human rights violations but these policies will be prioritized by the Human Resources Department in 2023.

Relationship with Community

Significant Impact on Local Communities

Operations with significant (positive or negative) impact on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impact on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
RASLAG 1, RASLAG 2, RASLAG 3 Solar Power Plant Operations	Mexico, Pampanga Mabalacat, Pampanga Magalang, Pampanga	None	None	None	

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

RASLAG's identified impact to its host communities are the increase in land value of the lands in proximity, improved revenues of the LGUs from the taxes and royalties to host communities paid by RASLAG, and job opportunities during the construction and operations of the plants.

For instance, the internal revenue allotment (IRA) of Barangay Suclaban, Mexico, Pampanga more than doubled when RASLAG 1 and RASLAG 2 started commercial operations in 2015. Their real property tax collection also increased by two to three million Pesos from less than half a million Pesos prior RASLAG. From these increases, they were able to improve their barangay's infrastructures. They were also able to buy a garbage truck for the improvement of their waste management. RASLAG also created more than 116 local jobs during the construction of its projects.

To enhance these positive impact, RASLAG dutifully pays correct taxes to the government and the LGU and constantly informs and offers the host communities constituents of job openings in the company. By creating job opportunities for the locals, RASLAG helps promote the economic growth of its communities.

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

RASLAG has not constructed any project within protected lands or IP areas that require FPIC permit, but instead, it applied for a certificate of Non-Overlap to the National Commission on Indigenous Peoples (NCIP) as part of its compliance with its environmental and social responsibility.

Opportunities

RASLAG will further its commitment to supporting and promoting positive relationships with its host communities by including the undernourished children of its host barangays in its CSR activities. This initiative will also align with RASLAG's current CSR focus on education. By providing nutritious meals to these children, RASLAG can help address the stunting caused by malnutrition in the community and contribute to the overall well-being of the children.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	None	N

RASLAG's current customers are the government through the Feed-in Tariff scheme for RASLAG 1 and RASLAG 2 and the WESM for RASLAG 3. The risks associated with poor customer management include a decrease in revenue, loss of customers, and legal actions. To mitigate these risks, RASLAG sees to it that it complies with all its contract obligations with the government through TransCo and the WESM through the IEMOP.

Opportunities

Considering the growth targets of RASLAG in the next years, its list of customers may be expanded in the future with the coming of new projects of RASLAG. As of this moment, RASLAG is looking into diversifying its markets to improve the stability of its revenue streams. As such, RASLAG will develop a comprehensive customer management strategy that outlines the goals and objectives of its customer management efforts, as well as the tactics it will use to achieve them.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Risks and Management Approach

RASLAG has not recorded any health and safety concerns in 2022. However, RASLAG does not discount the health and safety risks associated with its operation considering that it is technical and electrical in nature. To mitigate these risks, RASLAG's plants have dedicated safety officers. These safety officers have undergone various health and safety training to prepare for accidents and unforeseen incidents. They also handle the safety concerns of RASLAG's stakeholders should there be one. They also report to the DOE and DOLE any safety concerns of the company.

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

No data breach was recorded in 2022. RASLAG strongly adheres to the Data Privacy Act of 2012 (DPA) and continuously demonstrates its commitment to protect the data privacy of its own, stakeholders, and customers by keeping all the data confidential to ensure that leakage of information is avoided.

Opportunities

As the company grows, RASLAG will build an IT team that can handle the risks of data breaches, especially now that RASLAG is a publicly listed company. As an initial step, the company commits to have its employees train on the Data Privacy Law and develop a cyber security plan this 2023.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Renewable Energy (Power generated by the following solar power plants: Pampanga Solar Power Project Phase I – 10.046 MWp Solar Power Plant in Mexico, Pampanga Pampanga Solar Power Project Phase II – 13.141 MWp Solar Power Plant in Mexico, Pampanga	4. ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION 4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all 4.a.1 Proportion of schools with access to (a) electricity; (b) the Internet for pedagogical purposes; (c)	No potential negative impact since they address the said contributions and have existing management policies and systems.	Policies and programs are evaluated and implemented to address and mitigate risks.

RASLAG III Solar Power Project – 18.011 MWp Solar Power Plant in Mabalacat and Magalang, Pampanga	computers for pedagogical purposes. 4.b By 2020, substantially expand globally the number of scholarships available to developing countries 7. AFFORDABLE AND CLEAN ENERGY 7.2 Increase the share of renewable energy in the global energy mix. 7.b Expand infrastructure and upgrade technology for supplying modern and sustainable energy services in developing countries. 8. DECENT WORK AND ECONOMIC GROWTH 8.3 Promote development-oriented policies that support productive activities and decent job creation. 8.5 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE 9.4 upgrade infrastructure and retrofit industries to		
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	make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. 9.a Facilitate sustainable and resilient infrastructure development 12. RESPONSIBLE CONSUMPTION AND PRODUCTION 12.2 Achieve the sustainable management and efficient use of natural resources. 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse. 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities 13. CLIMATE ACTION 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters 13.3 Improve impact reduction to climate change. 17. PARTNERSHIPS FOR THE GOALS		
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	17.14 Enhance policy coherence for sustainable development.		
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