



NOW Corp Sustains High Growth in 2019 and outlines 5G Deployment

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Makati City, Philippines

- **NOW Fiber Air, the company's broadband internet service business posted an increase in its gross revenue by 65% or Php185.951 million compared with the same period last year with a gross revenue of Php112.491 million.**
- **NOW Corporation posted an increase of its net income by 39% or Php11.314 million in 2019 compared with the same period last year, with a net income of Php8.136 million.**
- **NOW Telecom, the company's telecom affiliate that has a congressional franchise to install and operate a mobile cellular firm, outlines its 5G-era growth strategy with a focus on 5G Fixed Wireless Access Broadband Service.**

NOW Corporation (PSE Ticker: NOW) today reported to its stockholders its revenue and profitability achievement for the year 2019 during its Annual Stockholders Meeting.

NOW Corp's Fiber Air business posted a gross revenue of Php185.951 million by the end of 2019 versus Php112.491 million of the previous year, a 65% increase fueled by higher demand in guaranteed broadband mainly from the enterprise segment. Consolidated gross revenues stood at Php220.762 million. Net income jumped to Php11.314 million in 2019, up 39% percent from Php8.137 million recorded in the previous year.

NOW Corp. paving the way for Faster and Reliable Broadband

The issues on Internet services have gone from technology (access) to connectivity (speed and reliability), particularly quality of broadband throughput. Telecom and

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broadband internet services have become one of the most critical ICT enablers almost all industries rely on for their daily operations and digital transformation goals.

NOW Corp's "Fiber Air" has been a highly-differentiated broadband service because of its guaranteed performance, primarily to enterprises with mission-critical operations. Customers sign up for a minimum guarantee of 20 megabit per second to a high of 1.2 gigabit per second. Reliability and consistency rank the highest customer satisfaction metric, which has enabled NOW to become the largest fixed wireless broadband access provider in the country serving the enterprises and successfully extending residential subscribers in high-rise buildings.

Recent clients include Mediacard, DEI Properties, National Bureau of Investigation, Department of Energy, CNN Philippines, Bren Pro E-Sports, Mineski Infinity, Monde M.Y. San Corporation, Conrad Manila, Don Bosco Technical Institute, and UnionBank of the Philippines show proof of NOW's emergence as an important player in this industry.

NOW moving forward amidst the Covid-19 Pandemic

The Covid-19 situation trigger a significant spike of demand for broadband and ICT services. NOW's refocused strategy on critical industries has paid off." The Covid-19 situation has somewhat forced enterprises to quickly execute their digital transformation plans. The 'new normal set-up' in both offices and homes demands a stable and fast broadband infrastructure in place. This is a huge potential for NOW's Fiber Air offering and NOW Telecom's forthcoming 5G FWA product offering," says Kristian Pura, Managing Director for technology and Fiber Air of NOW Corp.

On NOW's software business, the Department of Health is currently reviewing the proposal of both NOW Corp and Viettel of Vietnam on a WHO-compliant COVID 19 technology and app, which includes the critical features needed such as Contact Tracing, Contact Follow-up, and Contact Listing.

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NOW Telecom, NOW Corp's affiliate, outlines its 5G Deployment Plan

During the listed firm's Annual Stockholders' Meeting, newly appointed NOW Telecom President and COO, Rene Rosales, also presented NOW Telecom's 5-year 5G Fixed Wireless Access (FWA) Business Plan.

Over a five-year period, the Company aims to deploy 5G FWA network in the National Capital Region (NCR), and North and South of NCR. The main product offering of NOW's 5G FWA shall be a broadband plan of up to 10 gigabit per second service, a ten-fold increase to NOW's current offering. This 5G plan would build on NOW's current markets and their growing needs such as business enterprises, highly-dense residential areas, high-end residential homes and high-rise buildings.

The CAPEX requirement is envisioned over a five year period at about USD713.0 million, initially USD152.0 million (USD30.0 million for the first two years and USD122.0 million for the third year). Much of this CAPEX would be the acquisition of 5G New Radio equipment that has already been made available for de novo infrastructure network build-up, which is ideal for NOW Telecom since it has no 2G, 3G or 4G legacy technologies.

The company is expected to raise capital through various fundraising exercises. In 2019, NOW Telecom signed an agreement with SK Telecom, South Korea's largest telecom provider to help the company design its 5G network. It also has entered into signed agreements for various projects with Vietnam's leading telco, Viettel.

"NOW is well positioned to take advantage of the opportunity in the enterprise and high-end residential market in the Philippines via 5G FWA. With fairly limited competition in this space, there is a strong opportunity for NOW to gain a profitable market share, at first in NCR. Our affiliate NOW Corp has a deep understanding of the role of ICT in enterprises and we are in a position to become the end-to-end service provider for both ICT and broadband services," says Rosales.

In February 2018, President Rodrigo Duterte signed Republic Act 10972 that grants Now Telecom a franchise "to construct, install, establish, operate and maintain, lease, purchase, and carry on the business of providing telecommunications including electronic communications and electronic communications services throughout the Philippines, between the Philippines and other countries and other territories,

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including outer space for public domestic and international telecommunications." The franchise also allows NOW "to construct, establish, install, maintain, lease, purchase, and operate the corresponding transmitting and receiving stations, satellites, lines, systems, network, local gateways, domestic exchanges and platforms."

Mel Velarde, NOW founder, President and CEO concludes, "in all these years, we survive and succeed on the basis of a clear and highly differentiated competitive strategy: by being intensely focused on addressable and profitable target customers, and by building a wireless broadband network with cutting-edge technologies."

END

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