

# COVER SHEET

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**COMPANY NAME**

N	O	W	C	O	R	P	O	R	A	T	I	O	N							

**PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)**

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Form Type

Department requiring the report

Secondary License Type, if  
Applicable

2 0 - IS  
Preliminary

M S R D

N / A

**COMPANY INFORMATION**

Company's Email Address <div style="border: 1px solid black; padding: 5px; text-align: center;">info@now-corp.com</div>	Company's Telephone Number <div style="border: 1px solid black; padding: 5px; text-align: center;">(632) 8810-2548</div>	Mobile Number <div style="border: 1px solid black; padding: 5px; text-align: center;">09684389521</div>
No. of Stockholders <div style="border: 1px solid black; padding: 5px; text-align: center;">71</div>	Annual Meeting (Month / Day) <div style="border: 1px solid black; padding: 5px; text-align: center;">June 1</div>	Fiscal Year (Month / Day) <div style="border: 1px solid black; padding: 5px; text-align: center;">12/31</div>

**CONTACT PERSON INFORMATION**

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Angeline L. Macasaet	angeline.macasaet@now-corp.com	8810-2548	09684389521

**CONTACT PERSON's ADDRESS**

Unit 5-l, 5th Floor, OPL Building 100 C. Palanca corner Dela Rosa and Gil Streets,  
Legaspi Village Makati City

NOTE1 : 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.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF  
THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter NOW CORPORATION

3. METRO MANILA, PHILIPPINES

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number A199600179

5. BIR Tax Identification Code 004-668-224

6. Unit 5-I, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca corner Dela Rosa and Gil Streets, Legaspi Village, Makati City, Philippines

Address of principal office

Postal Code 1229

7. Registrant's telephone number, including area code +632 8810-2548

8. Date, time and place of the meeting of the security holders

**01 June 2023; 10:00 AM via Remote Zoom Application with the following link:**

<https://us02web.zoom.us/j/87172190312?pwd=UjUwNkwrcHhxVURQL0ZnSWVZcW5jUT09>  
Meeting ID: 871 7219 0312  
Passcode: 928206

9. Approximate date on which the Information Statement is first to be sent or given to security holders  
11 May 2023

10. In case of Proxy Solicitations: Not Applicable

**Name of Person Filing the Statement/Solicitor:**

Address and Telephone No.:

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class

Number of Shares of Common Stock  
Outstanding or Amount of Debt Outstanding

Common Stock

1,806,726,314

Preferred Stock

60,000,000

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes  No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

PHILIPPINE STOCK EXCHANGE

COMMON STOCK

PART I.

*INFORMATION REQUIRED IN INFORMATION STATEMENT*

**A. GENERAL INFORMATION**

**Item 1. Date, time and place of meeting of security holders.**

The Annual Stockholders' Meeting of NOW Corporation (the "Company") will be held on 01 June 2023, at 10:00A.M. via Remote Zoom Application. The Record Date for the Annual Stockholders' meeting is set on 15 May 2022. The Zoom link to the meeting:

<https://us02web.zoom.us/j/87172190312?pwd=UjUwNkwrcHhxVURQL0ZnSWVZcW5jUT09>  
Meeting ID: 871 7219 0312  
Passcode: 928206

The complete mailing address of the Company is Unit 5-I, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca corner Dela Rosa and Gil Streets, Legaspi Village, Makati City 1229.

The approximate date when this information statement is first to be sent to the Company's stockholders is 11 May 2023.

**Item 2. Dissenters' Right of Appraisal**

In the event that any security holder shall vote against any corporate action enumerated under Section 81 of the Corporation Code on Appraisal Rights, such security holder may exercise his appraisal rights, in accordance with the procedures and requirements under Sections 82 to 86 of the Corporation Code. Any security holder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Code; and
3. In case of merger or consolidation.

The matters to be acted upon at the Annual Stockholders' meeting as specified in the attached Notice of Annual Stockholders' Meeting are not such as will entitle a dissenting stockholder to exercise his appraisal right.

If, at any time after this Information Statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any security holder who voted against the proposed action and who wishes to exercise such right must make a written demand on the Corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: Provided, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the corporation shall pay to such security holder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. No payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: and Provided, further, That upon payment by the Corporation of the agreed or awarded price, the security holder shall forthwith transfer his shares to the Corporation.

### Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

Any holder of substantial interest, direct or indirect, or person who has been a director or officer of the registrant at any time since the beginning of the last fiscal year, or each nominee for election as a director of the registrant, or each associate of any of the foregoing persons, shall be properly heard and noted.

The registrant is not aware of any substantial interest, direct or indirect, by security holdings or otherwise, of each of the following persons in any matter to be acted upon, other than election to office:

1. Each person who has been a director or officer of the registrant at any time since the beginning of the last fiscal year;
2. Each nominee for election as a director of the registrant;
3. Each associate of any of the foregoing persons.

No director of the registrant has informed the registrant in writing that he/she intends to oppose any action to be taken by the registrant at the meeting.

### **B. CONTROL AND COMPENSATION INFORMATION**

#### Item 4. Voting Securities and Principal Holders Thereof

- a. Number of Common Shares Outstanding as of 31 March 2023: 1,806,726,314 shares.
- b. As of 31 March 2023, there are 376,796,533 common shares owned by foreigners, or 20.86%.
- c. Stockholders of record of the Company as of 15 May 2023 shall be entitled to notice of, and to vote at the Annual Stockholders' Meeting, on a one-share-one vote basis. No director has cumulative voting rights. No discretionary authority for solicitation of cumulative voting may be exercised.

Attached hereto as Annex "A" is the Notice and Agenda of the Annual Stockholders' Meeting.

- d. Security Ownership of Certain Record and Beneficial Owners and Management

#### i. Security Ownership of Certain Record and Beneficial Owners (More than 5% as of 31 March 2023)

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with the Record Owner	Citizenship	No. of Shares Held	Percentage
Common	PDC Nominee Corporation	-	Filipino	1,095,695,304	60.65
Common	Top Mega Enterprises Limited Room 503 Fu Fai Commercial Centre, Hillier St., Sheungwan, Hong Kong	Romeo C. Escobar, Jr. - stockholder	Chinese	253,724,855	14.04
Common	Velarde, Inc. Unit 5-I, 5th Floor, OPL Building, 100 C. Palanca St., Legaspi Village, Makati City	Amparo V. Velarde, - Stockholder	Filipino	486,319,514	26.92
Common	Emerald Investments, Inc. Unit 5-I, 5th Floor, OPL Building, 100 C. Palanca St., Legaspi Village, Makati City	Amparo V. Velarde, Indirect stockholder	Filipino	250,644,360	13.87
Common	Gamboia Holdings, Inc. Unit 5-I, 5th Floor, OPL Building, 100C. Palanca St., Legaspi Village, Makati City	Amparo V. Velarde, - Indirect stockholder	Filipino	217,875,577	12.06

\*Shares held by PCD Nominee Corporation includes 196,300,000 shares of Velarde, Inc.

The shares of the above shareholders will be voted by the following people during the annual shareholders meeting of the Company:

Gamboa Holdings, Inc. – Engr. Rene L.  
 Rosales Emerald Investments, Inc. – Elena H.  
 Dimailig  
 Top Mega Enterprises Limited -- Romeo C. Escobar, Jr.  
 Velarde, Inc. – Jonah Kasthen V. Rosero

ii. Security Ownership of Directors and Management as of 31 March 2023:

The directors and officers of the Company have no security ownership in the capital stock of the Company other than the qualifying shares recorded in the names of the directors but beneficially owned by corporate shareholders:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of class
Common	Thomas G. Aquino	1 (Direct)	Filipino	<.01
Common	Jose S. Alejandro	10 (Direct)	Filipino	<.01
Common	Mel V. Velarde	10 (Direct)	Filipino	<.01
Common	Vicente Martin W. Araneta	1 (Direct)	Filipino	<.01
Common	Gerard Bnn R. Bautista	1 (Direct)	Filipino	<.01
Common	Henry Andrews B. Abes	1 (Direct)	Filipino	<.01
Common	Domingo B. Bonifacio	1 (Direct)	American	<.01
Common	Francis Xavier L. Manglapus	1 (Direct)	Filipino	<.01
Common	William T. Torres	1 (Direct)	Filipino	<.01
Common	Colin R. Christie	1 (Direct)	British	<.01
Common	Angeline L. Macasaet	1 (Direct)	Filipino	<.01

None of the members of the Company’s directors and management owns 2.0% or more of the outstanding capital stock of the Company.

iii. Voting Trust Holders of 5% or More

The Company knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

iv. Changes in Control

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

e. No proxy solicitation is being made. No change in control of the Company has occurred since the beginning of the last fiscal year.

**Item 5. Directors and Executive Officers**

**a. Information Required of Directors and Executive Officers**

**i. Directors and Officers**

**Mel V. Velarde**, age 59, Filipino, Chairman. He served as President and CEO prior to his election as Chairman He is also Chairman of the Asian Institute of Journalism and Communication. He served as Philippine Commissioner to the United Nations Educational, Scientific and Cultural Organizations (“UNESCO”) and Chairperson of the Committee on Science and Technology. Mr. Velarde has built his career in broadcasting, cable TV, telecommunications and information communications technology. He was former Executive Vice President and General Manager of SkyCable, a cable TV company that became the largest in the Philippines. He obtained his Bachelor of Arts in Liberal Students Major in Interdisciplinary Studies (Summa Cum Laude) at Boston University, Massachusetts, US. He completed the Owner/President Management Program at the Harvard Business School, Harvard University, Cambridge, Massachusetts. He has also completed courses leading to a Masters Degree in Business Economics at the University of Asia and the Pacific. In addition, he took up the following executive

courses: Wealth Management at Wharton Business School, University of Pennsylvania; Strategic Finance, University of Michigan; Corporate Restructuring and Business Transformation at Harvard Business School; Managing Businesses in China, Tsinghua University and Harvard Business School; Directing Documentaries at the London School of Film and Television; Broadcasting and Cable Television, Satellite Communications, Data and Internet Communications at the United States Telecommunications Training Institute (USTTI); Cybersecurity: Planning, Implementing and Auditing of Critical Security Controls (SANS, Washington D.C.) and Advanced and Competitive Sailing Certifications at the Swain Sailing School at Tortola, the British Virgin Islands, Caribbean.

**Francis Xavier la'O Manglapus**, age 67, Filipino, Vice Chairman appointed member of the Board of Directors on 10 February 2021. Educated at Cornell University, Hotel and Restaurant Management, he became the first Materials Manager of the Inter-Continental Hotel Chain in New York City, computerizing the purchasing requirements of the world-wide chain. He shifted careers, and joined Merrill Lynch as a financial consultant during the stock market boom in the 1980's. In the late 90's he became President of a boutique financial advisory firm, Management Exchange Corporation, specializing in asset-backed securities. He was Chairman of the Board of Prime Savings Bank, and also became Chairman of the Board of Bataan Shipyard and Engineering Company.

**Thomas G. Aquino**, age 74, Filipino, Director. He is a Senior Fellow at the Center for Research and Communications, a multidisciplinary policy group at the University of Asia and the Pacific, Chairman of the Board of Trustees of the REID Foundation, and Trustee of the Asian Institute of Journalism and Communications. He is an Independent Director of ACR Inc., A Brown Company, Holcim Phils., and Pryce Corporation. Dr. Aquino served as Acting Secretary and Senior Undersecretary of the Department of Trade and Industry and Governor of the Board of Investments. He supervised the country's international trade promotions, international trade negotiations in the World Trade Organization (WTO) and in the ASEAN Free Trade Area (AFTA) as well as the bilateral trade talks with the country's major economic partners. He was lead negotiator for the country in the Japan-Philippines Economic Partnership Agreement and was country representative to the High Level Task Force on ASEAN Integration culminating in the ASEAN Economic Community. For government service, Dr. Aquino was conferred the Presidential Service Award (or Lingkod Bayan) for extraordinary contribution of national impact on public interest, security and patrimony and was recipient of the Gawad Mabini Award with the rank of Grand Cross (or Kamanong) for distinguished service to the country both at home and abroad. He obtained a Doctorate in Business Administration in 1980 from the IESE Business School, University of Navarre in Spain, an MS in Industrial Economics in 1972 from the CRC Graduate School, now University of Asia and the Pacific, and an AB in Economics in 1970 from the School of Economics, University of the Philippines.

**Henry Andrews B. Abes**, age 54, Filipino, was elected member of the Board of Directors on 01 August 2020. He was elected as President and CEO on 24 June 2021. His corporate career spans more than 30 years in the field of technology and telecommunications, online media, and commercial real estate. He rose from the ranks and eventually headed the residential sales group of Skycable in 1997. In 1999, he became the Vice-President and COO of One Virtual Corporation which pioneered in providing 2 way satellite broadband internet services mainly to private schools and ISPs throughout the country. In 2002, he became the Vice-President and Head of Customer Operations of Nextel Communications Philippines Inc (eventually NOW Telecom Company, Inc.) handling Sales and Marketing, Customer Care, and Revenue Assurance. In 2006, he became the General Manager of PLDT Subic Telecom. In 2009, he set-up all sales, marketing, and business development functions of the Corporate Sales Department of Wi-Tribe Telecoms Inc (formerly Liberty Broadcasting Network Inc.). In 2012, he assumed the position of Business Unit Head and Vice-President for Sales of NTT Ltd. Philippines (formerly DTSI Group) focusing on the Business Process Outsourcing and Global In-House Center Market which contributed 70% of the company's revenue. Mr. Abes obtained his Bachelor of Arts in Political Science at the Ateneo de Manila University. He also took law courses from San Beda College of Law and executive courses in Strategic Leadership from Harvard Business Publishing, Sales Management from University of Michigan Business School, and Strategic Marketing and Total Quality Management from Asian Institute of Management.

**Jose S. Alejandro**, age 87, Filipino, Director, served as Chairman of the Board on June 2, 2006 until March 22, 2007 when he resigned from said position and was elected as the Company's President. He served as President until January 21, 2008. As official representing the Company, he has been elected Director of the Philippine Chamber of Commerce and Industry, Inc. (PCCI) for over 12 years and now Adviser on Energy and Utilities. Mr. Alejandro is also been a Member of the Board of Directors of NOW Telecom Company, Inc. (formerly Next Mobile, Inc.) since 1989 and he now serves as the Board's Vice Chairman. He is a business and management professional and leader with over 25 years of corporate experience. He was the former President and CEO of East Asia Power Resources, a local publicly-listed independent power producer during the period of local economic crisis (1997-1999), Country Manager for the Power Systems Business of General Electric Co. (1987-1995), and Vice President - Marketing at GE Philippines, Inc. and General Manager of GE Appliance Co. In these capacities, he led the growth and success of this leading U.S. global diversified corporation in the Philippines. He holds a Bachelor of Arts and a Bachelor of Law degrees from the Ateneo de Manila University and had taken post graduate courses leading to Master in Business Administration in the same school and Business Policies, Manpower and Marketing Strategies at the GE Management Institute in NY, USA. He is a member of the Philippine Bar.

**Vicente Martin W. Araneta III**, age 59, Filipino, Director and Chief Risk Officer. He also serves as Director and President of Facilities, Inc. and as Chairman of Real Properties, Inc., the holding company of Facilities, Inc. and owner of the Summit One Tower, Facilities Centre and Palladium Subdivision. He is also a member of the Board of Directors and Chief Financial Officer of ActivAsia, Inc., a 360-degree marketing services company specializing in events, point-of-sale and channel activation. He is an incorporator founding member, Treasurer and Director of the Philippine Chamber of Commerce and Industry – Pasig City, Inc. He serves as director of Arribadigital,

Inc. and ActivCare Home Health Solutions, Inc. He is also a member (on-leave) of the Management Association of the Philippines and of the Chamber of Real Estate and Builders Associations Inc. Mr. Araneta is a member of the Ateneo Alumni Association, Inc. and served as a member of its Board of Directors for the period 2005-2007 (served as President in 20026) and 2009-2012. He is an incorporator of the Mandaluyong Business Foundation. Mr. Araneta also served as Director for the period 2004 to 2005 of the Philippine Science High School Foundation.

**Gerard Bnn R. Bautista**, age 59, Filipino, Director, was elected as a member of the Board of Directors on 07 June 2012. He is Chairman of the University of Baguio Foundation, partner at Bnn Bautista Architects, Charter Member of the Rotary Club of Makati Greenbelt and a member of other groups like the Harvard Architectural Society, the Harvard Alumni Entrepreneurs and the Philippine Jaycees. He was President of the Makati Jaycees. He has a degree in BS Architecture from the University of the Philippines, studied Information Technology at the Ateneo Grad School of Business, Financial Forecasting at the UA&P, Finance and Management of Family Corps at the AIM, Financial Planning at the Harvard Kennedy School and School Planning and Design at the Harvard Graduate School of Design. He is the founder of Porsche Carrera R and a member of the Rockwell Club and Baguio Country Club.

**Angeline L. Macasaet**, age 50, Filipino, Director. She is concurrently the Corporate Secretary, Chief Legal Officer and Acting Compliance Officer. She is a member of the Philippine Bar. She is also the Corporate Secretary of the various companies under the Velarde Group such as Velarde, Inc., Gamboa Holdings, Inc., Food Camp Industries and Marketing, Inc., Emerald Investments, Inc., as well as enfranchised companies such as NOW Telecom Company, Inc., GHT Network, Inc., News and Entertainment Network, Inc., among many others. She ensures the compliance of these companies with all regulatory requirements as well as the legal requirements involving specific transactions. Her extensive engagement involves all forms of litigation and in all for a In addition to litigation, Ms. Macasaet has corporate practice all the way to the more complex engagements of management buy-outs, corporate mergers and share swap.

## **Independent Directors**

**Domingo B. Bonifacio**, age 69, American, Independent Director, was first elected as Independent Director on 20 January 2017. He is currently the Executive Vice President and General Manager of Automated Technology (Phil) Inc. (ATEC) Connectivity Division and Member of Board Directors. From 2014-2015, he was President of Cirtex Advanced Technologies and Solutions, Inc. From 2005-2014, he served as the President and CEO of REMEC Broadband Wireless International, Inc. From 2001-2005, was the President and CEO of REMEC Manufacturing Philippines, Inc and from 1996-2001, he was the Founder, CEO and President of Pacific Microwave Corporation and 1989-1995, he served as Director of Operations of Optical Microwave Networks, Inc (OMNI – USA). He obtained his B.S. Electronics and Communications degree from the University of Santo Tomas and passed the Electronics and Communication Engineering Licensure Examination in 1977. He continued his education in Microwave Engineering in 1978-1979 by enrolling in the University of California, Berkley, CA. USA.

**William T. Torres**, age 90, Filipino, Director. Dr. Torres obtained his undergraduate degree from the Mapua Institute of Technology (now Mapua University) graduating at the top of his class in Mechanical Engineering. He started his professional career in the field of education, teaching in Mapua and then later in the Ateneo de Manila University. Awarded a Fulbright-Hays Grant in 1966, he pursued and eventually obtained both Master of Science and Doctor of Philosophy degrees in Computer Sciences from the University of Wisconsin-Madison, USA. He taught for an academic year at Wayne State University in Detroit, Michigan. At the Development Academy of the Philippines he served as Vice-President and later as Senior Vice-President for Operations. He was appointed Managing Director of the National Computer Center in the late 80s. Mr. Torres he has been actively involved in private ICT consulting practice. He joined National Steel Corporation first as consultant and then later as IT head. He was co-founder of the Philippines' first commercial ISP (MosCom) in 1994, was President until he retired in 2008. Currently, in addition to occasional consulting engagements, he is involved as a member of the National Academy of Science and Technology and of the Philippine Electronics and Telecommunications Federation (now Philippine Information Communications Technology Organization), is Vice-Chairman of the Board of Trustees of MFI Polytechnic Institute and of the Asian Institute of Journalism and Communication. Dr. Torres has served as a member of the Board of Trustees of the Mapua Institute of Technology from 2002 to 2010 and continues as Distinguished Professor, School of Information Technology.

**Colin Ross Christie**, age 63, British, is a nominee as Independent Director, has held senior executive posts in the Philippines and USA, including serving as CEO and board member of private and publicly-traded companies. He is the Executive Director of Global Chamber® Manila and is the founder and past-President of the Board of Trustees of the Analytics Association of the Philippines. He previously served on the Board of Trustees of the Healthcare Information Management Association of the Philippines (HIMAP) and was one of its founders. He is co-founder and Chairman of Navix Health Inc., a provider of a fully unified platform for behavioral health software powered by AI . He is a Director of Lifetrack Medical Systems Inc, an award-winning provider of a next-generation and patented distributed radiology platform. He is a co-founder and Director of Medcode Inc., the leading Philippines provider of training solutions in medical coding. He served as Director of Digital Transformation for Enderun Colleges and as a member of the faculty for the College of Business, Technology, Entrepreneurship, and Economics. He was the founder and CEO of MxSecure Philippines, Inc., an early pioneer in the Philippines BPO sector. Mr. Christie is a frequent speaker at business and education conferences. He earned his Bachelor of Science in Chemical Engineering from the University of California, Berkeley.

**Jozolly O. Ramos**, age 38, Filipino, Acting Chief Finance Officer. She was previously appointed as Chief Audit Executive of the Company in June 2018. She has 17 years' experience in Corporate Finance, Risk Management and Compliance. She started as the Junior Accountant of HDI Securities, Inc. She stepped up her career in HDI Securities when she became a Certified Associated Person by passing the Five-Module Exam given by the Securities and Exchange Commission. In 2010, She became the Associated Person for Operation of Nieves Securities, Inc and in 2013 of Luys Securities Co., Inc. She imparts her knowledge in her profession as a part time faculty in Emilio Aguinaldo College from 2008 to present. She is a Certified Public Accountant. She graduated Cum Laude from the Eastern Visayas State University in 2005 and earned her Masters in Business Administration with specialization in Capital Markets at the Lyceum of the Philippines University in 2012.

**Arturo D. Sabino**, 49 years old, Filipino, Chief Audit Executive. Mr. Sabino has over 28 years of experience in fields of finance, accounting, auditing, taxation and logistics and inventory management. In 2018, he became Partner in KL Siy and Associates, an auditing firm. From 2013 to 2018, he held various and concurrent positions as Head of Internal Auditing, Quality Management Representative and Compliance Manager with Petbowe Group of Companies, that supplies various products and services for the personal care, home care, pharmaceutical manufacturing, and agricultural industry. In 2012, he held positions of Audit with Manager in Velasco, Punzalan and Co., CPA's and Accounting Manager with Affiliated Computer Services Inc. (Philippines), a Xerox Company after his 13-year stint with the Securities and Exchange Commission holding various positions as securities investigator, securities examiner and securities specialist. He is a holder of Master of Business Administration from Jose Rizal University in 2000. He earned his degree in Bachelor of Science in Accountancy from the Polytechnic University of Philippines in 1993 and passed the Certified Public Accountant Licensure Examination in 1994. He is a Sustaining Life Member of the Philippine Institute of Certified Public Accountant and Past President of Rotary Club of Malabon East of Rotary International District 3800.

### **Nominations to the Board**

There will be a regular election of directors and officers for the term 2023-2024. The Nomination Committee shall prescreen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualification under Sec. 2.2.2.1 of the Revised Manual on Corporate Governance.

The nomination procedure is in accordance with SRC Rule 38 on the requirements on nomination and election of independent directors.

### **Nomination Committee**

The Chairman and Members of the Nomination and Election Committee are as follows:

Thomas G. Aquino - Chairman  
Gerard Bnn R. Bautista - Member  
Domingo B. Bonifacio - Member (Independent Director)

Mr. Mel V. Velarde, Chairman, will nominate the candidates for independent directors. None of the Company's directors and executive officers is related up to the fourth civil degree of consanguinity or affinity. The term of office of elected directors will be one (1) year.

The following were nominated as the regular Directors of the Company for the ensuing year:

Mel V. Velarde  
Thomas G. Aquino  
Henry Andrews B. Abes  
Jose S. Alejandro  
Vicente Martin W. Araneta III  
Gerard Bnn R. Bautista  
Francis Xavier L. Manglapus  
Angeline L. Macasaet

Domingo B. Bonifacio, William T. Torres and Colin Ross Christie will be nominated as Independent Directors for the ensuing year. Attached are copies of their respective Certifications on Qualifications of Independent Directors as Annexes "E", "F" and "G".

### **Officers**

**Mel V. Velarde, Chairman of the Board** (See above)  
**Francis Xavier L. Manglapus, Vice Chairman** (See above)  
**Henry Andrews B Abes, President and Chief Executive Officer** (See above)



**Angeline L. Macasaet, Corporate Secretary** (See above)  
**Jozolly O. Ramos-Uy Acting Chief Finance Officer** (See above)  
**Arturo D. Sabino, Chief Audit Executive** (See above)

**ii. Involvement in Certain Legal Proceedings of Directors and Officers**

There are no pending legal proceedings involving Bankruptcy Petition, Conviction by Final Judgment or being subject to any Order, Judgment or Decree, or Violation of a Securities commodities Law to which any director, any nominee for election as director, executive officer, underwriter or control person of the Company is a party or of which any of their property is the subject thereof have occurred during the past five (5) years up to the latest date that are material to evaluation.

**iii. Identity of Significant Employees**

There is no person who is not an executive officer who is expected to make a significant contribution to the business of the Company.

**iv. Family Relationship**

None of the Directors, Advisors and Executive Officers is related up to the fourth civil degree of consanguinity or affinity.

**v. Involvement in Certain Legal Proceedings of the Registrant**

The Company is not a party to any administrative, civil or criminal litigation or proceeding pending or threatened against or relating to the Company in any of the courts in the Philippines or abroad.

**b. Certain Relationships and Related Transactions**

None of the Advisors, Executive Officers and Management employees are related by affinity or consanguinity.

**Item 6. Compensation of Directors and Executive Officers**

The aggregate compensation of executive officers and directors of the Company for the year 2022 and 2021, and the estimated compensation for the year 2023 are as follows:

ACTUAL	2022			2021
	COMPENSATION	OTHERS	TOTAL	TOTAL
A. Five (5) most highly compensated Executive Officers	7,769,389	1,255,962	9,025,351	10,225,086
All directors and executive officers as a Group unnamed	1,454,112	302,858	1,756,971	3,162,868

PROJECTED	2023		
	COMPENSATION	OTHERS	TOTAL
A. Five (5) most highly compensated Executive Officers	8,546,328	1,381,558	13,097,028
All directors and executive officers as a Group unnamed	1,599,524	333,144,	1,932,668

The compensation of the directors in their capacity as such did not exceed ten (10%) percent of the net income before tax of the Company during the preceding year.

The following are the 5 highest compensated directors / executive officers of the Company for the year 2022:  
1. Rene L. Rosales 2. Mel V. Velarde, 3. Angeline L. Macasaet, 4. Henry Andrews B. Abes 5. Joel N. Gonzales.

Except Mr. Mel V. Velarde, Mr. Francis Xavier L. Manglapus, and Mr. Henry Andrews B. Abes, and Ms. Angeline L. Macasaet, none of the other members of the board of directors received any compensation or salary except for per diem every board meeting.

### **Standard Arrangement**

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Corporation are compensated, or are to be compensated, directly or indirectly, for any services provided as a director for the last completed fiscal year and the ensuing year.

### **Other Arrangements**

There are no other arrangements pursuant to which any director of the Corporation was compensated, or is to be compensated, directly or indirectly, during the Corporation's last completed fiscal year, and the ensuing year, for any service provided as a director.

### **Employment Contracts and Termination of Employment and Change-in-Control Arrangement**

There are no special employment contracts between the Corporation and the named executive officers. There are no compensatory plan or arrangement with respect to a named executive officer.

### **Warrants and Options Outstanding**

There are no outstanding warrants or options held by the Corporation's Chief Executive Officer, the named executive officers, and all officers and directors as a group.

### **Item 7. Independent Public Accountants**

The auditing firm of Reyes Tacandong & Co is the incumbent external auditor of the Company for the calendar year 2022 and is being recommended for re-appointment at the scheduled annual meeting of the shareholders. Representatives of the said firm are expected to be present at the Annual Stockholders' Meeting and will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

There had been no disagreements by and between the Company and the current external auditor regarding accounting policies and financial disclosures of the Company.

### **Audit Fees**

The aggregate fees billed for the current fiscal year ended 2022 for professional services rendered by the Reyes Tacandong & Co. for the audit of the Company annual financial statements is Php1,000,000.

The aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by Reyes Tacandong & Co. for the audit of the Company annual financial statements is Php900,000 for 2021 and Php900,000 for 2020.

The external auditor does not render any other assurance and services related to the performance of the audit nor does it render any professional service for tax accounting, advice, planning and any other form of tax services.

### **Audit and Risk Management Committee**

The Chairman and Members of the Audit and Risk Management Committee

are: Vicente Martin W. Araneta III – Chairperson  
William T. Torres– Member  
Colin R. Christies– Member

### **Item 8. Compensation Plans**

No action is to be taken by the Company with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **Item 9. Authorization or Issuance of Securities Other than for Exchange**

There is none.

### **Item 10. Modification or Exchange of Securities**

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class.

### **Item 11. Financial and Other Information**

Other data related to the Company's financial information such as the Consolidated Audited Financial Statements as of 31 December 2022 together with the Statement of Management Responsibility; the Certification on Appointment or Employment in Government Entity, if applicable, and the 1<sup>st</sup> Quarter Report for period ended 31 March 2023 (SEC Form 17-Q) will be part of this report.

### **Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

No action will be taken with respect to any transaction involving the following:

- a. the merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;
- b. the acquisition by the registrant or any of its security holders of securities of another person;
- c. the acquisition by the registrant of any other going business or of the assets thereof;
- d. the sale or other transfer of all or any substantial part of the assets of the registrant; or
- e. the liquidation or dissolution of the registrant.

### **Item 13. Acquisition or Disposition of Property**

There are no matters or actions to be taken up with respect to acquisition or disposition of any property by the Company.

### **Item 14. Restatement of Accounts**

None.

## **D. OTHER MATTERS**

### **Item 15. Action with Respect to Reports**

The following are included in the agenda of the Annual Stockholders' Meeting for approval of the Stockholders:

1. Minutes of the Annual Stockholders' Meeting held on 02 June 2022, covering the following matters:
  - (i) Approval of the Minutes of the Annual Stockholders' Meeting held on 24 June 2021
  - (ii) Ratification of all acts and resolutions of the Board of Directors and Management for 2021 up to the date of the annual meeting of stockholders on 02 June 2022
  - (iii) President's Report and Annual Report
  - (iv) Election of Directors

(v) Appointment of External Auditor and Approval of the Audited Financial Statements

The voting and the tabulation procedures used in the previous meeting were in accordance with and similar to Item 19 hereunder set forth. Stockholders were given the opportunity to ask questions all throughout the duration of the meeting. No question was raised during the said meeting. The matters discussed and resolutions reached during the previous meeting pertain to those indicated in the Notice of the Meeting. Each item in the agenda presented was unanimously approved by all the stockholders either present in person or by proxy representing 1,288,537,645 shares out of the total outstanding of 1,806,726,314 shares or equivalent to 71.32%.

2. Other Actions for Approval:

- (i) Election of the members of the Board of Directors, including independent directors, for the ensuing year.
- (ii) Approval and ratification of the acts of the Board of Directors and Management of the Company from the Regular Meeting of the Board of Directors held on 02 June 2022 up to the date of the annual meeting of stockholders on 01 June 2023.
- (iii) Appointment of External Auditor
- (iv) Approval of the Audited Financial Statements

**Item 16. Matters Not Required to be Submitted**

All matters or actions to be submitted in the meeting will require the vote of the security holders.

**Item 17. Amendment of Charter, By-Laws or Other Documents.**

None.

**Item 18. Other Proposed Actions**

Other than the matters indicated in the Notice and Agenda, there are no other actions proposed to be taken at the meeting.

**Item 19. Meeting/Voting Procedures**

At least a majority of the outstanding capital stock of the Company shall be sufficient to carry the vote for matters submitted to a vote at the Annual Stockholders' Meeting (the "Meeting"), except for the amendment of the Articles of Incorporation that will require two-thirds votes. The manner of voting and counting votes will be as follows:

1. All outstanding stockholders as of record date of 15 May 2023 are entitled to vote, one to one, and shall have the right to vote. The Corporate Secretary, will count the votes cast.
2. For purposes of electing directors, cumulative voting shall be followed. The stockholders may have the option to cast all his/her/its votes in favor of one or distribute his/her/its votes among nominees. Only candidates nominated during the meeting shall be entitled to be voted.
3. Consistent with the provisions of the By-Laws of the Company, voting need not be by ballot and will be done upon motion by any of the stockholders.

In accordance with the requirements of SEC Memorandum Circular No. 6 s. 2020, the following mechanics of the annual meeting held through remote communications shall be observed:

1. All attendees shall download the Zoom application into their computer devices beforehand. The Zoom application is a platform which allows participants to join a video conference meeting and group messaging from one's own computer device.
2. Stockholders may attend the remote meeting by themselves or by proxy. Any instrument authorizing a proxy to act as such and notification by a shareholder to attend the Meeting shall be submitted to the Corporate Secretary through electronic mail ([angeline.macasaet@now-corp.com](mailto:angeline.macasaet@now-corp.com)) at least three (3) days before the remote meeting, or by 30 May 2022. With the said Proxy and notification from the shareholder, the Zoom link to the Meeting (with Meeting ID and password) will be provided to the participating shareholder by the Corporate Secretary.
3. The attendees must have adequate audio and video facilities (such as functioning computer, web

camera, speakers and microphones), and sufficient internet connection, to allow them to participate and follow the matters to be discussed during the video conference meeting.

4. In all matters requiring the casting of votes:
  - a. The directors and stockholders are allowed to cast their votes by remote communication during the video conference meeting held *via* Zoom.
  - b. The directors and stockholders may signify their votes during the video conference meeting through audio and visual confirmation, if possible (*i.e.*, making their vote known through visual means *via* the web camera, and auditory means *via* their computer's microphone), or through some other function available in the Zoom application (*i.e.*, by using the Zoom chat function).
  - c. The period to vote and to raise objections matters on voting will be throughout the duration of the video conference meeting.
5. In compliance with the requirements of Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, notice is hereby being given that a visual and audio recording of the video conference meeting will be made, for purposes of drafting the minutes of the meeting. A copy of the recording shall be kept by the Corporate Secretary
6. A soft copy of all materials used in the Meeting shall be sent to all participants through electronic mail; and
7. In case of technological, administrative or logistical issues encountered prior to or during the remote meeting, please contact Mr. Joel N. Gonzales at [joel.gonzales@now-corp.com](mailto:joel.gonzales@now-corp.com).

#### **UNDERTAKING TO PROVIDE ANNUAL REPORT AND QUARTERLY REPORT**

THE REGISTRANT UNDERTAKES TO PROVIDE WITHOUT CHARGE TO EACH STOCKHOLDER A COPY OF THE COMPANY'S ANNUAL REPORT OR SEC FORM 17-A AND 1<sup>st</sup> QUARTER REPORT FOR PERIOD ENDED 31 MARCH 2023 (SEC Form 17-Q) UPON WRITTEN REQUEST TO THE COMPANY ADDRESSED TO:

**ANGELINE L. MACASAET**

Corporate Secretary

NOW

CORPORATION

Unit 5-I, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca corner Dela Rosa and Gil Streets

Legaspi Village, Makati City

**PART II.**

There are no proxy solicitations.

**PART III.**

**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, we certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on this 26<sup>th</sup> day of April 2023.

**NOW CORPORATION**

Issu  
er  
By:



**HENRY ANDREWS B. ABES**  
President and  
CEO



**JOZOLLY O. RAMOS**  
Acting Chief Finance Officer



**ANGELINE L. MACASAET**  
Corporate  
Secretary

## **PART I - BUSINESS AND GENERAL INFORMATION**

### **General Information**

NOW Corporation (the "Company") was originally incorporated on June 5, 1996 as MF Schroder & Co., Inc., initially to engage in the purchase and sale of securities. MF Schroder & Co., Inc. was then a wholly-owned subsidiary of Amalgamated Investment Bancorporation (AIB), a full-fledged and duly licensed investment house.

In January 2002, MF Schroder & Co., Inc. was renamed Cashrounds, Inc. (Cashrounds), with the primary purpose to engage in the business of securities brokerage relating to the sale, transfer or exchange of every description of shares of stock and bonds, and to execute such transactions with the use of information technology.

On March 22, 2005, a Memorandum of Agreement was executed by AIB and Gamboa Holdings, Inc. (Gamboa), whereby AIB agreed to sell and Gamboa agreed to purchase 18,171,286 or 2/3 of the shares of stock of Cashrounds at an aggregate purchase price of Php74,395,000.00.

The sale of Cashrounds shares to Gamboa was made on June 3 and August 30, 2005 which resulted in Gamboa owning 66.67% of Cashrounds.

On April 28, 2006, Cashrounds entered into a Memorandum of Agreement (MOA) with NOW Telecom Company, Inc., formerly known as Next Mobile, Inc. (NOW Telecom) and five controlling shareholders of NOW Telecom namely, Top Mega Enterprises Limited, Joyce Link Holdings Limited, Gamboa Holdings, Inc., Emerald Investments Inc., Food Camp Industries and Marketing, Inc. (the five companies collectively known as NOW Telecom Shareholders) whereby existing shares of NOW Telecom owned by the NOW Telecom Shareholders were swapped with new shares issued by Cashrounds pursuant to an increase in authorized capital stock.

As a result of the above-mentioned exchange of shares of stock, the NOW Telecom Shareholders acquired 97% equity interest of Cashrounds, while Cashrounds acquired 19% of NOW Telecom.

On September 19, 2006, the Securities and Exchange Commission (SEC) approved the increase in the authorized capital stock of Cashrounds to Php1.320 billion with corresponding increase of its paid-up capital to Php1,317,278,350 as well as the change of the corporate name from Cashrounds, Inc. to Information Capital Technology Ventures, Inc.

On July 24, 2008, the SEC approved the amendment of Article II of the Articles of Incorporation of the Company's Primary Purpose to read as follows:

To engage in the business of providing telecommunications, media and information technology products and services, such as but not limited to the research, development, production, management, marketing, and operation of the following: telecommunications value added services through companies duly licensed to engage in wired and wireless, fixed and mobile communications; software and hardware technology, business process outsourcing, call center and other information technology applications; digital media and other media except mass media; and to do all activities directly or indirectly connected therewith or incident thereto.

On December 10, 2008, the Philippine Stock Exchange (PSE) approved the application of the Company to list additional shares to cover its share-for-share swap transactions with the shareholders of NOW Telecom. In addition, PSE likewise approved the Company's transfer from the SME Board to the Second Board of the Exchange.

On February 20, 2009, the PSE issued a circular informing the investing public of the Company's listing of additional 1,289,278,350 common shares effective February 24, 2009. This is to cover the share-for-share swap transactions with the shareholders of NOW Telecom, namely, Top Mega Enterprises Limited, Gamboa Holdings, Inc., Emerald Investments, Inc., Joyce Link Holdings Limited and Food Camp Industries and Marketing, Inc., at a swap price of ₱1.00 per share.

The transfer of the Company from the SME to the Second Board took effect on June 29, 2009.

On March 12, 2010, the Board of Directors of the Company (BOD) approved the Company's transfer from the Second Board to the First Board of the Exchange. In addition, the BOD approved the Company's increase in authorized capital stock from P1.32 billion to P5 billion as well as the listing of the additional shares from the increase. Finally, the BOD approved the amendment of the Company's By-Laws that will allow waiver of pre-emptive rights.

On August 3, 2010, the SEC approved the Amendment of the Seventh Article of the Articles of Incorporation of the Company to read as follows:

"No stockholder shall have any pre-emptive right of subscription to any class of shares of stock of this Corporation, whether to the present authorized capital stock or any future increases thereof."

On March 8, 2011, the Company filed with PSE its application for transfer from the Second Board to the First Board of the Exchange.

The amendment of the Company's Secondary Purposes to include the following was ratified by the stockholders of the Company during the June 2, 2011 Annual Stockholders' Meeting.

- a. To provide professional services and manpower in the field of telecommunications, media and information technology.
- b. To buy, sell, lease, assemble, import, export, process and deal in any and all classes of materials, merchandise, supplies and commodities of every kind and nature;
- c. To act as commission agent, manufacturer's representative, or principal for the purchase, sale distribution, manufacture, assembly, import or export of any and all classes of materials, merchandise, supplies and commodities of every kind and nature; and
- d. To engage in and carry on the business of general and retail merchants, traders, factors, agents, manufacturers, processors, dealing in or with any and all classes of materials, merchandise, supplies and commodities of every kind and nature.

On March 17, 2011, the Company's Board of Directors confirmed/ratified the establishment of the Company's wholly-owned subsidiary named J-Span IT Services, Inc. in Tokyo, Japan. The Board likewise approved the establishment in the Philippines of a wholly-owned subsidiary to be named I-Resource Consulting International, Inc.

On May 25, 2011, the SEC approved the incorporation of I-Resource Consulting International, Inc. as a wholly owned subsidiary of the Company. The primary purpose of I-Resource Consulting International, Inc. is to provide consulting, technical advice and professional advisory services to persons, firms, association, corporations, partnerships and other entities.

On June 10, 2011, the SEC approved the incorporation of Porteon SEA, Inc., a wholly-owned subsidiary of the Company with the primary purpose of engaging in the business of manufacturing, marketing and selling of vehicles of all types, including but not limited to electric vehicles.

The amendment of the Secondary Purposes was approved by the SEC on August 25, 2011.

On September 02, 2011, the Company entered into a Memorandum of Understanding with Huawei International Pte., Ltd., Huawei Technologies Phils., Inc. and NOW Telecom. The parties desire to explore the possibility of entering into a business relationship which will allow each party to provide its respective contribution in order to attain the common purpose of implementing NOW Telecom's nationwide build-up plans. The milestone agreement is expected to enhance the information capabilities of the Company and NOW Telecom in partnership with the world's largest information technology company Huawei.

On December 9, 2011, the Company executed a Memorandum of Agreement with the Filipino American Chamber of Commerce of Orange County, a non-profit organization in the State of California, for the use of a digital media portal through the Company's latest technology platform NowPlanet.TV.

On August 25, 2012, the SEC approved the incorporation of i-Professional Search Network, Inc., a wholly-owned subsidiary of the Company. The primary purpose of i-Professional Search Network, Inc. is the recruitment and placement of workers domestically. This is aimed at broadening the Company's base in the area of service-related business as well as to complement the Company's other wholly-owned subsidiary, I-Resource Consulting International, Inc., which provides consulting, technical advice and professional advisory services to persons, firms, association, corporations, partnerships and other entities.

The Board of Directors and Stockholders of the Company approved the name change from Information Capital Technology Ventures, Inc. to NOW Corporation on 02 July 2013 and 06 June 2013, respectively. On 16 August 2013, the SEC issued the Certificate of Filing of Amended Articles of Incorporation and the Certificate of Revision of the Title of Amended By-Laws certifying the said name change.

On December 27, 2013, the Company paid the amount of Php3,000,000.00 for the Company's subscription to 110,000 shares (at Php100.00 per share) on the proposed increase in the authorized capital stock of I-Resource from Php1,000,000.00 to Php12,000,000 or increase from 10,000 shares to 120,000 shares. The proposed increase in the authorized capital stock of i-Resource was approved by the SEC on April 2, 2014.

During the Special Stockholders' Meeting held on January 22, 2015, the shareholders approved the following: 1) increase of the capital stock of the Company from Php1.32B to Php2.120B or an increase of Php800M; 2) conversion of advances made by a shareholder, Velarde, Inc., in the amount of Php200M; 3) application for listing with the PSE of the additional 200M shares to be issued from the increase in authorized capital; and 4) waiver by a majority vote representing the outstanding shares held by the minority shareholders present of the conduct of a rights or public offering of the shares to be subscribed by Velarde, Inc. The Company's Board of Directors had previously approved a higher increase of Php2.7B



during its November 27, 2014 meeting. However, upon further study and discussion, a lower amount was recommended and approved by the Board during a special meeting held on 22 January 2015 prior to the Special Stockholders' Meeting scheduled on the same day.

On 17 December 2015, the Securities and Exchange Commission approved the Company's increase in authorized capital from Php1,320,000,000.00 divided into 1,320,000,000 shares of the par value of Php1.00 each to Php2,120,000,000.00 divided into 2,120,000,000 shares of the par value of Php1.00 each.

At the 29 April 2016 Special Meeting of the Board of Directors, the Board approved the increase of the authorized capital stock of the Company from Php2.120B to Php3.0B. The Board likewise approved the conversion into equity of the 264M advances accumulated since year 2011 from a shareholder, Velarde, Inc., at a conversion price of Php1.22/share computed/based on the daily average of the volume-weighted average price of NOW shares for a 30-day trading period ending 14 April 2016; Finally, the Board approved the listing of 216M shares that will be issued out of the said conversion and increase in authorized capital stock.

In its 02 September 2016 Special Meeting, the Board of Directors approved the amendment of the Seventh Article of Incorporation to authorize the creation of Sixty Million (60,000,000) Redeemable, Convertible, Non-Participating and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share.

During the 08 November 2016 Special Stockholders' Meeting, the shareholders present, by a unanimous vote, approved the following: 1) Minutes of the Annual Stockholders' Meeting held on 02 June 2016; 2) Amendment to the Seventh Article of Incorporation (creation of 60M Redeemable, Convertible, Non-Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share; 3) Approval for listing of 60M Redeemable, Convertible, Non-Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share; 4) Approval for issuance and public offering of 60M Redeemable, Convertible, Non-Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share.

The Shareholders likewise expressly granted the authority to the Board of Directors to determine: (1) whether the issuance of the Preferred Shares shall be with or without warrants; (2) the actual number of warrants to be issued in connection thereto, which shall in no case be more than two (2) times the total number of Preferred Shares to be issued; (3) the total number of underlying common shares to be issued in connection with such warrant, which shall in no case be more than the number of warrants to be issued; and (4) to determine all other terms and conditions of the warrant including the strike price.

In its 21 December 2016 Regular Meeting, the Board of Directors approved the filing of the Registration Statement, Listing Application and the terms and conditions and such other relevant acts in connection with the intended public offering of shares of the Company.

On 10 January 2017, the Securities and Exchange Commission issued to the Company a Certificate of Filing of Amended Articles of Incorporation (Amending Article VII reclassification of P60,000,000.00 Common Shares to Preferred Shares thereof).

At the 20 January 2017 Special Meeting of the Board, a resolution was passed approving the issuance of detachable warrants in connection with the public offering of the Company's preferred shares;

At the 07 August 2017 Regular Meeting of the Board of Directors, the following resolutions were approved: 1) Acceptance of disengagement of SB Capital Investment Corporation ("SB Capital") as one of the Joint Issue Managers, Joint Bookrunners and Joint Lead Underwriters. 2) Appointment of SB Capital as the Company's Financial Advisor; 3) Grant of authority to the Chairman and President and CEO to negotiate and engage the services of an Issue Manager, Bookrunner, Lead Underwriter for its proposed public offer of preferred shares; 4) Reduction of the Company's proposed public offering of its preferred shares from 15M preferred shares with 30M warrants to 5M preferred shares with 30M warrants thus resulting in the reduction of the offer size from Php 1.5B to Php 500M.

In its 20 December 2017 Regular Meeting, the Board approved, in relation to its conduct of Public Offering by way of a Follow-On Offering ("FOO") of its Preferred Shares of stocks, the offer and sale of up to 10,000,000 out of the 60,000,000 redeemable, convertible, non-participating and non-voting preferred share with detachable warrants out of the unissued portion of the authorized capital stock of the Corporation (the "Offer Shares") and up to 20,000,000 Detachable Subscription Warrants to be issued free of charge with 20,000,000 underlying common shares (collectively, the "Warrant").

On 22 December 2017, NOW Corporation filed its Registration Statement and Prospectus with the Securities and Exchange Commission ("SEC") pursuant to the Company's application for the Follow-On Offering of 5,000,000 redeemable, convertible, cumulative, non-participating, non-voting, Peso-

denominated, preferred shares with an Oversubscription Option of [5,000,000] with a par value of one peso (₱1.00) per share, with 10,000,000 detachable subscription warrants to be issued free of charge with 10,000,000 underlying common shares, with an Oversubscription Option of 10,000,000 Warrants and 10,000,000 underlying common shares of NOW Corporation.

In its 15 March 2018 Regular Meeting, the Board resolved to delegate to the Executive Committee the setting of the final conversion price related to the conversion into equity of the Php264,000,000.00 advances from a shareholder. Said conversion into equity was previously approved in 2017 by both the Board and the Stockholders, respectively.

The shareholders present by a unanimous vote likewise affirmed / confirmed their approval, made at the 02 June 2016 Annual Stockholders' Meeting, of the increase in authorized capital stock of the Company as well as the conversion into equity of the Php264M advances from a shareholder, Velarde, Inc., at the conversion price computed based on the daily average of the Volume-Weighted Average Price of NOW Corporation shares for a 30 day trading period ending 14 April 2016 as well as the listing of corresponding shares that will be issued out of the said conversion. The conversion price set between Php1.50 per share to Php1.70 per share range. The Board of Directors was given the delegated authority to finalize the terms and other details pertaining to such increase and conversion price within the respective ranges therein set forth.

On 22 June 2018, the Securities and Exchange Commission issued the Certificate of Filing of Enabling Resolution in relation to the Company's offer of 5,000,000 Redeemable Convertible Cumulative Non-Participating Non-Voting Peso-denominated Preferred Shares and designate the series as the Preferred "A" Shares with an Oversubscription Option of 5,000,000 Preferred A Shares, with 25,000,000 underlying Common Shares and an additional 25,000,000 Common Shares upon the exercise of the Oversubscription Option, which Common Shares shall be issued upon conversion of the Preferred Shares, with Detachable Warrants, under the terms and conditions thereof.

On 27 June 2018, the Philippine Stock Exchange approved the application of the Company to list an additional 200,000,000 common shares to cover its debt-to-equity conversion transaction with its shareholder.

At the Special Meeting of the Board of Directors of NOW Corporation held on 11 October 2018, the Board approved the conversion into equity by its shareholder Velarde, Inc. in the amount of Two Hundred Nine Million Pesos (Php209,000,000.00) with the conversion price computed based on the Volume Weighted Average Price (VWAP) of the 30-day trading period ending 11 October 2018.

At the special meeting of the Board of Directors of NOW Corporation held on 28 December 2018, the Board approved the Company's equity restructuring plan by reducing the par value of the common shares of stock of the Company and by applying the resulting additional paid-in capital to eliminate its accumulated deficit. For this purpose, the Board approved the amendment of Article Seventh of NOW's Articles of Incorporation to reduce the par value of common shares from One Peso (Php1.00) per share to Seventy Centavos (Php0.70) per share, and the resulting decrease of NOW's authorized capital stock from Php2,120,000,000.00 divided into 2,060,000,000 common shares with par value of One Peso (Php1.00) each to Php1,442,000,000 divided into 2,060,000,000 common shares with par value of Seventy Centavos (Php0.70) each.

At the Special Stockholders' Meeting of NOW Corporation held on 08 March 2019, the stockholders unanimously approved the Company's equity restructuring plan by reducing the par value of the common shares of stock of the Company and by applying the resulting additional paid-in capital to eliminate its accumulated deficit. For this purpose, the stockholders unanimously approved the amendment of Article Seventh of NOW's Articles of Incorporation to reduce the par value of common shares from One Peso (Php1.00) per share to Seventy Centavos (Php0.70) per share, and the resulting decrease of NOW's authorized capital stock from Php2,120,000,000.00 divided into 2,060,000,000 common shares with par value of One Peso (Php1.00) each to Php1,442,000,000 divided into 2,060,000,000 common shares with par value of Seventy Centavos (Php0.70) each.

Likewise, the stockholders unanimously approved the conversion of advances into equity of its shareholder Velarde, Inc. in the amount of Two Hundred Nine Million Pesos (Php209,000,000.00) with the conversion price computed based on the Volume Weighted Average Price (VWAP) of the 30-day trading period ending 11 October 2018 or at Php6.50 per share, and the listing of additional shares resulting from the said conversion. The waiver by a majority vote representing the outstanding shares held by the minority shareholders present of the conduct of a Rights or Public Offering of the Shares to be subscribed to by Velarde, Inc. was likewise affirmed/confirmed. In the same meeting, the stockholders also approved the revision of the earlier approval made during the Annual Stockholders' Meeting held on 07 June 2018 to increase the authorized capital stock of the Company within a range between Php600M and Php700M in connection with the earlier conversion of another tranche of

advances made by Velarde, Inc. to NOW Corporation in the amount of Php264 Million. Only the conversion into equity of Velarde, Inc.'s advances in the amount of Php264M based on the adjusted conversion price range between Php1.50 and Php1.70 per share as well as the listing of additional shares resulting from the said conversion are approved and affirmed for implementation. The contemplated increase in authorized capital stock is deemed set aside.

On September 6, 2019, the Securities and Exchange Commission approved the Company's application for equity restructuring and the decrease in its authorized capital and par value per share, wiping out the deficit as of 31 December 2018 in the amount of Php402,105,543.00 against the reduction surplus of Php455,183,505.00.

With the amendment of Article Seventh of NOW's Articles of Incorporation, the resulting authorized capital stock of the Company is One Billion Five Hundred Two Million Pesos (Php1,502,000,000.00), Philippine Currency, and said capital stock is divided into Two Billion Sixty Million (2,060,000,000) common shares, with a par value of Seventy Centavos (Php0.70) each and Sixty Million (60,000,000) Redeemable, Convertible, Non- Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share.

The equity restructuring did not reduce the number of issued, outstanding and listed shares and will not change a stockholder's interest in the Company. Furthermore, the Php1.00 par value per share of the existing preferred shares will not change.

On 06 November 2019, the Securities and Exchange Commission issued a Certificate of Approval of Valuation confirming the valuation of shareholder Velarde, Inc.'s advances in the amount of Php264M as payment for the additional issuance of 155,294,118 common shares worth Php108,705,882.60 (with par value of Php 0.70 per share) out of the unissued portion of the present authorized capital stock of NOW Corporation, based on the conversion price of Php1.70 per share as approved by at least majority of the stockholders and Board of Directors at their respective meetings held on 08 March 2019.

At the Special Meeting held on 24 August 2020, the Board of Directors of NOW Corporation approved, confirmed, and ratified the offer of an existing shareholder, Velarde, Inc., to subscribe to a) 102,000,000 common shares of NOW, equivalent to a 5.75% equity stake in NOW post subscription, at Php2.25/share or a total aggregate amount of Php229,500,000.00; and b) 60,000,000 Redeemable Convertible Cumulative Non-Participating Non-Voting Peso-denominated Preferred Shares of NOW, with 1 free Detachable Warrant for every preferred share subscribed to (1:1 ratio), exercisable after the 2<sup>nd</sup> year anniversary from issue date, at a subscription price of Php1.00 per Convertible Preferred Share. The Detachable Warrants are exercisable after the 2<sup>nd</sup> year anniversary from issue date at a price of Php2.25 per common share. The Preferred Shares may be converted to common shares of the Company at a conversion price of Php2.25 per share, which may be exercised at any time from the 1<sup>st</sup> year anniversary from the issue date of the Preferred Shares until the 5<sup>th</sup> year anniversary from the issue date of the Preferred Shares. The Board likewise unanimously approved the other indicative terms and conditions of the transaction presented during the said meeting.

On August 28, 2020, the company received from the Securities and Exchange Commission the Certificate of Approval of Valuation dated 16 March 2020 confirming the valuation of shareholder Velarde, Inc.'s advances in the amount of Php209M as payment for the additional issuance of 32,153,846 common shares worth Php22,507,692 (with par value of Php 0.70 per share) out of the unissued portion of the present authorized capital stock of NOW Corporation, based on the conversion price of Php6.50 per share as approved by the board of directors on October 11, 2018 and of the stockholders on March 8, 2019.

At the Special Meeting held on 01 July 2021, the Board of Directors of NOW Corporation unanimously approved, confirmed, and ratified the offer of an existing shareholder, Velarde, Inc., to convert its advances into equity in the amount of Two Hundred Twenty One Million Pesos (Php221,000,000.00) with the conversion price computed based on the Volume Weighted Average Price (VWAP) of the 30-day trading period ending 24 June 2021 or at Php2.38 per share, and the listing with the Philippine Stock Exchange of additional shares resulting from the said conversion. On 24 May 2022, the Board of Directors in its special meeting unanimously approved to reverse its approval on 01 July 2021 on the conversion into equity of the P221,000,000.00 advances from Velarde, Inc..

Likewise, in the same meeting, the Board appointed the Chairman and the President and CEO to be nominated and voted in as members of the Board of Directors of its affiliate, NOW Telecom Company, Inc., to occupy the two (2) board seats proportionate to the Company's current percentage shareholding in the said affiliate.

The Board of Directors resolved that in connection with the Top Up Placement through a Placing and Subscription Transaction whereby 160,000,000 common shares which is equivalent to 8.14% of the total issued and outstanding common shares of the Company shall be offered and sold by an existing shareholder to Qualified Buyers under Section 10(l) of the SRC and/or to not more than 19 non-qualified buyers, and the subsequent issuance by the Company of the same number of common shares to be subscribed to by the Selling Shareholder as previously disclosed

on 24 June 2021 to the Exchange by the Company, the Board of Directors approves the computation of the Subscription Price/Offer Price to be based on a 5% discount to the 30-day Volume Weighted Average Price (VWAP) of the 30-day trading period on the pricing date for the purpose of raising up to Php800,000,000.00 to be used to fund the Company's expansion projects; and that the Board approved the renewal of the mandate of PNB Capital and Investment Company for a period of one (1) year beginning 13 December 2021 as Issue Manager, Financial Advisor and Bookrunner for the Top-Up Placement transaction and the appointment of Cruz Marcelo & Tenefrancia Law Firm as the Company's Transaction Counsel.

## **(1) Business of the Company**

Pursuant to its new primary purpose, the Company has recently shifted its operations into Telecommunications, Media and Technology (TMT). Its new primary purpose is primarily engaged in the business of providing telecommunications, media and information technology products and services under its three key operating business segments, namely: (i) Software Licenses and Services; (ii) IT Manpower and Resource Augmentation; and (iii) Broadband and Wireless Cable TV Services. The Company's diverse products and services portfolio include software application development and maintenance, collaboration software solutions, web integration, web and mobile applications development, technical and maintenance services, IT manpower and resource augmentation, project implementation and management, managed services outsourcing, and fixed wireless broadband services, among others. The Company also offers value-added services through partnerships with companies licensed to provide wired and wireless, fixed and mobile communications and cable TV services.

Among the programs that the Company is currently offering would be TMT services such as broadband networks worldwide, cloud hosting service, virtual private networks, multimedia content, online gaming, web hosting, cloud-based multimedia conference, cloud-based mail and messaging service, electronic communications network and services.

In 2016, the Company expanded its service offerings with the introduction of its "Fiber-in-the-Air" fixed wireless broadband service with a CIR of up to 700 Mbps, a first of its kind in the Philippines. Through its partnership with NOW Telecom and Newsnet, a wireless telecommunications operator and a cable TV service provider, respectively, the Company offers an affordable, alternative and high-speed broadband service of up to 700 Mbps and wireless cable TV services to the underserved and unserved large enterprises such as schools, hospitals, hotels, high-end residential buildings, and commercial buildings with multiple BPO locators. Currently, the Company's client broadband subscription ranges from 5 Mbps to 100 mbps, which may be further increased to up to 700 Mbps, depending on the clients' bandwidth requirements. The Company positions its fixed wireless broadband service either as primary, alternative or as an auxiliary link to existing broadband service providers. In 2018, the Company has since then upgraded its equipment increasing its capacity to 400% of from initial 700Mbps to new equipment upgrade able to service up to 2.4Gbps. This upgrade was done as preparation for the huge demand of that will come from future and existing customers. More than to meet the demand of their customers though, the company also aims to help facilitate the creation of smart cities.

The Company's Fiber-in-the-Air fixed wireless broadband service allows its subscribers to download upload, stream and share files simultaneously without compromising performance. The Company deploys competitively priced high-speed broadband bandwidth resources with high availability through its Point-to-Point and Point-to-Multipoint Radios. From providing Software Licenses and Services to adding IT Manpower and Resource Augmentation and Broadband Wireless Cable TV Services, the Company intends to deliver high-speed broadband services with a CIR of up to 700 Mbps which may be bundled with enterprise collaborations solution, wireless cable television and interactive multi-media applications.

In 2018, the Company, along with its affiliate NOW Telecom launched the "Network ng Mamamayang Pilipino," (NOW NMP) aimed at democratizing the Philippine Telecommunications business by providing internet connectivity solutions across the Philippines through exclusive-distributorship agreements with business partner. NOW prides itself to be a pro-Filipino company with a vision of empowering Filipino enterprises operate businesses that will shape the country's digital landscape.

In November 2021, the Company signed an exclusive agreement with Wallpost, a U.S. based global tech firm in order to provide businesses cloud-based enterprise resource planning solution (ERP). Wallpost works with global telco operators like Ooredoo in Qatar and Tunisia, and Indosat in Indonesia in order to provide SMEs the digital transformation tools. The solution is seen in eliminating the need for business owners to manually manage their data and operations and enable them to focus more on their business goals. The Company has named the service: "NOW EazyBiz". Modules would include Human Resource, Customer Resource Management, Sales, Finance & Accounting, Asset Management & Tracking, and other customizable modules.

In July 2022, the Company, NOW Telecom signed a Memorandum of Agreement with and SBA Towers Philippines, Inc., a subsidiary of SBA Communications Corporation, a NASDAQ-listed firm focused on providing tower infrastructure and other shared infrastructure in the Philippines. The parties are in discussion and negotiating the lease of

build-to-suit sites, towers, and passive telecommunications infrastructure and facilities that will be made available for the installation of NOW Telecom's facilities and equipment to provide telecommunications and/or internet services.

This is part of the roadmap of the NOW Group of providing 5G or the fifth-generation wireless network technology which will allow the delivery of up to 20 gigabit per second speed to enterprises and homes. It is an integral policy in NOW Group's roadmap to partner with trusted vendors that are part of the Clean Network.

On 03 October 2022, the Board of Directors of the Company authorized the management to initiate negotiations with News and Entertainment Network Corporation (Newsnet) to acquire equity ownership in Newsnet, an interactive pay television and multimedia services company assigned with the coveted 26GHz spectrum. This is part of the Company's thrust to expand, consolidate and strengthen its core business, subject to applicable regulatory approval from regulatory agencies and government bodies. Likewise, in the same meeting, the Board approved the execution by the Company, together with NOW Telecom Company, Inc., News and Entertainment Network Corporation, NOW Cable, Inc., and Asian Institute of Journalism and Communication, Inc. of the Memorandum of Agreement creating a common digital infrastructure for internal, private, and public sectors' use, streamlining their operations, optimizing their network utilization, and leveraging on shared services and resources. The Parties agree to expand the existing network on a nationwide basis through collaboration, joint venture, Built Operate Transfer Projects, Private-Public Partnership with local community organizations such as local government units, electric cooperatives, cable tv operators, internet service providers, broadcasters, real estate developers, state universities and colleges, and other community-based organizations, fiber air fixed wireless access network to next generation technology and expand the base stations nationwide.

### BusinessPartners

NOW Telecom Company, Inc. ("NOW Telecom"), is a business partner which is in a unique position to meet the unabated increase in demands for high speed broadband connectivity of large and medium enterprises, government organizations, educational and medical institutions, financial institutions, multi-tenant/ multi-level commercial and residential buildings, clustered urban residential communities and special economic zones. This company is at the forefront in employing the latest state-of-the art wireless technologies to address the demands of clients for customized solutions yet cutting-edge broadband technology.

The Asian Institute of Journalism and Communication, Inc. is a Knowledge Management Center organized in 1980 as a graduate school of journalism, founded on the philosophy that communication is a vital development resource to be used to advance the common good. It has a solid record of more than 30 years in the communication field – as a graduate school for communicators and journalists, a center for continuing education in journalism, communication, and knowledge management, and a research and consulting firm advocating policies and implementing programs and projects that address development issues and concerns both at the levels of national decision making and community-based initiatives.

### Brands

WebsiteExpress.Biz ("WebsiteExpress.Biz") is a one-stop shop website development service - providing micro, small and medium sized enterprises affordable, professional websites in as fast as 5 days.

### Productsand Services

#### □ Cloud Hosting Services

Cloud hosting services cover the virtualization of the IT infrastructure to mitigate the rapid pace of technology obsolescence. These services are available to individual, small medium enterprises and corporate users in two primary space categories: (i) dedicated; and (ii) shared.

In a dedicated space arrangement, clients are allocated dedicated hardware for their exclusive use. Shared set-up is for clients with processing requirements that are not fixed, and which are clustered into a shared hosting server with pre-defined performance commitments.

#### □ Virtual Private Networks

VPN is an end-to-end protection and encryption services on network connectivity that ensures secured data transport. The Company's VPN service provides anonymity on the client's connection to the internet by using thousands of IP addresses and various server connections worldwide. VPN services passes internet filters allowing secure internet access. It also routes all data transport traffic with new IP address through affiliated secured servers located in various locations. This provides tracking difficulty and ensures a slim probability that data transmission will be compromised.

#### □ Cloud-based Multimedia Conferencing Services

Cloud-based multimedia conferencing services consist of cloud-based server and applications capable of hosting multimedia conferencing application that will visually connect people in different physical locations in the virtual space. This service is ideal for conducting classes, presentations, events, meetings, and lectures for participants from multiple locations. This service provides a cost-effective participation of more individuals from multiple locations.

#### □ Web Hosting, Cloud-based Mail and Messaging Services

Web hosting services vary from personal to corporate with e-commerce application development, content management, database and search engine optimization support. Cloud-based mail services carry a variety of mail services ranging from electronic mail facsimile mail, voice mail and video mail. Cloud-based mail services also include storage, calendar, contact and task management, and virus protection. These are available to individual, small medium enterprises and corporate clients.

#### □ Digital Media Production

The Company also offers services such as website development, mobile application development, and animation that can be used by business enterprises to create, manage and sustain their marketing and communications through digital channels that are simple, functional and effective across multiple market segments. These services allow business enterprises to increase their engagement with potential customers and to create an online presence in order to capture a wider base market. One of the Company's notable projects is the "It's More Fun in the Philippines" website and mobile application that supported the campaign of the Department of Tourism. The Company offers its web development through WebsiteExpress.Biz. The Company has established the brand WebsiteExpress.Biz as its vehicle in delivering quality and globally compliant websites catering to micro and medium-sized enterprises. WebsiteExpress.Biz is a one-stop website development service operator that provides development, domain, hosting, secure sockets layer certificates, shopping cart, electronic mail, among others, without engaging multiple service providers. It operates at a subscription model, providing micro and medium-sized enterprises and individual subscribers quality, affordable and efficient websites in a span of five (5) days. One of the key features of WebsiteExpress.Biz is its responsive web design which allows a website to be responsive in all mobile devices without developing a dedicated mobile application for each kind of device.

#### • NOW Eazy Biz

The Company also offers user-friendly and cloud-based software available in any device. The service is called "NOW EazyBiz" and is an Enterprise Resource Planning (ERP) solution that can unify all crucial data points of any business such as sales performance, finance, task management, HR, inventory, and other functions of business.

Under its mobile application development, the Company offers customized mobile applications such as cinematic three-dimensional, game-based learning, rich media, html5 animation and gestures to allow businesses to enhance customer experience and increase brand loyalty. Through its competencies in digital media production, the Company can cater to the requirements and specifications of each client in order to deliver quality mobile applications for their businesses.

### B. IT Manpower and Resource Augmentation

The Company, through its subsidiaries i-Resource and i-Professional, is engaged in the business of providing consulting, technical advice and professional advisory services to persons, firms, association, corporations, partnerships and other entities.

i-Resource is an information technology resource management company that provides IT knowledge professionals to its clients. i-Resource principally deploys IT knowledge professionals to assist its clients in managing the IT operations of their businesses ranging from short to long-term and mission-critical projects, including data center management, network infrastructure maintenance and software management. This is done through i-Resource's dedicated sourcing group and business development managers.

The services of i-Resource can be further categorized into three sub-business segments, namely:

#### □ IT Staff Augmentation

Under this sub-segment, i-Resource provides IT knowledge professionals for the IT-related needs of its clients. Skilled personnel are deployed to provide additional IT knowledge professionals to the client's current roster or to provide additional support to the client's existing project team, for a limited period. Specifically, i-Resource offers the following services:

- a) Resource Management Outsourcing – Resource management outsourcing pertains to the provision of IT knowledge professionals by i-Resource to a client for a specific duration ranging from three (3) months to one (1) year some of which are renewable thereafter. The IT knowledge professionals deployed remain to be employees of i-Resource during the period of engagement.

b) Assignment of Staff – Assignment of staff pertains to the deployment of resource personnel by i-Resource for a client in order to augment client manpower requirements.

c) Project Team Outsourcing – Project team outsourcing ensures enterprises of available project teams that will be assigned to their project without the need to hire them directly. The assigned personnel may include project managers, developers, business analytics and quality assurance testers.

#### □ Managed Services

Aside from providing IT knowledge professionals, the Company, through i-Resource also services its clients by allowing them to outsource certain business process to i-Resource. This managed services also include trainings of IT candidates and team development for its clients. In addition, this sub-segment covers:

a) Managed Service Outsourcing - Clients may outsource a portion of their business processes such as testing & quality assurance services, applications development, applications maintenance, disaster recovery, desktop services, technology help desk services, call center help desk services and network services (broadband internet) to i-Resource, in order for them to focus on their core business activities. i-Resource services regular or critical projects based on targeted outcomes and service level agreements. b) Train and Deploy - i-Resource develops the skills of fresh graduates based on client requirements through boot camps. This is carried out in collaboration with iCollege, which is a center for continuing education established by the Company in partnership with the Asian Institute for Journalism and Communication, a knowledge management center organized in 1980 as a graduate school for journalism.

c) Offsite Team Development – i-Resource develops a dedicated team of IT knowledge professionals specifically for the client requirement, which are housed outside the client's office.

#### □ Search and Select

i-Professional serves as the recruitment arm of its clients by providing the following add-on services:

a) Contract to Hire – This allows enterprises to try and test IT knowledge professionals before actually hiring by outsourcing them for a probationary period of six (6) months. The IT knowledge professionals become employees of the client at the end of the probationary period should they qualify with the standards of the client. The Company charges a one-time absorption fee.

b) Recruitment Process Outsourcing – This provides an end to end recruitment process for companies with huge IT knowledge professional requirements. It also allows enterprises to outsource the recruitment process of IT knowledge professionals for regular placements.

### C. Broadband and Wireless Cable TV Services

The Company offers high-speed broadband service of up to 2.4Gbps guaranteed broadband service to the underserved and unserved large enterprises such as schools, hospitals, high-end residential buildings, business process outsource locators, and commercial buildings.

The Company was the first to market the Fiber-in-the-Air fixed wireless broadband service of up to 2.4Gbps in the Philippines, which allows the Company's subscribers to download, upload, stream and share files simultaneously without compromising performance.

NOW has since then become the largest fixed wireless access broadband internet service provider in the Philippines. The Company deploys high-speed broadband bandwidth resources with high availability through its Point-to-Point and Point-to-Multipoint Radios. The Point-to-Point and Point-to-Multipoint connectivity work through radio antennas that are installed atop strategically selected high-rise buildings and establishments around metropolis. The building's rooftop where the radio antennas are installed must have a line of sight basis from the Company's nearest hub. This allows the user to send data over much greater distances while maintaining speed and has the advantage of connecting users even in remote areas without the need for cables.

To further enhance its clients' experience, the Company maintains a team of engineers and technical support available on a 24/7 basis to keep its subscribers connected.

The Company gets backhaul from transit providers at internet exchange points and from there delivers signals wirelessly to antennas on building rooftops. Inside the buildings, internet access is provided through standard copper wire or fiber if necessary.

From building to building, the Company provides high-speed broadband internet to different clients on a line of sight basis. Line of sight basis is a straight path between a transmitting antenna and a receiving antenna when unobstructed. This will be done by installing devices on top of the hubs and on top of the consumer's building, thereby enabling the Company to transmit broadband internet.

The Company’s network operates by connecting the target buildings through two transceivers on the roof: (i) one transceiver which serves the building; and (ii) another transceiver to serve the next building in the network

**A. Business Partnership Program**

In 2018, The Company, along with its affiliate NOW Telecom launched the “Network ng Mamamayang Pilipino,” (NOW NMP) aimed at democratizing the Philippine Telecommunications business by providing broadband internet connectivity solutions across the Philippines through exclusive-distributorship agreements with local business partners. NOW prides itself to be a pro-Filipino company with a vision of empowering Filipino enterprises operate businesses that will shape the country’s digital landscape.

The Company is partnering with local entrepreneurs and local government units to bring NOW’s technology to a particular area whether for horizontal deployment such as for barangays and wide area network, or for vertical deployment such as for office buildings.

The Company has formed strategic alliances with prominent industrial locators, specifically in the regions of Laguna, Cavite, Batangas, Valenzuela, Caloocan, and Bulacan. These territories boast a significant concentration of manufacturing, logistics, and various other sector-specific industries, all nestled within the confines of industrial parks. The partnership with industrial parks includes support for sales and marketing focusing of providing broadband internet connectivity services while simultaneously engaging in a mutually beneficial revenue sharing arrangement with industrial parks.

The esteemed enterprise has formed strategic alliances with prominent industrial locators, specifically in the regions of Laguna, Cavite, and Batangas. These territories boast a significant aggregation of manufacturing, logistics, and various other sector-specific industries, all nestled within the confines of industrial parks. This collaboration encompasses the endorsement of the Company’s broadband internet connectivity services by the industrial locators, while simultaneously engaging in a mutually beneficial revenue sharing arrangement.

**PART II – MARKET FOR ISSUER’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

On February 7, 2002, the Board of Directors approved the increase in the number of shares of the authorized capital stock of the Company from 4,000,000 shares to 40,000,000 shares and the reduction of par value from Php10.00 per share to Php1.00 per share.

On July 23, 2002, the Board of Directors and stockholders approved the offer of up to 28,000,000 shares from the Company’s unissued common stock through initial public offering (IPO). The application for the IPO of the Company was approved by the PSE and the Securities and Exchange Commission (SEC), on June 11 and July 30, 2003, respectively. The Company was listed in the PSE on July 23, 2003. Issue manager and underwriter was Abacus Capital & Investment Company. The following table is the summary of the Company’s stock prices from first quarter of 2020 up to the 1<sup>st</sup> quarter of 2023:

Year	Quarter	High	Low
2020	1 <sup>st</sup>	2.68	1.00
	2 <sup>nd</sup>	2.50	1.41
	3 <sup>rd</sup>	4.30	1.85
	4 <sup>th</sup>	6.39	3.30
2021	1 <sup>st</sup>	4.55	2.45
	2 <sup>nd</sup>	3.26	2.14
	3 <sup>rd</sup>	3.15	1.77
	4 <sup>th</sup>	1.97	1.22
2022	1 <sup>st</sup>	1.59	1.04
	2 <sup>nd</sup>	1.75	1.11
	3 <sup>rd</sup>	1.24	0.91
	4 <sup>th</sup>	2.27	0.85
2023	1 <sup>st</sup>	2.69	1.51

During the 02 June 2006 Annual Shareholders Meeting of the Company, the shareholders approved the Memorandum of Agreement dated April 28, 2006 (MOA) entered into by the Company with NOW Telecom and five other companies namely, Top Mega Enterprises Limited, Joyce Link Holdings Limited,



Gamboa Holdings, Inc., Emerald Investments, Inc., Food Camp Industries and Marketing, Inc. (the five companies collectively known as NOW Telecom Shareholders).

However, certain amendments were made to the MOA in view of the fact that upon further consultation with the PSE it was determined that the Company could not revise its primary purpose at that time. Hence, the stockholders approved the amendment in the MOA that there will be no change in the primary purpose of the Company. In addition the stockholders also approved the proposal that the Company shall acquire only nineteen percent (19%) equity interest in NOW Telecom and not 97%, as originally intended. It was agreed that the acquisition shall be based on the same terms and valuation stated in the MOA in the event that additional equity in NOW Telecom will be acquired by the Company in the future.

The amendment in the MOA was approved by the stockholders such that the shareholders of NOW Telecom will transfer to the Company shares of NOW Telecom in the aggregate number of 2,656,580 shares constituting 19% equity interest in NOW Telecom in exchange for new shares of the Company with an aggregate value of Php1,289,278,350.00 for 19% of NOW Telecom, or effectively at a price of Php485.315085 per NOW Telecom share.

In accordance with the amendment in the MOA, the needed increase in authorized capital stock of the Company to accommodate the foregoing transaction is Php1,280,000,000 at Php1.00 par value per share. Accordingly, the stockholders approved the proposal to increase the authorized capital of the Company by Php1,280,000,000.

On September 19, 2006, the SEC approved the increase in the authorized (to Php1.320 Billion) and paid-up capital (to Php1,317,278,350) of the Company as well as the change of the corporate name from Cashrounds, Inc. to Information Capital Technology Ventures, Inc.

On September 27, 2006, the Company submitted to the PSE a listing application of additional 1,289,278,350 common shares to cover its share-for-share swap transaction with NOW Telecom shareholders. Following the Company's re-application for listing of the same shares in October 2008, the PSE approved the same and were listed on February 24, 2009.

On December 10, 2008, the PSE approved the transfer of the listing of the shares of the Company from the SME Board to the Second Board of the PSE, and the transfer finally took effect on June 29, 2009.

On March 12, 2010, the Board approved the Company's increase in authorized capital stock from P1.32 billion to P5 billion as well as the listing of the additional shares from the increase.

On March 16, 2011, the Company filed with PSE its application for transfer from the Second Board to the First Board of the Exchange.

The movement in the number of shares and capital stock amount for the year ended December 31, 2022, 2021 and 2020 are as follows:

#### Common Stock

	2022		2021		2020	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized - ₱0.70 par value in 2020 and 2019 and ₱1.00 par value in 2018</b>						
Balance at beginning of year	2,060,000,000	1,442,000,000	2,060,000,000	₱1,442,000,000	2,060,000,000	₱1,442,000,000
Effect of decrease in par value	-	-	-	-	-	-
<b>Balance at end of year</b>	<b>2,060,000,000</b>	<b>1,442,000,000</b>	<b>2,060,000,000</b>	<b>₱1,442,000,000</b>	<b>2,060,000,000</b>	<b>₱1,442,000,000</b>
<b>Issued and outstanding</b>						
Balance at beginning of year	1,806,726,314	1,264,408,420	1,806,726,314	₱1,264,708,420	1,672,572,468	₱1,170,800,728
Additional issuance	-	-	-	-	102,000,000	71,400,000
Debt to equity conversion	-	-	-	-	32,153,846	22,507,692
Effect of decrease in par value	-	-	-	-	-	-
<b>Balance at end of year</b>	<b>1,806,726,314</b>	<b>1,264,798,420</b>	<b>1,806,726,314</b>	<b>₱1,264,708,420</b>	<b>1,806,726,314</b>	<b>₱1,264,708,420</b>

Preferred Stock	2022		2021		2020	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized</b>						
Balance at beginning and end of year	60,000,000	₱60,000,000	60,000,000	₱60,000,000	60,000,000	₱60,000,000
<b>Issued and outstanding</b>						
Balance at beginning of year	60,000,000	₱60,000,000	60,000,000	₱60,000,000	-	₱-
Issuance					60,000,000	60,000,000
Balance at end of year	60,000,000	₱60,000,000	60,000,000	₱60,000,000	60,000,000	₱60,000,000

No party or person holds any voting trust over any of the Company's shares. There are approximately 71 Holders of Common Stock as of 31 March 2023. The Top Twenty (20) Holders of Common Stock as of 31 March 2023 are as follows:

RANK	NAME	Nationality	TOTAL SHARES	PERCENTAGE (%)
1	PCD NOMINEE CORPORATION	Filipino/ Non-Filipino	1,031,914,208 63,781,096	60.6453
2	VELARDE, INC	Filipino	290,019,514	16.0522
3	TOP MEGA ENTERPRISES, LIMITED	Chinese	237,606,855	13.1512
4	JOYCE LINK HOLDINGS, LIMITED	BVI	75,408,552	4.1738
5	EMERALD INVESTMENTS, INC	Filipino	59,981,925	3.3199
6	GAMBOA HOLDINGS, INC.	Filipino	29,991,254	1.6600
7	FOODCAMP INDUSTRIES AND MARKETING, INC.	Filipino	17,521,531	0.9698
8	CHUA CO KIONG, WILLIAM N.	Filipino	145,000	0.0080
9	CUAN, ROWELL D.	Filipino	26,000	0.0014
10	DE LEON, JOSE MARI S.	Filipino	10,000	0.0006
11	ESPINOSA, JOSEPH	Filipino	10,000	0.0006
12	DIATA, JUDITHA G.	Filipino	10,000	0.0006
13	TARENO, MARIA GUIA I.	Filipino	10,000	0.0006
14	SERANIA, VIRGINIA P.	Filipino	10,000	0.0006
15	FRANCISCO, RICHARD L.	Filipino	10,000	0.0006
16	BOCABIL, ALBEN B.	Filipino	10,000	0.0006
17	DE LA CUESTA, KARLO S.	Filipino	10,000	0.0006
18	LIGUTAN, ENINIAS P.	Filipino	10,000	0.0006
19	PAGUDAR, VENUS B.	Filipino	10,000	0.0006
20	ALVAREZ, JR., SERVANDO B.	Filipino	10,000	0.0006

On April 20, 2022, the Securities and Exchange Commission approved the application of NOW Telecom Company, Inc., formerly an affiliate, now an associate, of the Company, for an increase in its authorized capital stock and the quasi-reorganization of its equity. Previously, on 24 June 2021, the stockholders of the Company approved the increase of its stake in NOW Telecom to 24.23% by subscribing to a portion of the increase in authorized capital stock of NOW Telecom, for a total of PhP600 million, which were part of the proceeds from the placement received from the equity subscription of Velarde, Inc. to the Company.

As a result of the approved application, NOW Telecom increased its authorized capital stock, increased the number of its authorized common shares from 14.59 million common shares to 952.09 million common shares, and lowered its par value from PhP100.00 per share to PhP1.00 per share. In addition, the SEC also certified the approval of the equity restructuring to fully wipe out NOW Telecom's deficit as of December 31, 2020, which better positions NOW Telecom to take on domestic and foreign equity investors in order to raise capital in support of its growth plans.

On 24 May 2022, the Board of Directors in its special meeting unanimously approved to reverse its approval on 01 July 2021 on the conversion into equity of the P221,000,000.00 advances from Velarde, Inc.. The Board likewise approved the conversion of said advances into an interest-bearing loan, effective 24 May 2022, with a term of one (1) year, renewable upon mutual agreement of the parties, with interest based on prevailing market rates. The approvals were made upon recommendations of management, based on proposals from and discussion with Velarde, Inc., given the current market conditions, and to give time to complete the implementation of the pending batches of conversions of advances to equity and cash subscription as previously agreed upon by the parties.

### **Dividends**

No cash dividend was declared in the past three (3) years. There are no restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future.

### **RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION**

**December 31, 2022**

**(Amounts are based on the Separate Unaudited Financial Statements of the Parent Company)**

	Amount
Unappropriated retained earnings (deficit), beginning of year	P24,318,005
Net income during the year closed to retained earnings	9,031,995
<b>Total unappropriated retained earnings available for dividend declaration at end of year</b>	<b>P33,350,000</b>
<i>Reconciliation:</i>	
Unappropriated retained earnings as shown in the financial statements at end of year	P33,350,000
<b>Total unappropriated retained earnings available for dividend declaration at end of year</b>	<b>P33,350,000</b>

### **PART III - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PLANS OF OPERATION**

#### **Registrant's Financial Condition, Changes in Financial Condition and Results of**

#### **Operations**

#### **Plans and Prospects for 2023**

##### **Expansion of Fiber Air Business**

With an unwavering focus on expanding its Fiber Air broadband connectivity to a diverse range of customer segments, including residential, commercial, and enterprise sectors, the Company is committed to fortifying its market reach and penetration. To this end, the Company intends to accelerate its coverage expansion initiatives in its current location by forging partnerships with more multi-dwelling units (MDUs) and industrial parks, thereby enabling it to deliver unparalleled Internet connectivity services that meet and exceed the expectations of its valued customers. This strategic move bears witness to the Company's acumen and sagacity, which are key enablers of its sustained growth and success in the dynamic and highly competitive world of broadband connectivity.

##### **Expansion of Software and IT Services**

The Company maintains its unwavering commitment to augmenting its IT and other cloud-based services which caters to the enterprise segment, by forging partnerships with global technology firms. With this end in view, the Company shall actively pursue collaborations with firms specializing in a broad spectrum of enterprise solutions, ranging from customer relationship management (CRM) to finance and accounting software, as well as emerging technologies such as artificial intelligence software, and other value-added services that cater to the evolving needs of the enterprise domain. This strategic imperative, reflective of the Company's vision, underscores its unflagging quest for excellence and innovation in the realm of cloud-based services.

#### **Increase of Manpower**

Due to the burgeoning demand for broadband connectivity and IT Managed services, the Company endeavors to bolster its human resource capacity by augmenting its sales, engineering, and marketing departments. The Company recognizes that this strategic imperative is pivotal to optimizing its operational efficiency and enhancing its competitive edge in a dynamic and evolving business landscape. As such, it shall be expeditiously executing its recruitment and staffing initiatives to ensure that its workforce is optimally aligned with the changing needs of the market, thereby cementing its position as a trailblazer in the realm of broadband and IT services.

### **Plans and Prospects for 2022**

#### *Expansion of Fiber Air Business*

The Company continues to expand its Fiber Air broadband connectivity coverage to enterprises, residential, and commercial buildings. The Company has identified hyper-growth areas especially in the sub-urban areas such as Laguna, Cavite, and Batangas in the South, and Caloocan, Valenzuela, Bulacan, and Pampanga to the North. These target areas are part of the new territories that NOW would want to expand its service.

#### *Expansion of its Software Collaboration Business*

The Company continues to seek partnerships with global technology firms so it can provide world-class cloud-based services to the enterprise segment. As such, the Company shall pursue partnering with firms offering enterprise solutions such as CRM, finance and accounting software, artificial intelligence software, and other value-added services targeting the enterprises.

#### **Beef-up Operations**

The Company continues to beef-up its operational capacity in order to expand the delivery of its broadband connectivity services to other areas. In addition, the Company aims to expand its internal capacity to market, to sell, and deliver cloud-based services, technical services, and IT Manpower. The Company continues to train its employees in order to be updated with the latest trends, technologies, and techniques in order to carry out the services demanded by the clients. The Company has also implemented an upgrade of its network by implementing cybersecurity measures and protocols.

#### **Forged partnerships with global technology providers**

The Company continues to leverage on its partnership with global media, technology and information technology companies. The Company is seriously considering to offer ICT solutions and services especially in the areas of smart cities, digital transformation consulting services, artificial intelligence, data analytics, and cybersecurity.

### **Plans and Prospects for 2021**

#### **Expansion of Fiber Air Business**

The Company continues to expand its Fiber Air broadband connectivity coverage to enterprises, residential and commercial buildings. The Company's service has been made available in new areas such as Alabang & Laguna in the south, Marikina & Antipolo in the east, and Caloocan & Navotas in the north. The Company continues to also provide its broadband connectivity service to new industries such as manufacturing, business process outsourcing, and eco-zones.

#### **Expansion of the Business Partnership Program**

The Company continues to intensify its business partnership program tagged as Network ng Mamayang Pilipino. The Program has since then expanded its subscribers through its business partners. In addition, the Company has forged a partnership with a major Industrial Park located in Laguna as part of its business partnership program. For its part, the Company has then penetrated huge industries holding offices in the said industrial park.

## Expansion of Existing Software Licenses and Services and IT Manpower

The Company continues to actively sell software solutions, technical services and IT Manpower. The Company has forged deeper ties with global technology providers such as HCL and Microsoft Philippines in order for the Company to resell software collaboration tools and bundle technical services to the enterprise market. The Company, through its subsidiary i-Resource Consulting and iProfessional, continues to provide an extensive base of IT Knowledge Professionals in key sectors such as manufacturing, IT, telecom, and BPO sector.

## Beef-up Operations

The Company continues to beef-up its operational capacity in order to deliver broadband services, software licenses and technical services, and IT manpower. The Company continues to train its employees in order to be updated with the latest trends, technologies, and techniques in order to carry out the services demanded by the clients. The Company has also implemented an upgrade of its network by implementing cybersecurity measures and protocols.

## Forged partnerships with global technology providers

The Company continues to leverage on its partnership with global media, technology and information technology companies. The Company is seriously considering to offer ICT solutions and services especially in the areas of smart cities, digital transformation consulting services, artificial intelligence, data analytics, and cybersecurity.

## Plans and Prospects for 2020

### *Expansion of Fiber Air for Business*

The Company continues to expand its Fiber in the Air business as it continues to penetrate enterprises, commercial and residential buildings. The Company continues to also utilize new technologies in order to provide more capacity to its current and prospective customers. The Company has cemented its position as the largest fixed wireless access provider in the country providing guaranteed broadband internet to enterprises, commercial buildings, and residential buildings. The Company's portfolio of clients includes industries such as hospitality, banking, government agencies, media, education, e-sports, and business process outsourcing companies.

### *Expansion to New Geographical Areas*

The Company continues to expand its Fiber in the Air business to new geographical areas in order to penetrate enterprises, commercial and residential buildings. The geographic areas are considered priority areas due to the growth of broadband internet requirement.

### *Expansion of the Business Partnership Program*

Through the Business Partnership Program tagged as Network ng Mamamayang Pilipino (NOW NMP) program, NOW Corporation's affiliate NOW Telecom will leverage on business partnership opportunities with local government and entrepreneurs to provide better internet connection to the country by democratizing telecommunications.

### *Expansion to Special Economic Clusters*

The Company shall expand its Fiber in the Air service to special economic clusters such ecozones, industrial parks, and other economic clusters perfect for broadband connectivity service to be provided by the Company.

### *Expansion of Existing Software Licenses and Services and IT Manpower*

The Company continues to aggressive sell software solutions, technical services and IT Manpower. The Company aims to maintain its position as the number one social collaborations solutions provider of IBM. In addition, it continues to market and to sell Microsoft software products and licenses. This allows the firm to broaden its customer base in the industry and increase the Company's recurring revenues.

### *Preferred Shares Offering*

With the quasi-reorganization approved by the Securities and Exchange Commission on September 6, 2019, NOW aims to continue the public issuance of up to 10 Million Preferred Shares as part of its Follow-On Offering, a continuing effort since 2017.

## Results of Operations

### Year 2022

Total consolidated revenues in the year 2022 is Php202.543Million, increased by 3% or by Php6.140 Million from last year's revenue of Php196.404 Million. Service revenue increased by 5% or by Php4.585 Million from last year figure of Php 97.836 Million to Php 102.421 Million in 2022. Service revenues mainly pertain to broadband services and income earned from the deployment by the Company of professionals to its clients to render IT-related solutions and services. Broadband services increased by 3% from Php85.001 million to Php87.742 Million in 2022. Sales of Software Licenses slow down with a decrease of Php2.245 Million from Php9.328 Million to Php7.083 million in 2022. While the revenues from the IT Manpower and Resource Augmentation have moved up by 14% from Php12.836 million to Php14.679 million in 2022.

Cost and Expenses in 2022 is Php179.009 Million, which is a Php4.790Million or 3% decrease from last year's Cost and Expenses of Php183.799Million. This was brought about by a decrease in Cost of Sales and Services of Php10.392 Million or 9% from Php 115.955 Million in 2021 to Php 105.563 Million in 2022. Whereas, Operating expenses has increased by Php5.602 Million or 8% from Php67.844Million in 2021 to Php73.446 in 2022 wherein 34% is salaries and other benefits (Php24.749 million), 15% Depreciation and amortization (Php10.817Million) and 15% is professional fees (Php11.009 Million).

Net income after tax jumped by 15% of by Php1.217million from Php7.946million in 2021 to Php9.164million in 2022. Net profit margin is at 4.47% and 4.05% of revenue in 2022 and 2021, respectively.

As of December 31, 2022 the total consolidated assets of the Company stood at Php2.927 Billion which is 4% higher than 2021. Current Assets increased by Php96.209 million or 16% in 2022. This increase was due to Trade and other receivables which is higher by 23%, and Due from related parties which is higher than 10%. While Noncurrent assets remains at Php2.2billion.

Current liabilities increased by Php318.1 million or by 24.43% from Php319.755 million to Php637.867 million as of 2022. This was largely caused by the approval of the Board of Directors on May 24, 2022 for the reversal of the previously approved conversion to equity of Php221million advances from Velarde, Inc. On the said date, the board likewise approved the conversion of the said advances into a loan with a term of one year.

In 2021, the Parent company availed of chattel mortgage loans aggregating ₱7,103,200 from a local bank for purchases of vehicles, which serves as the properties mortgaged. The loans have a term of five (5) years and bears interest rates ranging from 9.43% to 10.35% per annum.

In 2022, the Parent Company further availed of chattel mortgage loans aggregating ₱6,616,000 from the same bank for the same purpose. The loans have a term of 5 years and bears interest rate of 9.44% per annum.

On December 22, 2016, the Company availed of a chattel mortgage amounting to Php564K from a local universal bank for the purchase of a vehicle, which serves as the property mortgage. The new loan requires 60 monthly repayments until November 23, 2021.

The Parent Company availed of an unsecured, short-term loans aggregating ₱50.0 million with Land Bank. The loans carry annual interest rates ranging from 6.50% to 9.75% in 2020 and 4.80% to 7.35% in 2019 (4.80% to 6.74% in 2018) and have maturity dates ranging between three (3) months and six (6) months. The loan was fully paid on January 15, 2021. On February 10, 2021, the Parent Company secured another set of short-term loans totaling ₱50.0 million with Land Bank which was subsequently renewed and is maturing in July 2023.

In October 2018, the Company obtained a term loan of Php50 Million with 8% fixed interest rate from a local universal bank for use in acquisition of capital assets. The company started the monthly repayment of the principal in 2021. On June 16, 2022, the Parent Company further obtained a six-year, unsecured, ₱10.0 million loan agreement with the same local bank maturing on June 16, 2028. The loan carries an interest rate of 9% per annum.

In 06 October2021, the Company obtained a short-term loan of Php50 Million from Unionbank of the Philippines with a floating interest rate of 4.5% per annum to be used for working capital requirements of the company. The loan was subsequently renewed by one (1) year or until September 30, 2023.

As at December 31 2022, the total Assets stood at Php2.927 billion, Liabilities at Php756.582 million and Equity at Php2.170 billion.

The Company's Liquidity Ratio wherein Current Ratio stood at 1.10 from 1:90 in 2021, while Acid Test Ratio stood at 1.04 from 1.78 of the same period last year, due to the result of the May 2022 reversal of debt to equity conversion and reclassification to Short-term liabilities.

The Company's Return on Equity in 2022, and 2021 was at 0.42% and 0.37% respectively.

A further analysis indicates that NOW Corp.'s Asset to Debt Ratio stood at 3.87; while its Debt to Asset Ratio stood at 0.26 in 2022.

### **Year 2021**

The consolidated revenue for the year 2021 amounted to Ph196.404million, there is a decrease of 3% from previous year's Php201.723million. While, the revenue from broadband services has increased to Php85.001million in 2021, higher by Php1.693million or 2% from Php83.308million in 2020. The COVID-19 pandemic has continued to hit the IT manpower and resource augmentation which revenues has decreased by Php5.275million or 29% from Php18.111million in 2021 to Php12.836 million in 2021. Sales of software licenses has also decreased by 16% or by Php1.737 million.

The net income after tax increased by 70% or by Php3.269million from last year's Php4.667million to Php7.946million. The net income before tax increased by Php0.021 million from Php10.751 million in 2020 to Php10.772 million in 2021. There is a decrease of gross profit of 13% from Php92.620million in 2020 to Php80.449million in 2021. Cost of sales and services during the year amounted to Php115.955 million, higher by 6% or Php6.851 million compared to the Php109.103 million cost of sales and services level posted for the year ended December 31, 2020. Due to cost cutting measure implemented during the year, the general and administrative expenses for the year 2021 has decreased to Php67.844million or 12% lower from last year's Php77.448million. This decrease in 2020 was mainly due to the decrease in professional fees and advertising and promotion by 17% and 54% respectively.

As of December 31, 2021, the total consolidated assets of the Company stood at Php2.824 billion compared with last year's Php2.720 billion, an increase by Php103.481 million or 4%. Current Assets increased by Php83.517 million or 16%, from Php522.896 million in 2020 to Php606.414 million in 2021. The increase in Current Assets was mainly due to the increase in Due from Related Parties from Php167.001million in 2020 to Php211.231 million in 2021. Trade and other Receivables increased by 10% from Php305.818 million in 2020 to Php337.025million in 2021. Non-current Assets stood at Php2.217million in 2021.

Current liabilities decreased by Php127.738 million or 29%, from Php447.493 million in 2020 to Php319.755 million in 2021. This was brought by the decrease in the Due to Related party from Php196.700 million in 2020 to Php10.391 million in 2021, in which Php221Million was classified as Deposit for future stock subscription under non-current liabilities. Major factor also was the increased in current portion of loans payable due to the availment of Php50million short-term loan from Unionbank last quarter of 2021.

Noncurrent Liabilities increased from Php134.669million in 2020 to P343.371 million in 2021. On October 31, 2018, the Parent Company signed a five-year ₱50,000,000 loan agreement with PSBC maturing on October 31, 2023. The loan is secured by a real estate and carries an interest rate of 8% per annum. The company started the monthly payment of its principal on February 2021.

On December 22, 2016, the Company availed a chattel mortgage amounting to Php564K from a local universal bank for the purchase of a vehicle, which serves as the property mortgage. The new loan requires 60 monthly repayments until November 23, 2021.

The Parent Company availed of an unsecured, short-term loans aggregating ₱50.0 million with Land Bank. The loans carry annual interest rates ranging from 6.50% to 9.75% in 2020 and 4.80% to 7.35% in 2019 (4.80% to 6.74% in 2018) and have maturity dates ranging between three (3) months and six (6) months. The loan was fully paid on January 15, 2021. On August, 2021, the Parent Company secured another set of short-term loans totaling ₱50.0 million with Land Bank.

Total consolidated assets as of December 31, 2021 stood at Php2.824 billion, with Liabilities at Php663.126 million and Equity at Php2.161 billion.

Current assets increased by 16% and current liabilities increased by 29% resulting to an increase of the Company's Liquidity Ratio wherein Current Ratio stood at 1.90:1 and 1.17:1, while Acid Test Ratio stood at 1.78 and 1.10 for the years 2021 and 2020 respectively.

The Company's Return on Equity for the year ended, 2021 and 2020 was at 0.37% and 0.22% respectively.

A further analysis indicates that NOW Corp.'s Asset to Equity Ratio stood at 1.31x and 1.27x; while its Debt to Equity Ratio stood at 0.31x and 0.27x for the year 2021 and 2020 respectively.

## Year 2020

The consolidated revenue for the year 2020 amounted to Php201.723 million, there is a decrease of 8.62% from previous year's Php220.762 million. While, the revenue from broadband services has increased to Php83.308 million in 2020, higher by Php1.637 million or 2.00% from Php81.671 million in 2019 and Revenue from Software Licenses and services amounted to Php11.065 million in 2020, with an increase of Php7.026 million from 2019 revenue of Php4.039 million. The COVID-19 pandemic impacted the revenue of IT manpower and resource augmentation which has decreased by Php12.662 million or 41.15% from Php30.772 million in 2019 to Php18.111million in 2020. Management Services has also dropped by 14.42% from 2019's revenue.

While there is a slight decrease of gross profit of 8.05% or by Php8.107 million from Php100.727 million in 2019 to Php92.620 million in 2020. The net income before tax dropped by Php4.954 million from Php15.706 million in 2019 to Php10.751 million in 2020. Cost of sales and services during the year amounted to Php109.103 million, lower by 9.11% or Php10.932 million compared to the Php120.035 million cost of sales and services level posted for the year ended December 31, 2019. While there is a decrease in cost of services during the year from previous year's Php118.122 million to Php106.493 million in 2020. Costs relating to software licenses increased from Php1.913million in 2019 to Php2.610 million in 2020. The general and administrative expenses for the year 2020 also decreased to P77.448 million or 5.01% lower from last year's Php81.531 million. This decrease in 2020 was mainly due to the 16.46% decrease in salaries and other benefits from Php29.457 million in 2019 to Php24.609 million in 2020; due to the 35.25% decrease in representation from Php7.572 million in 2019 to Php4.903million in 2020; and due to the 33.52% decrease in transportation and travel from Php4.946million in 2019 to Php3.288 million in 2020. While the professional fees and advertising and promotion increased in 2020 by 56.17% and 24.26% respectively. A total of Php5.758 million provision for impairment loss was recognized in 2020 as compared to 2019's Php0.476 million.

As of December 31, 2020, the total consolidated assets of the Company stood at Php2.720 billion compared with last year's Php2.177 billion, an increase by Php543.691 million or 24.98%. Current Assets decreased by Php99.798 million or 16.03%, from Php622.695 million in 2019 to Php522.896 million in 2020. The decrease in Current Assets was mainly due to the decrease in Due from Related Parties from Php336.978 million in 2019 to Php167.006 million in 2020. Trade and other Receivables increased by 34.66% from Php227.103 million in 2019 to Php305.818million in 2020. Non-current Assets increased by 41.41% or by Php643.489 million in 2020.

Current liabilities increased by Php135.211 million or 43.30%, from Php312.283 million in 2019 to Php447.493 million in 2020. This was brought by the increase of 103.55% of the Due to Related party from Php96.636 million in 2019 to Php196.700 million in 2020.

Noncurrent Liabilities decreased from Php260.387million in 2019 to P134.669 million in 2020. The decrease was due to the approval on March 2020 by the Securities and Exchange Commission of the Debt to Equity Conversion of Php209.000 Million classified as deposit for future stock subscription in 2019. The deposit for future subscription decreased by 57.42% in the year 2020.

On December 22, 2016, the Company availed a chattel mortgage amounting to Php564K from a local universal bank for the purchase of a vehicle, which serves as the property mortgage. The new loan requires 60 monthly repayments until November 23, 2021.

The Parent Company availed of an unsecured, short-term loans aggregating P50.0 million with Land Bank. The loans carry annual interest rates ranging from 6.50% to 9.75% in 2020 and 4.80% to 7.35% in 2019 (4.80% to 6.74% in 2018) and have maturity dates ranging between three (3) months and six (6) months. The loan was fully paid on January 15, 2021. On February 10, 2021, the Parent Company secured another set of short-term loans totaling P 50.0 million with Land Bank.

On October 31, 2018, the Parent Company signed a five-year P50,000,000 loan agreement with PSBC maturing on October 31, 2023. The loan is secured by a real estate and carries an interest rate of 8% per annum.

Total consolidated assets as of December 31, 2020 stood at Php2.720 billion, with Liabilities at Php582.162 million and Equity at Php2.138 billion.

Current assets decreased by 16.03% and current liabilities increased by 43.30% resulting in a decrease of the Company's Liquidity Ratio wherein Current Ratio stood at 1.17:1 and 1.99:1, while Acid Test Ratio stood at 1.10 and 1.84 for the years 2020 and 2019 respectively.

The Company's Return on Equity for the year ended, 2020 and 2019 was at 0.22% and 0.71% respectively.



A further analysis indicates that NOW Corp.'s Asset to Debt Ratio stood at 4.67x and 3.80x; while its Debt to Asset Ratio stood at 0.21x and 0.26x for the year 2020 and 2019 respectively.

#### Receivables and Payables with Related Parties Eliminated During Consolidation

The amount eliminated with related parties on trade receivables and payables are:

	<b>Balance at end of year</b>
Softrigger Interactive, Inc.	P2,452,800
I-Professional Search Network, Inc.	12,475,134
I-Resource Consulting International, Inc.	5,799,576
	<b>P20,727,510</b>

#### Key Variable and Other Qualitative and Quantitative Factors

The performance indicators are the (1) Gross revenues earned for the period, (2) Profit Margin, (3) Net Income. Deals in process are monitored and discussed on a monthly basis, including a review of the possible income that may arise from the deals that may close for a certain period.

#### Financial Soundness Indicators

Financial Soundness Indicators		December 31	
		2022	2021
Liquidity	Current Ratio	1.10	1.90
	Acid Test Ratio	1.04	1.78
Solvency	Debt to Equity Ratio	0.315	0.31
	Asset to Debt Ratio	3.87	4.26
	Debt to Asset Ratio	0.26	0.23
Equity	Asset to Equity Ratio	1.35	1.31
Interest	Interest Rate Coverage Ratio	1.85	2.07
Profitability	Profit Margin	0.04	0.04
	Return on Assets	0.003	0.003
	Return on Equity	0.004	0.004
	Book Value per share	1.20	1.19
	Earnings per share	0.005	0.004

The Financial Indicators are computed as follows:

Liquidity:                      Current Ratio = Current Assets/Current Liabilities  
    Acid Test= (Current Assets- Inventory- Prepayments) / Current Liabilities

Solvency:                        Debt to Equity Ratio = Total Liabilities/Total Stockholders' Equity  
    Debt to Asset Ratio = Total Liabilities/Total Assets  
    Asset to Debt Ratio= Total Assets / Total Liabilities

Equity:                            Asset to Equity Ratio = Total Assets/Total Stockholders' Equity

Interest:                         Interest Rate Coverage Ratio = Earnings Before Interest and Taxes/Interest Expense

Profitability:                    Profit Margin %: Profit margin = Gross Profit/Total Revenue x 100  
    Return on Assets %: Return on assets = Net Income/Total Assets x 100  
    Return on Equity % = Net Income/Total Stockholders' Equity x 100  
    Book Value per share = Total Stockholders' Equity/Average Outstanding Shares  
    Earning per share = Net Income/Average Outstanding Shares

#### *Any Known Trends, Events or Uncertainties*

There are no known trends, demand, commitments, events or uncertainties that will have a material impact on the Company's liquidity, nor any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

#### *Events that will trigger Direct or Contingent Financial Obligation*

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

#### *Material Off-Balance Sheet Transactions*

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

#### *Material Commitment for Capital Expenditures*

As the business volume builds up progressively, the Company also plans to beef up its organization by engaging the right talents particularly to join the telecommunications, media, information technology and product development and marketing teams.

#### **Trends, Events or Uncertainties (Material Impact on Sales)**

There is no seasonality or cyclicity of the interim operations of the Company.

#### **Compliance with Corporate Governance**

Compliance with the principles of good corporate governance starts with the Board of Directors. It is the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Company, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

The Company has complied with the requirements of the Revised Manual on Corporate Governance for the completed year, and no deviation was made in any form as provided for in the Compliance System of the Model Manual. The Company has undertaken measures in adopting the leading practices on good corporate governance by regularly reviewing and discussing compliance with the said manual. Any plan to improve the Company's corporate governance will be discussed in the coming annual stockholders' meeting.

**SIGNATURES**

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on this 26<sup>th</sup> day of April 2023.

**NOW CORPORATION**

By:



**HENRY ANDREWS B. ABES**  
President and CEO



**JOZOLLY O. RAMOS**  
Acting Chief Finance Officer



**ANGELINE L. MACASAET**  
Corporate Secretary

**NOTICE AND AGENDA  
OF THE ANNUAL MEETING OF STOCKHOLDERS  
OF  
NOW CORPORATION**

TO: THE STOCKHOLDERS OF NOW CORPORATION

The annual meeting of the stockholders of NOW Corporation (the "Corporation") is scheduled on 01 June 2023 (Thursday), at 10:00 o'clock in the morning, with the following agenda:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 02 June 2022
4. Ratification of all acts and resolutions of the Board of Directors and Management for 2021 up to the date of the annual meeting of stockholders on 01 June 2023
5. President's Report and Annual Report
6. Election of Directors
7. Appointment of External Auditor and Approval of the Audited Financial Statements
8. Other Matters
9. Adjournment

The record date for stockholders entitled to notice of, and vote at, the said meeting is 15 May 2023. Pursuant to SEC Memorandum Circular (SEC MC) No. 6 series of 2020, which allows for corporate meetings held through remote modes of communication, the meeting will be conducted through the Zoom application. A separate Zoom meeting invite will be sent to all qualified participants.

Stockholders may attend the remote meeting by themselves or by proxy. Any instrument authorizing a proxy to act as such and notification by a shareholder to attend the meeting shall be submitted to the Corporate Secretary through electronic mail ([angeline.macasaet@now-corp.com](mailto:angeline.macasaet@now-corp.com)) at least three (3) days before the remote meeting, or by 29 May 2023. With the said Proxy and notification from the shareholder, the Zoom link to the meeting (with Meeting ID and password) will be provided to the participating shareholder by the Corporate Secretary.

Electronic copy of the Information Statement, SEC Form 17-A and other pertinent documents, as may be necessary under the given circumstance, shall be available in the Company's website and/or PSE Edge.

  
**ANGELINE L. MACASAET**  
Corporate Secretary

## CERTIFICATION

I, **ANGELINE L. MACASAET**, of legal age, Filipino, and with office address at Unit 5-1, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca corner Dela Rosa and Gil Streets, Legaspi Village, Makati City, hereby state and certify under oath, that:

1. I am the Corporate Secretary of **NOW CORPORATION**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal address at Unit 5-1, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca corner Dela Rosa and Gil Streets, Legaspi Village, Makati City (the "Company").

2. I hereby certify that the following members of the Board of Directors and officers of the Corporation do not work for and are not employed by ab government office, tribunal, body or agency:

- a. Mel V. Velarde
- b. Francis Xavier L. Manglapus
- c. Henry Andrews B. Abes
- d. Jose S. Alejandro
- e. Thomas G. Aquino
- f. Vicente Martin W. Araneta III
- g. Gerard Bnn R. Bautista
- h. Domingo B. Bonifacio
- i. William T. Torres
- j. Colin R. Christie
- k. Jozolly O. Ramos
- l. Arturo D. Sabino


3. This Certification is being issued to attest to the truth of the foregoing and for purposes of complying with the requirements of the Securities and Exchange Commission in connection with the filing of the Corporation's Definitive Information Statement.

IN WITNESS WHEREOF, I have hereunto set my hand this 2<sup>nd</sup> April day of 2023 at Makati City.

  
**ANGELINE L. MACASAET**  
Corporate Secretary

**SUBSCRIBED AND SWORN TO** before me this 2<sup>nd</sup> day of April 2023, affiant personally appeared and exhibited to me her Driver's License with License No. H06-93-002166 issued by the Land Transportation Office valid until 15 November 2031, which serves as competent evidence of identity under the 2004 Rules on Notarial Practice.

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Series of 2023.

  
**ATTY. RAYMOND A. RAMOS**  
COMMISSION NO. M-077  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2024  
5 KALAYAAN AVENUE EXTENSION,  
BARANGAY WEST REMBO 1215, MAKATI CITY  
SC Roll No. 62179/04-25-2013  
IBP NO. 258534, 01-02-2023/Issig City  
PTR NO. MCT 9862360/04-03-2023/Makati City  
MOR Compliance No. VII-R/20180/04-14-2018

REPUBLIC OF THE PHILIPPINES)  
Makati City ) S.S.

**AFFIDAVIT OF UNDERTAKING**

I, **ANGELINE L. MACASAET**, of legal age, Filipino, and with office address at Unit 5-I, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca St., Legaspi Village, Makati City, hereby state and certify under oath, that:

1. I am the Corporate Secretary of **NOW CORPORATION**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal address at Unit 5-I, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca St., Legaspi Village, Makati City (the "Company")


2. The Company hereby undertakes to submit to the Securities and Exchange Commission and the Philippine Stock Exchange copy of the Company's Audited Consolidated Financial Statements (Audited Consolidated FS) for the period ending 31 December 2022, as attachment to the Company's Preliminary Information Statement. The said Audited Consolidated FS has not yet been completed as of this time.

IN WITNESS WHEREOF, I have hereunto set my hand this 26<sup>th</sup> day of April 2023 at Makati City.

  
**ANGELINE L. MACASAET**  
Corporate Secretary

**SUBSCRIBED AND SWORN TO** before me this 26<sup>th</sup> day of April 2023, affiant personally appeared and exhibited to me her Driver's License with License No. H06-93-002166 issued by the Land Transportation Office valid until 15 November 2031, which serves as competent evidence of identity under the 2004 Rules on Notarial Practice.

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**ATTY. RAYMOND A. RAMOS**  
COMMISSION NO. M-077  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2024  
5 KALAYAAN AVENUE EXTENSION  
BARANGAY WEST REMBO 1215, MAKATI CITY  
SC Roll No. 62179/04-26-2017  
IBP NO. 258534/01-02-2023/Pasig City  
PTR NO. MKT 9562350/01-03-2023/Makati City  
MCLE Compliance No. VII-0026100/04-14-2025

REPUBLIC OF THE PHILIPPINES)  
Makati City ) S.S.


### AFFIDAVIT OF UNDERTAKING

I, **ANGELINE L. MACASAET**, of legal age, Filipino, and with office address at Unit 5-I, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca St., Legaspi Village, Makati City, hereby state and certify under oath, that:

1. I am the Corporate Secretary of **NOW CORPORATION**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal address at Unit 5-I, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca St., Legaspi Village, Makati City (the "Company")


2. The Company hereby undertakes to submit to the Securities and Exchange Commission and to distribute to the stockholders of the Company copies of SEC Form 17-Q or the Quarterly Report for the First Quarter of 2023 fifteen (15) days before the Company's Annual Stockholders' Meeting scheduled on 01 June 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 24<sup>th</sup> day of April 2023 at Makati City.

  
**ANGELINE L. MACASAET**  
Corporate Secretary

**SUBSCRIBED AND SWORN TO** before me this 24<sup>th</sup> day of April 2023, affiant personally appeared and exhibited to me her Driver's License with License No. HD6-93-002166 issued by the Land Transportation Office valid until 15 November 2031, which serves as competent evidence of identity under the 2004 Rules on Notarial Practice.

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**ATTY. RAYMOND A. RAMOS**  
COMMISSION NO. M-077  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2024  
5 KALAYAAN AVENUE EXTENSION,  
BARANGAY WEST REMBO 1215, MAKATI CITY  
SC Roll No. 62179/04-26-2013  
IBP NO. 258534/01-01-2023/Pass City  
PTR NO. MKT 9562350/01-03-2023/Makati City  
MCLE Compliance No. VII-AR/2018/01-14-2023

**SECRETARY'S CERTIFICATE**

I, **ANGELINE L. MACASAET**, Filipino, of legal age, with office address at Unit 5-1, 5<sup>th</sup> Floor OPL Building, 100 C. Palanca Street, Legaspi Village, Makati City, after having been duly sworn in accordance with law, do hereby state that:

1. I am the incumbent Corporate Secretary of NOW Corporation, a corporation duly organized and existing under and by virtue of the laws of the Philippines with principal address at Unit 5-1, 5<sup>th</sup> Floor OPL Building, 100 C. Palanca Street, Legaspi Village, Makati City (the "Corporation");

2. I am also a Director and the Secretary of the Executive Committee, the body authorized by the Board of Directors of the Corporation to handle the normal and customary operations of the Corporation;

3. I hereby certify that at the 24 April 2023 meeting of the Executive Committee (ExecCom) conducted online via Zoom application, in which meeting a quorum was present, the following resolutions were unanimously adopted:

**"WHEREAS**, At the Regular Meeting of the Board of Directors of the Corporation held on 10 March 2023, the Board approved the delegation to the Chairman, or in his absence the Vice-Chairman, to the President and to the Acting Chief Finance Officer, the authority to approve the 2022 audited financial statements of the Corporation;

**RESOLVED**, as it is hereby resolved, that the Chairman of the Board, the President and the Chief Finance Officer be authorized to sign the Statement of Management Responsibility in connection with the Company's Audited Consolidated Financial Statements and the Audited Parent Company Financial Statements for the periods ending 31 December 2022, as audited by its external auditor Reyes Tandong & Co."

4. I further certify that the foregoing resolutions have not been revoked, superseded, amended, and that these continue to be in force and effect as of this date.


5. This Certification is issued for whatever legal purpose it may serve.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 24<sup>th</sup> day of April 2023 in Makati City, Philippines.

  
**ANGELINE L. MACASAET**  
Corporate Secretary

**SUBSCRIBED AND SWORN TO** before me this 24<sup>th</sup> day of April 2023, affiant personally appeared and exhibited to me her Driver's License with License No. H06-93-002166 issued by the Land Transportation Office valid until 15 November 2031, which serves as competent evidence of identity under the 2019 Rules on Notarial Practice.

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Series of 2023.

  
**ATTY. RAYMOND A. RAMOS**  
COMMISSION NO. M-077  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2024  
5 KALAYAAN AVENUE EXTENSION,  
BARANGAY WEST REMBO 1215, MAKATI CITY  
SC Roll No. 62179/04-26-2013  
RRP NO. 258534/D1-R2-2023/Paste City  
PTR NO. MCT 9862750/01-03-2023/Makati City  
MCLE Compliance No. V14-499100/04-14-2025



## CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **DOMINGO BUSTOS BONIFACIO**, Filipino, of legal age and with residence address at No. 30 Alfani Street, Portifino Heights, Vista Alabang, Las Pinas City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee as independent director of NOW Corporation in its annual meeting on 01 June 2023 and have been its independent director since 20 January 2017.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Automated Technology (Phils.) Inc. (ATEC) Connectivity Division	EVP/General Manager	July 2016 – Present
Automated Technology (Phils.) Inc. (ATEC)	Board Director	December 2016 – Present
Phil. Chamber of Industrial Estates & Ecozones	Board Trustee	2007- Present
Menlo Health and Wellness Innovations, Inc.	Board Director	2016 - Present
El Circulo Masantonelo Scholarship Foundation	Chairman of the Board	2015 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of NOW Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of NOW Corporation, any of its related companies or any of its substantial shareholders with respect to the relationship/s provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.


7. I shall inform the Corporate Secretary of NOW Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 24<sup>th</sup> day of April 2023 at Makati City, Philippines.

  
DOMINGO BUSTOS BONIFACIO  
Affiant

Subscribed and sworn to before me this 24<sup>th</sup> day of April 2023 at Makati City affiant personally appeared before me and exhibited his Tax Identification No. 199-940-876.

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ATTY. RAYMOND A. RAMOS  
COMMISSION NO. M-077  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2024  
5 KALAYAAN AVENUE EXTENSION  
BARANGAY WEST REMBO 1215, MAKATI CITY  
SC Roll No. 62179/04-26-2013  
IBP NO. 288534/01-02-2023/Passig City  
PTR NO. MKT 9562350/01-03-8023/Makati City  
MCLE Certificate No. VII-0029189/94-14-2023

**CERTIFICATION ON QUALIFICATION OF INDEPENDENT DIRECTOR**

I, **WILLIAM T. TORRES**, Filipino, of legal age, with address at No. 32 Arsenio Jison Street, EVS, B.F. Homes, Las Pinas City, Metro Manila, after having been duly sworn in accordance with law, hereby declare that:

1. I am a nominee as independent director of NOW Corporation in its annual meeting on 01 June 2023 and have been its independent director since 10 February 2021.

2. I am affiliated with the following companies or organizations:

<b>Company/Organization</b>	<b>Position/Relationship</b>	<b>Period of Service</b>
National Academy of Science and Technology	Academician; Member	2001 - Present
Philippine Information Communications Technology Organization	Member	2010 - Present
MFI Polytechnic Institute	Member – Board of Trustee; Vice Chair Since 2014	2003 - Present
Asian Institute of Journalism and Communication	Board Director; Vice Chain since 2002	2000 - Present
Mapua Institute of Technology	Distinguished Professor	2010 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of NOW Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.


4. I am not related to any of the directors/officers/substantial shareholders of NOW Corporation, any of its related companies or any of its substantial shareholders with respect to the relationship/s provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of NOW Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 20<sup>th</sup> day of April 2023 at Makati City, Philippines.




**DR. WILLIAM T. TORRES**  
Affiant

24 APR 2023

**SUBSCRIBED AND SWORN** to before me this \_\_\_ day of April 2023 in Makati City, affiant personally appearing and exhibiting to me his Senior Citizen Card with Serial No. ELO-04161 issued on 22 March 2018 by the Office of the Senior Citizen Affairs of the City of Paranaque, as competent evidence of identity.

Doc. No. W15;  
Page No. W;  
Book No. 0872  
Series of 2023.

  
**ATTY. RAYMOND A. RAMOS**  
COMMISSION NO. M-077  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2024  
5 KALAYAAN AVENUE EXTENSION  
BARANGAY WEST REMBO 1215 MAKATI CITY  
SC Roll No. 62179/04-26-2018  
IBP NO. 258534/01-02-2023/Paraque City  
PTR NO. MKT 9562350/01-03-2023/Makati City  
MCLE Compliance No. VII-0020160/04-17-21

**CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR**

I, **COLIN ROSS CHRISTIE**, a British citizen, of legal age and with residence address at Lot 11, Blk 15, Ph 1, Kapiligan Drive, Ayala Greenfield Estates, Calamba, Laguna, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee as independent director of NOW Corporation in its annual meeting on 01 June 2023 and have been its independent director since 24 June 2021.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Navix Health Inc.	Chairman	Jan 2022 - Present
Analytics Association of the Philippines Inc.	Chair, Advisory Board. Past President and former Member of the Board of Trustees.	Feb 2018 - Present
Medcode, Inc.	Co-Founder, Director	Jan 2016 - Present
Sibol Consultancy Services Inc.	Co-Founder, Director	Oct 2015 - Present
Global Chamber Manila	Executive Director	Sep 2015 - Present
Lifetrack Medical Systems Inc.	Director	June 2014 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of NOW Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of NOW Corporation, any of its related companies or any of its substantial shareholders with respect to the relationship/s provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of NOW Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 24<sup>th</sup> day of April 2023 at Makati City, Philippines.




**COLIN ROSS CHRISTIE**

Affiant

Subscribed and sworn to before me this 24<sup>th</sup> day of April 2023 at Makati City affiant personally appeared before me and exhibited his Tax Identification No. 274-892-514-000.

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Series of 2023.

  
**ATTY. RAYMOND A. RAMOS**  
 COMMISSION NO. M-077  
 NOTARY PUBLIC FOR MAKATI CITY  
 UNTIL DECEMBER 31, 2024  
 5 KALAYAAN AVENUE EXTENSION  
 HARINGAY WEST REMBO 1215, MAKATI CITY  
 SC Roll No. 62179/04-26-2013  
 WP NO. 258534/01-02-2023/Pang City  
 PTR NO. MKT 9582350/01-03-2023/Makati City  
 ICLE Compliance No. VII-0620180/04-14-2025



SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended 31 December 2022

2. SEC Identification Number A199600179 3. BIR Tax Identification No. 004-668-224

4. Exact name of issuer as specified in its charter NOW CORPORATION

5. METROMANILA, PHILIPPINES   (SEC Use Only)  
Province, Country or other jurisdiction of incorporation or organization Industry Classification Code

7. Unit 5-I, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca corner Dela Rosa and Gil Streets, Legaspi Village, Makati City, Philippines  
Address of principal office Postal Code 1229

8. +63288102548  
Issuer's telephone number, including area code

9. N/A  
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	1,806,726,314
Preferred Stock	60,000,000

11. Are any or all of these securities listed on a Stock Exchange.

Yes [ / ] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange - Common Stock

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 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. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the

date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:

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.

Yes [ ]      No [ / ]

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

A. Description of Business

(1) Business Development.

NOW Corporation (the "Company") was originally incorporated on June 5, 1996 as MF Schroder & Co., Inc., initially to engage in the purchase and sale of securities. MF Schroder & Co., Inc. was then a wholly-owned subsidiary of Amalgamated Investment Bancorporation (AIB), a full-fledged and duly licensed investment house.

In January 2002, MF Schroder & Co., Inc. was renamed Cashrounds, Inc. (Cashrounds), with the primary purpose to engage in the business of securities brokerage relating to the sale, transfer or exchange of every description of shares of stock and bonds, and to execute such transactions with the use of information technology.

On March 22, 2005, a Memorandum of Agreement was executed by AIB and Gamboa Holdings, Inc. (Gamboa), whereby AIB agreed to sell and Gamboa agreed to purchase 18,171,286 or 2/3 of the shares of stock of Cashrounds at an aggregate purchase price of Php74,395,000.00.

The sale of Cashrounds shares to Gamboa was made on June 3 and August 30, 2005 which resulted in Gamboa owning 66.67% of Cashrounds.

On April 28, 2006, Cashrounds entered into a Memorandum of Agreement (MOA) with NOW Telecom Company, Inc., formerly known as Next Mobile, Inc. (NOW Telecom) and five controlling shareholders of NOW Telecom namely, Top Mega Enterprises Limited, Joyce Link Holdings Limited, Gamboa Holdings, Inc., Emerald Investments Inc., Food Camp Industries and Marketing, Inc. (the five companies collectively known as NOW Telecom Shareholders) whereby existing shares of NOW Telecom owned by the NOW Telecom Shareholders were swapped with new shares issued by Cashrounds pursuant to an increase in authorized capital stock.

As a result of the above-mentioned exchange of shares of stock, the NOW Telecom Shareholders acquired 97% equity interest of Cashrounds, while Cashrounds acquired 19% of NOW Telecom.

On September 19, 2006, the Securities and Exchange Commission (SEC) approved the increase in the authorized capital stock of Cashrounds to Php1.320 billion with corresponding increase of its paid-up

capital to Php1,317,278,350 as well as the change of the corporate name from Cashrounds, Inc. to Information Capital Technology Ventures, Inc.

On July 24, 2008, the SEC approved the amendment of Article II of the Articles of Incorporation of the Company's Primary Purpose to read as follows:

To engage in the business of providing telecommunications, media and information technology products and services, such as but not limited to the research, development, production, management, marketing, and operation of the following: telecommunications value added services through companies duly licensed to engage in wired and wireless, fixed and mobile communications; software and hardware technology, business process outsourcing, call center and other information technology applications; digital media and other media except mass media; and to do all activities directly or indirectly connected therewith or incident thereto.

On December 10, 2008, the Philippine Stock Exchange (PSE) approved the application of the Company to list additional shares to cover its share-for-share swap transactions with the shareholders of NOW Telecom. In addition, PSE likewise approved the Company's transfer from the SME Board to the Second Board of the Exchange.

On February 20, 2009, the PSE issued a circular informing the investing public of the Company's listing of additional 1,289,278,350 common shares effective February 24, 2009. This is to cover the share-for-share swap transactions with the shareholders of NOW Telecom, namely, Top Mega Enterprises Limited, Gamboa Holdings, Inc., Emerald Investments, Inc., Joyce Link Holdings Limited and Food Camp Industries and Marketing, Inc., at a swap price of ₱1.00 per share.

The transfer of the Company from the SME to the Second Board took effect on June 29, 2009.

On March 12, 2010, the Board of Directors of the Company (BOD) approved the Company's transfer from the Second board to the First Board of the Exchange. In addition, the BOD approved the Company's increase in authorized capital stock from P1.32 billion to P5 billion as well as the listing of the additional shares from the increase. Finally, the BOD approved the amendment of the Company's By-Laws that will allow waiver of pre-emptive rights.

On August 3, 2010, the SEC approved the Amendment of the Seventh Article of the Articles of Incorporation of the Company to read as follows:

“No stockholder shall have any pre-emptive right of subscription to any class of shares of stock of this Corporation, whether to the present authorized capital stock or any future increases thereof.”

On March 8, 2011, the Company filed with PSE its application for transfer from the Second Board to the First Board of the Exchange.

The amendment of the Company's Secondary Purposes to include the following was ratified by the stockholders of the Company during the June 2, 2011 Annual Stockholders' Meeting.

- a. To provide professional services and manpower in the field of telecommunications, media and information technology.
- b. To buy, sell, lease, assemble, import, export, process and deal in any and all classes of materials, merchandise, supplies and commodities of every kind and nature;
- c. To act as commission agent, manufacturer's representative, or principal for the purchase, sale distribution, manufacture, assembly, import or export of any and all classes of materials, merchandise, supplies and commodities of every kind and nature; and
- d. To engage in and carry on the business of general and retail merchants, traders, factors, agents, manufacturers, processors, dealing in or with any and all classes of materials, merchandise, supplies and commodities of every kind and nature.

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On March 17, 2011, the Company's Board of Directors confirmed/ratified the establishment of the Company's wholly-owned subsidiary named J-Span IT Services, Inc. in Tokyo, Japan. The Board likewise approved the establishment in the Philippines of a wholly-owned subsidiary to be named I-Resource Consulting International, Inc.



On May 25, 2011, the SEC approved the incorporation of I-Resource Consulting International, Inc. as a wholly owned subsidiary of the Company. The primary purpose of I-Resource Consulting International, Inc. is to provide consulting, technical advice and professional advisory services to persons, firms, association, corporations, partnerships and other entities.

On June 10, 2011, the SEC approved the incorporation of Porteon SEA, Inc., a wholly-owned subsidiary of the Company with the primary purpose of engaging in the business of manufacturing, marketing and selling of vehicles of all types, including but not limited to electric vehicles.

The amendment of the Secondary Purposes was approved by the SEC on August 25, 2011.

On August 25, 2012, the SEC approved the incorporation of I-Professional Search Network, Inc., a wholly-owned subsidiary of the Company. The primary purpose of I-Professional Search Network, Inc. is the recruitment and placement of workers domestically. This is aimed at broadening the Company's base in the area of service-related business as well as to complement the Company's other wholly-owned subsidiary, I-Resource Consulting International, Inc., which provides consulting, technical advice and professional advisory services to persons, firms, association, corporations, partnerships and other entities.

The Board of Directors and Stockholders of the Company approved the name change from Information Capital Technology Ventures, Inc. to Now Corporation on 02 July 2013 and 06 June 2013, respectively. On 16 August 2013, the SEC issued the Certificate of Filing of Amended Articles of Incorporation and the Certificate of Revision of the Title of Amended By-Laws certifying the said name change.

On December 27, 2013, the Company paid the amount of Php3,000,000.00 for the Company's subscription to 110,000 shares (at Php100.00 per share) on the proposed increase in the authorized capital stock of I-Resource from Php1,000,000.00 to Php12,000,000 or increase from 10,000 shares to 120,000 shares. The proposed increase in the authorized capital stock of i-Resource was approved by the SEC on April 2, 2014.

During the Special Stockholders' Meeting held on January 22, 2015, the shareholders approved the following: 1) increase of the capital stock of the Company from Php1.32B to Php2.120B or an increase of Php800M; 2) conversion of advances made by a shareholder, Velarde, Inc., in the amount of Php200M; 3) application for listing with the PSE of the additional 200M shares to be issued from the increase in authorized capital; and 4) waiver by a majority vote representing the outstanding shares held by the minority shareholders present of the conduct of a rights or public offering of the shares to be subscribed by Velarde, Inc. The Company's Board of Directors had previously approved a higher increase of Php2.7B during its November 27, 2014 meeting. However, upon further study and discussion, a lower amount was recommended and approved by the Board during a special meeting held on 22 January 2015 prior to the Special Stockholders' Meeting scheduled on the same day.

On 17 December 2015, the Securities and Exchange Commission approved the Company's increase in authorized capital from Php1,320,000,000.00 divided into 1,320,000,000 shares of the par value of Php1.00 each to Php2,120,000,000.00 divided into 2,120,000,000 shares of the par value of Php1.00 each.

At the 29 April 2016 Special Meeting of the Board of Directors, the Board approved the increase of the authorized capital stock of the Company from Php2.120B to Php3.0B. The Board likewise approved the conversion into equity of the 264M advances accumulated since year 2011 from a shareholder, Velarde, Inc., at a conversion price of Php1.22/share computed/based on the daily average of the volume-weighted average price of NOW shares for a 30-day trading period ending 14 April 2016; Finally, the Board approved the listing of 216M shares that will be issued out of the said conversion and increase in authorized capital stock.

In its 02 September 2016 Special Meeting, the Board of Directors approved the amendment of the Seventh Article of Incorporation to authorize the creation of Sixty Million (60,000,000) Redeemable, Convertible, Non-Participating and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share. The Board likewise approved the setting of the special stockholders' meeting on 08 November 2016 with the record date of 28 September 2016.

During the 08 November 2016 Special Stockholders' Meeting, the shareholders present, by a <sup>55</sup> unanimous vote, approved the following: 1) Minutes of the Annual Stockholders' Meeting held on 02 June 2016; 2) Amendment to the Seventh Article of Incorporation (creation of 60M Redeemable, Convertible, Non-Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share; 3) Approval for listing of 60M Redeemable, Convertible, Non-Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of

One Peso (Php1.00) per share; 4) Approval for issuance and public offering of 60M Redeemable, Convertible, Non-Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share.

The Shareholders likewise expressly granted the authority to the Board of Directors to determine: (1) whether the issuance of the Preferred Shares shall be with or without warrants; (2) the actual number of warrants to be issued in connection thereto, which shall in no case be more than two (2) times the total number of Preferred Shares to be issued; (3) the total number of underlying common shares to be issued in connection with such warrant, which shall in no case be more than the number of warrants to be issued; and (4) to determine all other terms and conditions of the warrant including the strike price.

In its 21 December 2016 Regular Meeting, the Board of Directors approved the filing of the Registration Statement, Listing Application and the terms and conditions and such other relevant acts in connection with the intended public offering of shares of the Company.

On 10 January 2017, the Securities and Exchange Commission issued to the Company a Certificate of Filing of Amended Articles of Incorporation (Amending Article VII reclassification of P60,000,000.00 Common Shares to Preferred Shares thereof).

At the 20 January 2017 Special Meeting of the Board, a resolution was passed approving the issuance of detachable warrants in connection with the public offering of the Company's preferred shares;

At the 07 August 2017 Regular Meeting of the Board of Directors, the following resolutions were approved: 1) Acceptance of disengagement of SB Capital Investment Corporation ("SB Capital") as one of the Joint Issue Managers, Joint Bookrunners and Joint Lead Underwriters. 2) Appointment of SB Capital as the Company's Financial Advisor; 3) Grant of authority to the Chairman and President and CEO to negotiate and engage the services of an Issue Manager, Bookrunner, Lead Underwriter for its proposed public offer of preferred shares; 4) Reduction of the Company's proposed public offering of its preferred shares from 15M preferred shares with 30M warrants to 5M preferred shares with 30M warrants thus resulting in the reduction of the offer size from Php 1.5B to Php 500M.

In its 20 December 2017 Regular Meeting, the Board approved, in relation to its conduct of Public Offering by way of a Follow-On Offering ("FOO") of its Preferred Shares of stocks, the offer and sale of up to 10,000,000 out of the 60,000,000 redeemable, convertible, non-participating and non-voting preferred share with detachable warrants out of the unissued portion of the authorized capital stock of the Corporation (the "Offer Shares") and up to 20,000,000 Detachable Subscription Warrants to be issued free of charge with 20,000,000 underlying common shares (collectively, the "Warrant").

On 22 December 2017, NOW Corporation filed its Registration Statement and Prospectus with the Securities and Exchange Commission ("SEC") pursuant to the Company's application for the Follow-On Offering of 5,000,000 redeemable, convertible, cumulative, non-participating, non-voting, Peso-denominated, preferred shares with an Oversubscription Option of [5,000,000] with a par value of one peso (₱1.00) per share, with 10,000,000 detachable subscription warrants to be issued free of charge with 10,000,000 underlying common shares, with an Oversubscription Option of 10,000,000 Warrants and 10,000,000 underlying common shares of NOW Corporation.

In its 15 March 2018 Regular Meeting, the Board resolved to delegate to the Executive Committee the setting of the final conversion price related to the conversion into equity of the Php264,000,000.00 advances from a shareholder. Said conversion into equity was previously approved in 2017 by both the Board and the Stockholders, respectively, and was likewise promptly disclosed to the Philippine Stock Exchange.

The shareholders present by a unanimous vote likewise affirmed / confirmed their approval, made at the 02 June 2016 Annual Stockholders' Meeting, of the increase in authorized capital stock of the Company as well as the conversion into equity of the Php264M advances from a shareholder, Velarde, Inc., at the conversion price computed based on the daily average of the Volume-Weighted Average Price of NOW Corporation shares for a 30 day trading period ending 14 April 2016 as well as the listing of corresponding shares that will be issued out of the said conversion. The conversion price shall be set between Php1.50 per share to Php1.70 per share range. The Board of Directors is given the delegated authority to finalize the terms and other details pertaining to such increase and conversion price within the respective ranges herein set forth. <sup>66</sup>

On 22 June 2018, the Securities and Exchange Commission issued the Certificate of Filing of Enabling Resolution in relation to the Company's offer of 5,000,000 Redeemable Convertible Cumulative

Non-Participating Non-Voting Peso-denominated Preferred Shares and designate the series as the Preferred "A" Shares with an Oversubscription Option of 5,000,000 Preferred A Shares, with 25,000,000 underlying Common Shares and an additional 25,000,000 Common Shares upon the exercise of the Oversubscription Option, which Common Shares shall be issued upon conversion of the Preferred Shares, with Detachable Warrants, under the terms and conditions thereof.

On 27 June 2018, the Philippine Stock exchange approved the application of the Company to list an additional 200,000,000 common shares to cover its debt-to-equity conversion transaction with its shareholder.

At the Special Meeting of the Board of Directors of NOW Corporation held on 11 October 2018, the Board approved the conversion into equity by its shareholder Velarde, Inc. in the amount of Two Hundred Nine Million Pesos (Php209,000,000.00) with the conversion price computed based on the Volume Weighted Average Price (VWAP) of the 30-day trading period ending 11 October 2018.

At the special meeting of the Board of Directors of NOW Corporation held on 28 December 2018, the Board approved the Company's equity restructuring plan by reducing the par value of the common shares of stock of the Company and by applying the resulting additional paid-in capital to eliminate its accumulated deficit. For this purpose, the Board approved the amendment of Article Seventh of NOW's Articles of Incorporation to reduce the par value of common shares from One Peso (Php1.00) per share to Seventy Centavos (Php0.70) per share, and the resulting decrease of NOW's authorized capital stock from Php2,120,000,000.00 divided into 2,060,000,000 common shares with par value of One Peso (Php1.00) each to Php1,442,000,000 divided into 2,060,000,000 common shares with par value of Seventy Centavos (Php0.70) each.

At the Special Stockholders' Meeting of NOW Corporation held on 08 March 2019, the stockholders unanimously approved the Company's equity restructuring plan by reducing the par value of the common shares of stock of the Company and by applying the resulting additional paid-in capital to eliminate its accumulated deficit. For this purpose, the stockholders unanimously approved the amendment of Article Seventh of NOW's Articles of Incorporation to reduce the par value of common shares from One Peso (Php1.00) per share to Seventy Centavos (Php0.70) per share, and the resulting decrease of NOW's authorized capital stock from Php2,120,000,000.00 divided into 2,060,000,000 common shares with par value of One Peso (Php1.00) each to Php1,442,000,000 divided into 2,060,000,000 common shares with par value of Seventy Centavos (Php0.70) each.

Likewise, the stockholders unanimously approved the conversion of advances into equity of its shareholder Velarde, Inc. in the amount of Two Hundred Nine Million Pesos (Php209,000,000.00) with the conversion price computed based on the Volume Weighted Average Price (VWAP) of the 30-day trading period ending 11 October 2018 or at Php6.50 per share, and the listing of additional shares resulting from the said conversion. The waiver by a majority vote representing the outstanding shares held by the minority shareholders present of the conduct of a Rights or Public Offering of the Shares to be subscribed to by Velarde, Inc. was likewise affirmed/confirmed. In the same meeting, the stockholders also approved the revision of the earlier approval made during the Annual Stockholders' Meeting held on 07 June 2018 to increase the authorized capital stock of the Company within a range between Php600M and Php700M in connection with the earlier conversion of another tranche of advances made by Velarde, Inc. to NOW Corporation in the amount of Php264 Million. Only the conversion into equity of Velarde, Inc.'s advances in the amount of Php264M based on the adjusted conversion price range between Php1.50 and Php1.70 per share as well as the listing of additional shares resulting from the said conversion are approved and affirmed for implementation. The contemplated increase in authorized capital stock is deemed set aside.

On September 6, 2019 The Securities and Exchange Commission approved the Company's application for equity restructuring and the decrease in its authorized capital and par value per share, wiping out the deficit as of 31 December 2018 in the amount of Php402,105,543.00 against the reduction surplus of Php455,183,505.00.

With the amendment of Article Seventh of NOW's Articles of Incorporation, the resulting authorized capital stock of the Company is One Billion Five Hundred Two Million Pesos (Php1,502,000,000.00), Philippine Currency, and said capital stock is divided into Two Billion Sixty Million (2,060,000,000) common shares, with a par value of Seventy Centavos (Php0.70) each and Sixty Million (60,000,000) Redeemable, Convertible, Non- Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share.

The equity restructuring did not reduce the number of issued, outstanding and listed shares and will not change a stockholder's interest in the Company. Furthermore, the Php1.00 par value per share of the existing preferred shares will not change.

On 06 November 2019, the Securities and Exchange Commission issued a Certificate of Approval of Valuation confirming the valuation of shareholder Velarde, Inc.'s advances in the amount of Php264M as payment for the additional issuance of 155,294,118 common shares worth Php108,705,882.60 (with par value of Php 0.70 per share) out of the unissued portion of the present authorized capital stock of NOW Corporation, based on the conversion price of Php1.70 per share as approved by at least majority of the stockholders and Board of Directors at their respective meetings held on 08 March 2019.

At the Special Meeting held on 24 August 2020, the Board of Directors of the Company approved, confirmed, and ratified the offer of an existing shareholder, Velarde, Inc., to subscribe to a) 102,000,000 common shares of NOW, equivalent to a 5.75% equity stake in NOW post subscription, at Php2.25/share or a total aggregate amount of Php229,500,000.00; and b) 60,000,000 Redeemable Convertible Cumulative Non-Participating Non-Voting Peso-denominated Preferred Shares of NOW, with 1 free Detachable Warrant for every preferred share subscribed to (1:1 ratio), exercisable after the 2<sup>nd</sup> year anniversary from issue date, at a subscription price of Php1.00 per Convertible Preferred Share. The Detachable Warrants are exercisable after the 2<sup>nd</sup> year anniversary from issue date at a price of Php2.25 per common share. The Preferred Shares may be converted to common shares of the Company at a conversion price of Php2.25 per share, which may be exercised at any time from the 1<sup>st</sup> year anniversary from the issue date of the Preferred Shares until the 5<sup>th</sup> year anniversary from the issue date of the Preferred Shares. The Board likewise unanimously approved the other indicative terms and conditions of the transaction presented during the said meeting.

On August 28, 2020, the Company received from the Securities and Exchange Commission the Certificate of Approval of Valuation dated 16 March 2020 confirming the valuation of shareholder Velarde, Inc.'s advances in the amount of Php209M as payment for the additional issuance of 32,153,846 common shares worth Php22,507,692 (with par value of Php 0.70 per share) out of the unissued portion of the present authorized capital stock of NOW Corporation, based on the conversion price of Php6.50 per share as approved by the board of directors on October 11, 2018 and of the stockholders on March 8, 2019.

At the Special Meeting held on 01 July 2021, the Board of Directors of the Company unanimously approved, confirmed, and ratified the offer of an existing shareholder, Velarde, Inc., to convert its advances into equity in the amount of Two Hundred Twenty One Million Pesos (Php221,000,000.00) with the conversion price computed based on the Volume Weighted Average Price (VWAP) of the 30-day trading period ending 24 June 2021 or at Php2.38 per share, and the listing with the Philippine Stock Exchange of additional shares resulting from the said conversion. Likewise, in the same meeting, the Board appointed the Chairman and the President and CEO to be nominated and voted in as members of the Board of Directors of its affiliate, NOW Telecom Company, Inc., to occupy the two (2) board seats proportionate to the Company's current percentage shareholding in the said affiliate. The Board of Directors resolved that in connection with the Top Up Placement through a Placing and Subscription Transaction whereby 160,000,000 common shares which is equivalent to 8.14% of the total issued and outstanding common shares of the Company shall be offered and sold by an existing shareholder to Qualified Buyers under Section 10(l) of the SRC and/or to not more than 19 non-qualified buyers, and the subsequent issuance by the Company of the same number of common shares to be subscribed to by the Selling Shareholder as previously disclosed on 24 June 2021 to the Exchange by the Company, the Board of Directors approves the computation of the Subscription Price/Offer Price to be based on a 5% discount to the 30-day Volume Weighted Average Price (VWAP) of the 30-day trading period on the pricing date for the purpose of raising up to Php800,000,000.00 to be used to fund the Company's expansion projects; and that the Board approved the renewal of the mandate of PNB Capital and Investment Company for a period of one (1) year beginning 13 December 2021 as Issue Manager, Financial Advisor and Bookrunner for the Top-Up Placement transaction and the appointment of Cruz Marcelo & Tenefrancia Law Firm as the Company's Transaction Counsel.

In July 2022, the Company, NOW Telecom signed a Memorandum of Agreement with and SBA Towers Philippines, Inc., a subsidiary of SBA Communications Corporation, a NASDAQ-listed firm focused on providing tower infrastructure and other shared infrastructure in the Philippines. The parties are in discussion and negotiating the lease of build-to-suit sites, towers, and passive telecommunications infrastructure and facilities that will be made available for the installation of NOW Telecom's facilities and equipment to provide telecommunications and/or internet services. This is part of the roadmap of the NOW Group of providing 5G or the fifth-generation wireless network technology which will allow the delivery of up to 20 gigabit per second speed to enterprises and homes. It is an integral policy in NOW Group's roadmap to partner with trusted vendors that are part of the Clean Network.

On 03 October 2022, the Board of Directors of the Company authorized the management to initiate negotiations with News and Entertainment Network Corporation (Newsnet) to acquire equity ownership in Newsnet, an interactive pay television and multimedia services company assigned with the coveted 26GHz spectrum. This is part of the Company's thrust to expand, consolidate and strengthen its core business, subject to applicable regulatory approval from regulatory agencies and government bodies. Likewise, in the same meeting, the Board approved the execution by the Company, together with NOW Telecom Company, Inc., News and Entertainment Network Corporation, NOW Cable, Inc., and Asian Institute of Journalism and Communication, Inc. of the Memorandum of Agreement creating a common digital infrastructure for internal, private, and public sectors' use, streamlining their operations, optimizing their network utilization, and leveraging on shared services and resources. The Parties agree to expand the existing network on a nationwide basis through collaboration, joint venture, Built Operate Transfer Projects, Private-Public Partnership with local community organizations such as local government units, electric cooperatives, cable tv operators, internet service

providers, broadcasters, real estate developers, state universities and colleges, and other community-based organizations, fiber air fixed wireless access network to next generation technology and expand the base stations nationwide.

## (2) Business of the Company

Pursuant to its new primary purpose, the Company has recently shifted its operations into Telecommunications, Media and Technology (TMT). Its new primary purpose is primarily engaged in the business of providing telecommunications, media and information technology products and services under its three key operating business segments, namely: (i) Software Licenses and Services; (ii) IT Manpower and Resource Augmentation; and (iii) Broadband and Wireless Cable TV Services. The Company's diverse products and services portfolio include software application development and maintenance, collaboration software solutions, web integration, web and mobile applications development, technical and maintenance services, IT manpower and resource augmentation, project implementation and management, managed services outsourcing, and fixed wireless broadband services, among others. The Company also offers value-added services through partnerships with companies licensed to provide wired and wireless, fixed and mobile communications and cable TV services.

Among the programs that the Company is currently offering would be TMT services such as broadband networks worldwide, cloud hosting service, virtual private networks, multimedia content, online gaming, web hosting, cloud-based multimedia conference, cloud-based mail and messaging service, electronic communications network and services.

In 2016, the Company expanded its service offerings with the introduction of its "Fiber-in-the-Air" fixed wireless broadband service with a CIR of up to 700 Mbps, a first of its kind in the Philippines. Through its partnership with NOW Telecom and Newsnet, a wireless telecommunications operator and a cable TV service provider, respectively, the Company offers an affordable, alternative and high-speed broadband service of up to 700 Mbps and wireless cable TV services to the underserved and unserved large enterprises such as schools, hospitals, hotels, high-end residential buildings, and commercial buildings with multiple BPO locators. Currently, the Company's client broadband subscription ranges from 5 Mbps to 100 mbps, which may be further increased to up to 700 Mbps, depending on the clients' bandwidth requirements. The Company positions its fixed wireless broadband service either as primary, alternative or as an auxiliary link to existing broadband service providers. In 2018, the Company has since then upgraded its equipment increasing its capacity to 400% of from initial 700Mbps to new equipment upgrade able to service up to 2.4Gbps. This upgrade was done as preparation for the huge demand of that will come from future and existing customers. More than to meet the demand of their customers though, the company also aims to help facilitate the creation of smart cities.

The Company's Fiber-in-the-Air fixed wireless broadband service allows its subscribers to download, upload, stream and share files simultaneously without compromising performance. The Company deploys competitively priced high-speed broadband bandwidth resources with high availability through its Point-to-Point and Point-to-Multipoint Radios. From providing Software Licenses and Services to adding IT Manpower and Resource Augmentation and Broadband Wireless Cable TV Services, the Company intends to deliver high-speed broadband services with a CIR of up to 700 Mbps which may be bundled with enterprise collaborations solution, wireless cable television and interactive multi-media applications.

In 2018, The Company, along with its affiliate NOW Telecom launched the "Network ng Mamamayang Pilipino," (NOW NMP) aimed at democratizing the Philippine Telecommunications business by providing internet connectivity solutions across the Philippines through exclusive-distributorship agreements with business partner. NOW prides itself to be a pro-Filipino company with a vision of empowering Filipino enterprises operate businesses that will shape the country's digital landscape.

In November 2021, the Company signed an exclusive agreement with Wallpost, a U.S. based global tech firm in order to provide businesses cloud-based enterprise resource planning solution (ERP). Wallpost works with global telco operators like Ooredoo in Qatar and Tunisia, and Indosat in Indonesia in order to provide SMEs the digital transformation tools. The solution is seen in eliminating the need for business owners to manually manage their data and operations and enable them to focus more on their business goals. The Company has named the service: "NOW EazyBiz". Modules would include Human Resource, Customer Resource Management, Sales, Finance & Accounting, Asset Management & Tracking, and other customizable modules.

### BusinessPartners

NOW Telecom Company, Inc. ("NOW Telecom"), is a business partner which is in a unique position to meet the unabated increase in demands for high speed broadband connectivity of large and medium enterprises, government organizations, educational and medical institutions, financial institutions, multi-tenant/ multi-level commercial and residential buildings, clustered urban residential communities and special economic zones. This company is at the forefront in employing the latest state-of-the art wireless technologies to address the demands of clients for customized solutions yet cutting-edge broadband technology.

The Asian Institute of Journalism and Communication, Inc. (“AIJC”), is a Knowledge Management Center organized in 1980 as a graduate school of journalism, founded on the philosophy that communication is a vital development resource to be used to advance the common good. It has a solid record of more than 30 years in the communication field – as a graduate school for communicators and journalists, a center for continuing education in journalism, communication, and knowledge management, and a research and consulting firm advocating policies and implementing programs and projects that address development issues and concerns both at the levels of national decision making and community-based initiatives.

## Brands

WebsiteExpress.Biz (“WebsiteExpress.Biz”) is a one-stop shop website development service - providing micro, small and medium sized enterprises affordable, professional websites in as fast as 5 days.

## Products and Services

### A. Software Licenses and Services

#### • HCL Collaboration Solutions

In partnership with HCL, the Company provides HCL collaborations solutions such as provision of software and IT-enabled services aimed at developing business solutions and applications to ease business operations and boost productivity of business enterprises. The Company has been categorized as a premier business partner of IBM as an affirmation of its superior skills and market success. The Company resells essential HCL tools and products that are designed to enable new capabilities that improve business processes and help engage clients and employees in new ways. These HCL tools and products include software for instant messaging that facilitates integrated team collaboration accessible by the client’s employees across all applications and devices; file sharing and enterprise electronic mails which the client can integrate in its business application allowing enterprises to have easy use real-time connections and communication within their office space.; and IBM Ustream video platform which can be utilized by enterprises to distribute content via video.

Aside from these, the Company also resells at a competitive price HCL smartcloud services which include tools for social business in the cloud. The Company also offers a wide array of IT software services including: (i) software application development, maintenance and support; (ii) data analytics; (iii) e-forms; and (iv) portal, all aimed to enhance the client’s overall experience. These services simplify business operations through integrating digital technologies and functionality into a system.

The Company’s services also include technical services namely: migration, network administrator services, technical support and other services related to the maintenance of HCL products.

#### • Cloud Hosting Services

Cloud hosting services cover the virtualization of the IT infrastructure to mitigate the rapid pace of technology obsolescence. These services are available to individual, small medium enterprises and corporate users in two primary space categories: (i) dedicated; and (ii) shared.

In a dedicated space arrangement, clients are allocated dedicated hardware for their exclusive use. Shared set-up are for clients with processing requirements that are not fixed, and which are clustered into a shared hosting server with pre-defined performance commitments.

#### • Virtual Private Networks

VPN is an end-to-end protection and encryption services on network connectivity that ensures secured data transport. The Company’s VPN service provides anonymity on the client’s connection to the internet by using thousands of IP addresses and various server connections worldwide. VPN services passes internet filters allowing secure internet access. It also routes all data transport traffic with new IP address through affiliated secured servers located in various locations. This provides tracking difficulty and ensures a slim probability that data transmission will be compromised.

#### • Cloud-based Multimedia Conferencing Services

Cloud-based multimedia conferencing services consist of cloud-based server and applications capable of hosting multimedia conferencing application that will visually connect people in different physical locations in the virtual space. This service is ideal for conducting classes, presentations, events, meetings, and lectures for participants from multiple locations. This service provides a cost-effective participation of more individuals from multiple locations.

#### • Web Hosting, Cloud-based Mail and Messaging Services

Web hosting services vary from personal to corporate with e-commerce application development, content management, database and search engine optimization support. Cloud-based mail services carry a variety of mail services ranging from electronic mail, facsimile mail, voice mail and video mail. Cloud-based mail services also include storage, calendar, contact and task management, and virus protection. These are available to individual, small medium enterprises and corporate clients.

- Digital Media Production

The Company also offers services such as website development, mobile application development, and animation that can be used by business enterprises to create, manage and sustain their marketing and communications through digital channels that are simple, functional and effective across multiple market segments. These services allow business enterprises to increase their engagement with potential customers and to create an online presence in order to capture a wider base market. One of the Company's notable projects is the "It's More Fun in the Philippines" website and mobile application that supported the campaign of the Department of Tourism. The Company offers its web development through WebsiteExpress.Biz. The Company has established the brand WebsiteExpress.Biz as its vehicle in delivering quality and globally compliant websites catering to micro and medium-sized enterprises. WebsiteExpress.Biz is a one-stop website development service operator that provides development, domain, hosting, secure sockets layer certificates, shopping cart, electronic mail, among others, without engaging multiple service providers. It operates at a subscription model, providing micro and medium-sized enterprises and individual subscribers quality, affordable and efficient websites in a span of five (5) days. One of the key features of WebsiteExpress.Biz is its responsive web design which allows a website to be responsive in all mobile devices without developing a dedicated mobile application for each kind of device.

- NOW Eazy Biz

The Company also offers user-friendly and cloud-based software available in any device. The service is called "NOW EazyBiz" and is an Enterprise Resource Planning (ERP) solution that can unify all crucial data points of any business such as sales performance, finance, task management, HR, inventory, and other functions of business.

Under its mobile application development, the Company offers customized mobile applications such as cinematic three-dimensional, game-based learning, rich media, html5 animation and gestures to allow businesses to enhance customer experience and increase brand loyalty. Through its competencies in digital media production, the Company can cater to the requirements and specifications of each client in order to deliver quality mobile applications for their businesses.

## B. IT Manpower and Resource Augmentation

The Company, through its subsidiaries i-Resource and i-Professional, is engaged in the business of providing consulting, technical advice and professional advisory services to persons, firms, association, corporations, partnerships and other entities.

i-Resource is an information technology resource management company that provides IT knowledge professionals to its clients. i-Resource principally deploys IT knowledge professionals to assist its clients in managing the IT operations of their businesses ranging from short to long-term and mission-critical projects, including data center management, network infrastructure maintenance and software management. This is done through i-Resource's dedicated sourcing group and business development managers.

The services of i-Resource can be further categorized into three sub-business segments, namely:

- IT Staff Augmentation

Under this sub-segment, i-Resource provides IT knowledge professionals for the IT-related needs of its clients. Skilled personnel are deployed to provide additional IT knowledge professionals to the client's current roster or to provide additional support to the client's existing project team, for a limited period. Specifically, i-Resource offers the following services:

a) Resource Management Outsourcing – Resource management outsourcing pertains to the provision of IT knowledge professionals by i-Resource to a client for a specific duration ranging from three (3) months to one (1) year, some of which are renewable thereafter. The IT knowledge professionals deployed remain to be employees of i-Resource during the period of engagement.

b) Assignment of Staff – Assignment of staff pertains to the deployment of resource personnel by i-Resource for a client in order to augment client manpower requirements.

c) Project Team Outsourcing – Project team outsourcing ensures enterprises of available project teams that will be assigned to their project without the need to hire them directly. The assigned personnel may include project managers, developers, business analytics and quality assurance testers.

- Managed Services

Aside from providing IT knowledge professionals, the Company, through i-Resource also services its clients by allowing them to outsource certain business process to i-Resource. This managed services also include trainings of IT candidates and team development for its clients. In addition, this sub-segment covers:

a) Managed Service Outsourcing - Clients may outsource a portion of their business processes such as testing & quality assurance services, applications development, applications maintenance, disaster recovery, desktop services, technology help desk services, call center help desk services and network services (broadband internet) to i-Resource, in order for them to focus on their core business activities. i-Resource services regular or critical projects based on targeted outcomes and service level agreements. b) Train and Deploy - i-Resource develops the skills of fresh graduates based on client requirements through boot camps. This is carried out in collaboration with iCollege, which is a center for continuing education established by the Company in partnership with the Asian Institute for Journalism and Communication, a knowledge management center organized in 1980 as a graduate school for journalism.

c) Offsite Team Development – i-Resource develops a dedicated team of IT knowledge professionals specifically for the client requirement, which are housed outside the client's office.

· Search and Select

i-Professional serves as the recruitment arm of its clients by providing the following add-on services:

a) Contract to Hire – This allows enterprises to try and test IT knowledge professionals before actually hiring by outsourcing them for a probationary period of six (6) months. The IT knowledge professionals become employees of the client at the end of the probationary period should they qualify with the standards of the client. The Company charges a one-time absorption fee.

b) Recruitment Process Outsourcing – This provides an end to end recruitment process for companies with huge IT knowledge professional requirements. It also allows enterprises to outsource the recruitment process of IT knowledge professionals for regular placements.

### C. Broadband and Wireless Cable TV Services

The Company offers high-speed broadband service of up to 2.4Gbps guaranteed broadband service to the underserved and unserved large enterprises such as schools, hospitals, high-end residential buildings, business process outsource locators, and commercial buildings.

The Company was the first to market the Fiber-in-the-Air fixed wireless broadband service of up to 2.4Gbps in the Philippines, which allows the Company's subscribers to download, upload, stream and share files simultaneously without compromising performance.

NOW has since then become the largest fixed wireless access broadband internet service provider in the Philippines. The Company deploys high-speed broadband bandwidth resources with high availability through its Point-to-Point and Point-to-Multipoint Radios. The Point-to-Point and Point-to-Multipoint connectivity work through radio antennas that are installed atop strategically selected high-rise buildings and establishments around metropolis. The building's rooftop where the radio antennas are installed must have a line of sight basis from the Company's nearest hub. This allows the user to send data over much greater distances while maintaining speed and has the advantage of connecting users even in remote areas without the need for cables.

To further enhance its clients' experience, the Company maintains a team of engineers and technical support available on a 24/7 basis to keep its subscribers connected.

The Company gets backhaul from transit providers at internet exchange points and from there delivers signals wirelessly to antennas on building rooftops. Inside the buildings, internet access is provided through standard copper wire or fiber if necessary.

From building to building, the Company provides high-speed broadband internet to different clients on a line of sight basis. Line of sight basis is a straight path between a transmitting antenna and a receiving antenna when unobstructed. This will be done by installing devices on top of the hubs and on top of the consumer's building, thereby enabling the Company to transmit broadband internet.

The Company's network operates by connecting the target buildings through two transceivers on the roof: (i) one transceiver which serves the building; and (ii) another transceiver to serve the next building in the network.

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In 2021, the Company has also expanded its serviceable area coverage in south of Metro Manila namely Laguna, Cavite, and Batangas. It has also expanded in the north in Caloocan and Marikina in the east.

### D. Business Partnership Program



In 2018, The Company, along with its affiliate NOW Telecom launched the “Network ng Mamamayang Pilipino,” (NOW NMP) aimed at democratizing the Philippine Telecommunications business by providing broadband internet connectivity solutions across the Philippines through exclusive-distributorship agreements with local business partners. NOW prides itself to be a pro-Filipino company with a vision of empowering Filipino enterprises operate businesses that will shape the country’s digital landscape.

In 2018, the company, along with its affiliate Now Telecom launched the “ Network ng Mamamayang Pilipino,” (NOW NMP) aimed at democratizing the Philippine Telecommunications business by providing broadband internet connectivity solutions across the Philippines through distributorship agreements with local business partners. Now prides itself to be a pro-Filipino company with a vision of empowering Filipino enterprises operate business that will shape the country’s digital landscape.

The company is partnering with local entrepreneurs and local government units to bring NOW’s technology to a particular area whether for horizontal deployment such as for barangays and wide area network, or for vertical deployment such as for office buildings.

The Company has formed strategic alliances with prominent industrial locators, specifically in the regions of Laguna, Cavite, Batangas, Valenzuela, Caloocan, and Bulacan. These territories boast a significant concentration of manufacturing, logistics, and various other sector-specific industries, all nestled within the confines of industrial parks. The partnership with industrial parks includes support for sales and marketing focusing of providing broadband internet connectivity services while simultaneously engaging in a mutually beneficial revenue sharing arrangement with industrial parks.

## Competition

With the continuous growth of the IT industry, both locally and globally, the competitive landscape has become fierce with the rise of new and innovative technology services in the market. The Company’s products and services have indirect and direct competitors in the following areas:

1. Broadband providers;
2. HCL Lotus Notes resellers and developers;
3. Microsoft Office 365 resellers and developers;
4. Web and mobile app development companies; and
5. Software integrators and software engineering service providers.

As the Company continues to improve and enhance its product and services, its competitive advantage lies in its ability to adopt and utilize new and emerging technologies to deliver a full spectrum of innovative products and services to the market. Setting the Company apart is the provision of its value added services backed by its strong and competent professionals through the synergy and collaboration across the different functional departments of the organization.

## Suppliers

The Company and its subsidiaries and affiliates have a broad range of suppliers, both local and foreign.

## Customers

The Company provides technology solutions to various organizations. It has a wide scope of target customers not dependent on a single or few customer base. The following are target industries for the Company’s products and services:

1. Commercial Banking
2. Microfinancing and rural banking
3. Financial services
4. Manufacturing
5. Transportation
6. Media and Advertising Companies
7. Government Sector
8. Small and Medium Enterprises (SME)
9. Retail
10. Hospitality/Tourism
11. Healthcare

12. Insurance
13. Business Process Outsourcing and Knowledge Process Outsourcing

#### Transactions With and/or Dependence on Related Parties

All transactions with related companies are done on market terms and arm's length basis. See Note for Related Party Transaction of the Notes to the Consolidated Financial Statements.

#### Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements

The Philippine Intellectual Property Office ("IPO") issued on June 28, 2012 and July 5, 2012 a Certificate of Registration for the trademarks J-Span and NowPlanet.TV, respectively. The IPO also issued on 28 February 2013 a Certificate of Registration for the trademark Social Canvass. These registrations shall be effective for 10 years.

As of December 31, 2013, the Company has four (4) other trademark applications pending with the Philippine Intellectual Property Office (IPO). On March 10, 2006, a Certificate of Registration as a Value Added Service (VAS) Provider as Voice over Internet Protocol (VOIP) Provider was issued by the National Telecommunications Commission (NTC). This Certificate has been renewed in March 9, 2021 with validity of one year. In addition, NTC issued on November 27, 2015 (valid until November 26, 2020) a Certificate of Registration in favor of the Company as a Value Added Service entity authorized to offer cloud hosting services, VPN, multimedia content and program services, online game services, cloud-based multimedia conferencing services, web hosting and cloud-based mail and messaging services. The said Certificate of Registration has been renewed in November 27, 2020 and has been renewed for five years (valid until November 26, 2025).

#### Research and Development Activities

The Company did not allocate an amount for research and development activities in years 2022, 2021 and 2020.

#### Governmental Regulations and Environmental Laws

The Company is not aware of any existing or probable governmental regulations that will have a material effect on the business.

The Company and its subsidiaries have not experienced any environmental issues or problems.

#### Employees

The Company has a total workforce of sixty three (63) employees. The following shows the breakdown of the manpower complement of the Company according to business function:

Executive	6
Managerial	7
Administrative	17
Operation	<u>33</u>
Total	<u>63</u>

#### Major Risks

1. Competition. New and existing competitors can erode the Company and its subsidiaries' competitive advantage through the introduction of new products and services, improvement of product quality, increase in production efficiency, new and updated technologies and cost reductions. To manage all these, the Company and its subsidiaries continuously come up with new and exciting products and improve product propositions.
2. Third Party Services. The Company's social media services have a dependence on 3rd parties such as developers and internet providers. Maintaining and sustaining a satisfactory

relationship with third party service providers is critical in ensuring technical support for the Company's social media services. Failure to do so may negatively impact the Company's business since we rely on them for content upgrades, localization and technical support. To mitigate this risk, the Company is constantly in search for the right partners.<sup>3</sup> Internet. The Company's social media services are dependent on the quality and accessibility of the Internet. The over-all user experience may be adversely affected by a poor internet connection. The growth of this sector in the Philippines may be limited as internet access has not reached more far-flung areas in the country.

#### Item 2. Properties

On December 22, 2016, the Company availed of a chattel mortgage loan amounting to Php564,800 (Note 10) from BDO Unibank, Inc. for the purchase of a transportation equipment, which serves as the property mortgaged. The new loan requires sixty monthly repayments of Php11,754 until November 23, 2021, has a term of 5 years and bears an interest rate of 9.44% per annum. The transportation equipment is for the use of sales and technical personnel and developers.

In 2021, the Parent company availed of chattel mortgage loans aggregating ₱7,103,200 from RCBC for purchases of vehicles, which serves as the properties mortgaged. The loans have a term of five (5) years and bears interest rates ranging from 9.43% to 10.35% per annum. The transportation equipment is for the use of employees and executives. In 2022, the Parent Company further availed of chattel mortgage loans aggregating ₱6,616,000 from the same bank for the same purpose. The loans have a term of 5 years and bears interest rate of 9.44% per annum.

In 2021, the lease of NOW Corporation's office located at Unit 5-I, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca Street, Legaspi Village, Makati City was renewed for another year from April 1, 2021 to March 31, 2022.

#### Item 3. Legal Proceedings

The Company is not a party to any civil or criminal litigation or proceeding pending or threatened against or relating to the Company in any of the courts in the Philippines or abroad.

#### Item 4. Submission of Matters to a Vote of Security Holders

None.

### PART II - OPERATIONAL AND FINANCIAL INFORMATION

#### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

On February 7, 2002, the Board of Directors approved the increase in the number of shares of the authorized capital stock of the Company from 4,000,000 shares to 40,000,000 shares and the reduction of par value from Php10 per share to Php1 per share.

On July 23, 2002, the Board of Directors and stockholders approved the offer of up to 28,000,000 shares from the Company's unissued common stock through initial public offering (IPO). The application for the IPO of the Company was approved by the PSE and the Securities and Exchange Commission (SEC), on June 11 and July 30, 2003, respectively. The Company was listed in the PSE on July 23, 2003. Issue manager and underwriter was Abacus Capital & Investment Company. The following table is the summary of the Company's stock prices from first quarter of 2020 up to the 1<sup>st</sup> quarter of 2023:

Year	Quarter	High	Low
2020	1 <sup>st</sup>	2.68	1.00
	2 <sup>nd</sup>	2.50	1.41
	3 <sup>rd</sup>	4.30	1.85
	4 <sup>th</sup>	6.39	3.30
2021	1 <sup>st</sup>	4.55	2.45
	2 <sup>nd</sup>	3.26	2.14
	3 <sup>rd</sup>	3.15	1.77
	4 <sup>th</sup>	1.97	1.22
2022	1 <sup>st</sup>	1.59	1.04
	2 <sup>nd</sup>	1.75	1.11
	3 <sup>rd</sup>	1.24	0.91
	4 <sup>th</sup>	2.27	0.85
2023	1 <sup>st</sup>	2.69	1.51

During the 02 June 2006 Annual Shareholders Meeting of the Company, the shareholders approved the Memorandum of Agreement dated April 28, 2006 (MOA) entered into by the Company with NOW Telecom and five other companies namely, Top Mega Enterprises Limited, Joyce Link Holdings Limited, Gamboa Holdings, Inc., Emerald Investments, Inc., Food Camp Industries and Marketing, Inc. (the five companies collectively known as NOW Telecom Shareholders).

However, certain amendments were made to the MOA in view of the fact that upon further consultation with the PSE, it was determined that the Company could not revise its primary purpose at that time. Hence, the stockholders approved the amendment in the MOA that there will be no change in the primary purpose of the Company. In addition, the stockholders also approved the proposal that the Company shall acquire only nineteen percent (19%) equity interest in NOW Telecom and not 97%, as originally intended. It was agreed that the acquisition shall be based on the same terms and valuation stated in the MOA in the event that additional equity in NOW Telecom will be acquired by the Company in the future.

The amendment in the MOA was approved by the stockholders such that the shareholders of NOW Telecom will transfer to the Company shares of NOW Telecom in the aggregate number of 2,656,580 shares constituting 19% equity interest in NOW Telecom in exchange for new shares of the Company with an aggregate value of Php1,289,278,350.00 for 19% of NOW Telecom, or effectively at a price of Php485.315085 per NOW Telecom share.

In accordance with the amendment in the MOA, the needed increase in authorized capital stock of the Company to accommodate the foregoing transaction was Php1,280,000,000 at Php1.00 par value per share. Accordingly, the stockholders approved the proposal to increase the authorized capital of the Company by Php1,280,000,000.

On September 19, 2006, the SEC approved the increase in the authorized (to Php1.320 Billion) and paid-up capital (to Php1,317,278,350) of the Company as well as the change of the corporate name from Cashrounds, Inc. to Information Capital Technology Ventures, Inc.

On September 27, 2006, the Company submitted to the PSE a listing application of additional 1,289,278,350 common shares to cover its share-for-share swap transaction with NOW Telecom shareholders. Following the Company's re-application for listing of the same shares in October 2008, the PSE approved the same and were listed on February 24, 2009.

On December 10, 2008, the PSE approved the transfer of the listing of the shares of the Company from the SME Board to the Second Board of the PSE, and the transfer finally took effect on June 29, 2009.

On March 12, 2010, the Board approved the Company's increase in authorized capital stock from P1.32 billion to P5 billion as well as the listing of the additional shares from the increase.

On March 16, 2011, the Company filed with PSE its application for transfer from the Second Board to the First Board of the Exchange.

The movement in the number of shares and capital stock amount for the year ended December 31, 2022, 2021 and 2020 are as follows :

## Common Stock

	2022		2021		2020	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized - ₱0.70 par value in 2020 and 2019 and ₱1.00 par value in 2018</b>						
Balance at beginning of year	2,060,000,000	1,442,000,000	2,060,000,000	₱1,442,000,000	2,060,000,000	₱1,442,000,000
Effect of decrease in par value	-	-	-	-	-	-
<b>Balance at end of year</b>	<b>2,060,000,000</b>	<b>1,442,000,000</b>	<b>2,060,000,000</b>	<b>₱1,442,000,000</b>	<b>2,060,000,000</b>	<b>₱1,442,000,000</b>
<b>Issued and outstanding</b>						
Balance at beginning of year	1,806,726,314	1,264,408,420	1,806,726,314	₱1,264,708,420	1,672,572,468	₱1,170,800,728
Additional issuance	-	-	-	-	102,000,000	71,400,000
Debt to equity conversion	-	-	-	-	32,153,846	22,507,692
Effect of decrease in par value	-	-	-	-	-	-
<b>Balance at end of year</b>	<b>1,806,726,314</b>	<b>1,264,798,420</b>	<b>1,806,726,314</b>	<b>₱1,264,708,420</b>	<b>1,806,726,314</b>	<b>₱1,264,708,420</b>

Preferred Stock	2022		2021		2020	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized</b>						
Balance at beginning and end of year	60,000,000	₱60,000,000	60,000,000	₱60,000,000	60,000,000	₱60,000,000
<b>Issued and outstanding</b>						
Balance at beginning of year	60,000,000	₱60,000,000	60,000,000	₱60,000,000	-	₱-
Issuance	-	-	-	-	60,000,000	60,000,000
<b>Balance at end of year</b>	<b>60,000,000</b>	<b>₱60,000,000</b>	<b>60,000,000</b>	<b>₱60,000,000</b>	<b>60,000,000</b>	<b>₱60,000,000</b>

No party or person holds any voting trust over any of the Company's shares. There are approximately 71 Holders of Common Stock as of 31 March 2023. The Top Twenty (20) Holders of Common Stock as of 31 March 2023 are as follows:

RANK	NAME	Nationality	TOTAL SHARES	PERCENTAGE (%)
1	PCD NOMINEE CORPORATION	Filipino/ Non-Filipino	1,031,914,208 63,781,096	60.6453
2	VELARDE, INC	Filipino	290,019,514	16.0522
3	TOP MEGA ENTERPRISES, LIMITED	Chinese	237,606,855	13.1512
4	JOYCE LINK HOLDINGS, LIMITED	BVI	75,408,552	4.1738
5	EMERALD INVESTMENTS, INC	Filipino	59,981,925	3.3199
6	GAMBOA HOLDINGS, INC.	Filipino	29,991,254	1.6600
7	FOODCAMP INDUSTRIES AND MARKETING, INC.	Filipino	17,521,531	0.9698
8	CHUA CO KIONG, WILLIAM N.	Filipino	145,000	0.0080
9	CUAN, ROWELL D.	Filipino	26,000	0.0014

10	DE LEON, JOSE MARI S.	Filipino	10,000	0.0006
11	ESPINOSA, JOSEPH	Filipino	10,000	0.0006
12	DIATA, JUDITHA G.	Filipino	10,000	0.0006
13	TARENO, MARIA GUIA I.	Filipino	10,000	0.0006
14	SERANIA, VIRGINIA P.	Filipino	10,000	0.0006
15	FRANCISCO, RICHARD L.	Filipino	10,000	0.0006
16	BOCABIL, ALBEN B.	Filipino	10,000	0.0006
17	DE LA CUESTA, KARLO S.	Filipino	10,000	0.0006
18	LIGUTAN, ENINIAS P.	Filipino	10,000	0.0006
19	PAGUDAR, VENUS B.	Filipino	10,000	0.0006
20	ALVAREZ, JR., SERVANDO B.	Filipino	10,000	0.0006

On April 20, 2022, the Securities and Exchange Commission approved the application of NOW Telecom Company, Inc., formerly an affiliate, now an associate, of the Company, for an increase in its authorized capital stock and the quasi-reorganization of its equity. Previously, on 24 June 2021, the stockholders of the Company approved the increase of its stake in NOW Telecom to 24.23% by subscribing to a portion of the increase in authorized capital stock of NOW Telecom, for a total of PhP600 million, which were part of the proceeds from the placement received from the equity subscription of Velarde, Inc. to the Company.

As a result of the approved application, NOW Telecom increased its authorized capital stock, increased the number of its authorized common shares from 14.59 million common shares to 952.09 million common shares, and lowered its par value from PhP100.00 per share to PhP1.00 per share. In addition, the SEC also certified the approval of the equity restructuring to fully wipe out NOW Telecom's deficit as of December 31, 2020, which better positions NOW Telecom to take on domestic and foreign equity investors in order to raise capital in support of its growth plans.

On 24 May 2022, the Board of Directors in its special meeting unanimously approved to reverse its approval on 01 July 2021 on the conversion into equity of the P221,000,000.00 advances from Velarde, Inc.. The Board likewise approved the conversion of said advances into an interest-bearing loan, effective 24 May 2022, with a term of one (1) year, renewable upon mutual agreement of the parties, with interest based on prevailing market rates. The approvals were made upon recommendations of management, based on proposals from and discussion with Velarde, Inc., given the current market conditions, and to give time to complete the implementation of the pending batches of conversions of advances to equity and cash subscription as previously agreed upon by the parties.

#### Dividends

No cash dividend was declared in the past three (3) years. There are no restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future.

### **RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION DECEMBER 31, 2021**

(Amounts are based on the Separate Unaudited Financial Statements of the Parent Company)

	Amount
Unappropriated retained earnings (deficit), beginning of year	P24,318,005
Net income during the year closed to retained earnings	9,031,995
Total unappropriated retained earnings available for dividend declaration at end of year	<u>P33,350,000</u>

#### 1. Reconciliation:

Unappropriated retained earnings as shown in the financial statements at end of year	P33,350,000
Total unappropriated retained earnings available for dividend declaration at end of year	<u>P33,350,000</u>

## Recent Sale of Unregistered Securities

There was neither sale of unregistered securities nor issuance of securities constituting an exempt transaction within the last three years.

## Item 6. Management's Discussion and Analysis or Plan of Operation

### **Plans and Prospects for 2023**

#### Expansion of Fiber Air Business

With an unwavering focus on expanding its Fiber Air broadband connectivity to a diverse range of customer segments, including residential, commercial, and enterprise sectors, the Company is committed to fortifying its market reach and penetration. To this end, the Company intends to accelerate its coverage expansion initiatives in its current location by forging partnerships with more multi-dwelling units (MDUs) and industrial parks, thereby enabling it to deliver unparalleled Internet connectivity services that meet and exceed the expectations of its valued customers. This strategic move bears witness to the Company's acumen and sagacity, which are key enablers of its sustained growth and success in the dynamic and highly competitive world of broadband connectivity.

#### Expansion of Software and IT Services

The Company maintains its unwavering commitment to augmenting its IT and other cloud-based services which caters to the enterprise segment, by forging partnerships with global technology firms. With this end in view, the Company shall actively pursue collaborations with firms specializing in a broad spectrum of enterprise solutions, ranging from customer relationship management (CRM) to finance and accounting software, as well as emerging technologies such as artificial intelligence software, and other value-added services that cater to the evolving needs of the enterprise domain. This strategic imperative, reflective of the Company's vision, underscores its unflagging quest for excellence and innovation in the realm of cloud-based services.

#### Increase of Manpower

Due to the burgeoning demand for broadband connectivity and IT Managed services, the Company endeavors to bolster its human resource capacity by augmenting its sales, engineering, and marketing departments. The Company recognizes that this strategic imperative is pivotal to optimizing its operational efficiency and enhancing its competitive edge in a dynamic and evolving business landscape. As such, it shall be expeditiously executing its recruitment and staffing initiatives to ensure that its workforce is optimally aligned with the changing needs of the market, thereby cementing its position as a trailblazer in the realm of broadband and IT services.

### **Plans and Prospects for 2022**

#### Expansion of Fiber Air Business

The Company continues to expand its Fiber Air broadband connectivity coverage to enterprises, residential, and commercial buildings. The Company has identified hyper-growth areas especially in the sub-urban areas such as Laguna, Cavite, and Batangas in the South, and Caloocan, Valenzuela, Bulacan, and Pampanga to the North. These target areas are part of the new territories that NOW would want to expand its service.

#### Expansion of its Software Collaboration Business

The Company continues to seek partnerships with global technology firms so it can provide world-class cloud-based services to the enterprise segment. As such, the Company shall pursue partnering with firms offering enterprise solutions such as CRM, finance and accounting software, artificial intelligence software, and other value-added services targeting the enterprises.

#### Beef-up Operations

The Company continues to beef-up its operational capacity in order to expand the delivery of its broadband connectivity services to other areas. In addition, the Company aims to expand its internal capacity to market, to sell, and deliver cloud-based services, technical services, and IT Manpower. The Company continues to train its employees in order to be updated with the latest trends, technologies, and techniques in order to carry out the services demanded by the clients. The Company has also implemented an upgrade of its network by implementing cybersecurity measures and protocols.

Forged partnerships with global technology providers

The Company continues to leverage on its partnership with global media, technology and information technology companies. The Company is seriously considering to offer ICT solutions and services especially in the areas of smart cities, digital transformation consulting services, artificial intelligence, data analytics, and cybersecurity.

### **Plans and Prospects for 2021**

#### Expansion of Fiber Air Business

The Company continues to expand its Fiber Air broadband connectivity coverage to enterprises, residential and commercial buildings. The Company's service has been made available in new areas such as Alabang & Laguna in the south, Marikina & Antipolo in the east, and Caloocan & Navotas in the north. The Company continues to also provide its broadband connectivity service to new industries such as manufacturing, business process outsourcing, and eco-zones.

#### Expansion of the Business Partnership Program

The Company continues to intensify its business partnership program tagged as Network ng Mamayang Pilipino. The Program has since then expanded its subscribers through its business partners. In addition, the Company has forged a partnership with a major Industrial Park located in Laguna as part of its business partnership program. For its part, the Company has then penetrated huge industries holding offices in the said industrial park.

#### Expansion of Existing Software Licenses and Services and IT Manpower

The Company continues to actively sell software solutions, technical services and IT Manpower. The Company has forged deeper ties with global technology providers such as HCL and Microsoft Philippines in order for the Company to resell software collaboration tools and bundle technical services to the enterprise market. The Company, through its subsidiary i-Resource Consulting and iProfessional, continues to provide an extensive base of IT Knowledge Professionals in key sectors such as manufacturing, IT, telecom, and BPO sector.

#### Beef-up Operations

The Company continues to beef-up its operational capacity in order to deliver broadband services, software licenses and technical services, and IT manpower. The Company continues to train its employees in order to be updated with the latest trends, technologies, and techniques in order to carry out the services demanded by the clients. The Company has also implemented an upgrade of its network by implementing cybersecurity measures and protocols.

#### Forged partnerships with global technology providers

The Company continues to leverage on its partnership with global media, technology and information technology companies. The Company is seriously considering to offer ICT solutions and services especially in the areas of smart cities, digital transformation consulting services, artificial intelligence, data analytics, and cybersecurity.

### **Plans and Prospects for 2020**

#### Expansion of Fiber Air for Business

The Company continues to expand its Fiber in the Air business as it continues to penetrate enterprises, commercial and residential buildings. The Company continues to also utilize new technologies in order to provide more capacity to its current and prospective customers. The Company has cemented its position as the largest fixed wireless access provider in the country providing guaranteed broadband internet to enterprises, commercial buildings, and residential buildings. The Company's portfolio of clients include industries such as hospitality, banking, government agencies, media, education, e-sports, and business process outsourcing companies.

#### Expansion to New Geographical Areas

The Company continues to expand its Fiber in the Air business to new geographical areas in order to penetrate enterprises, commercial and residential buildings. The geographic areas are considered priority areas due to the growth of broadband internet requirement.

#### Expansion of the Business Partnership Program

Through the Business Partnership Program tagged as Network ng Mamayang Pilipino (NOW N~~M~~ program, NOW Corporation's affiliate NOW Telecom will leverage on business partnership opportunities with local government and entrepreneurs to provide better internet connection to the country by democratizing telecommunications.

#### Expansion to Special Economic Clusters



The Company shall expand its Fiber in the Air service to special economic clusters such ecozones, industrial parks, and other economic clusters perfect for broadband connectivity service to be provided by the Company.

#### Expansion of Existing Software Licenses and Services and IT Manpower

The Company continues to aggressive sell software solutions, technical services and IT Manpower. The Company aims to maintain its position as the number one social collaborations solutions provider of IBM. In addition, it continues to market and to sell Microsoft software products and licenses. This allows the firm to broaden its customer base in the industry and increase the Company's recurring revenues.

#### Preferred Shares Offering

With the quasi-reorganization approved by the Securities and Exchange Commission on September 6, 2019, NOW aims to continue the public issuance of up to 10 Million Preferred Shares as part of its Follow-On Offering, a continuing effort since 2017.

#### Key Performance Indicators

Financial Soundness Indicators		December 31	
		2022	2021
Liquidity	Current Ratio	1.10	1.90
	Acid Test Ratio	1.04	1.78
Solvency	Debt to Equity Ratio	0.315	0.31
	Asset to Debt Ratio	3.87	4.26
	Debt to Asset Ratio	0.26	0.23
Equity	Asset to Equity Ratio	1.35	1.31
Interest	Interest Rate Coverage Ratio	1.85	2.07
Profitability	Profit Margin	0.04	0.04
	Return on Assets	0.003	0.003
	Return on Equity	0.004	0.004
	Book Value per share	1.20	1.19
	Earnings per share	0.005	0.004

The Financial Indicators are computed as follows:

Liquidity:	Current Ratio = Current Assets/Current Liabilities Acid Test= (Current Assets- Inventory- Prepayments) / Current Liabilities
Solvency:	Debt to Equity Ratio = Total Liabilities/Total Stockholders' Equity Debt to Asset Ratio = Total Liabilities/Total Assets Asset to Debt Ratio= Total Assets / Total Liabilities
Equity:	Asset to Equity Ratio = Total Assets/Total Stockholders' Equity
Interest:	Interest Rate Coverage Ratio = Earnings Before Interest and Taxes/Interest Expense
Profitability:	Profit Margin %: Profit margin = Gross Profit/Total Revenue x 100 Return on Assets %: Return on assets = Net Income/Total Assets x 100 Return on Equity % = Net Income/Total Stockholders' Equity x 100 Book Value per share = Total Stockholders' Equity/Average Outstanding Shares Earning per share = Net Income/Average Outstanding Shares

There are no known trends, demand, commitments, events or uncertainties that will have a material impact on the Company's liquidity, nor any events that will trigger direct or contingent financial obligation that

is material to the Company, including any default or acceleration of an obligation. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations. There are no significant elements of income or loss that did not arise from the Company's continuing operations.

#### Information on Independent Accountant

The auditing firm of Reyes Tacandong & Co is the incumbent external auditor of the Company for the calendar year 2022 and is being recommended for re-appointment at the scheduled annual meeting of the shareholders. Representatives of the said firm are expected to be present at the Annual Stockholders' Meeting and will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

There had been no disagreements by and between the Company and the current external auditor regarding accounting policies and financial disclosures of the Company.

#### Audit and Audit Fees

The aggregate fees billed for the current fiscal year ended 2022 for professional services rendered by the Reyes Tacandong & Co. for the audit of the Company annual financial statements is Php1,000,000.

The aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by Reyes Tacandong & Co. for the audit of the Company annual financial statements is Php900,000 for 2020 and 2021.

The external auditor does not render any other assurance and services related to the performance of the audit nor does it render any professional service for tax accounting, advice, planning and any other form of tax services.

### Results of operations

#### Year 2022

Total consolidated revenues in the year 2022 is Php202.543Million, increased by 3% or by Php6.140 Million from last year's revenue of Php196.404 Million. Service revenue increased by 5% or by Php4.585 Million from last year figure of Php 97.836 Million to Php 102.421 Million in 2022. Service revenues mainly pertain to broadband services and income earned from the deployment by the Company of professionals to its clients to render IT-related solutions and services. Broadband services increased by 3% from Php85.001 million to Php87.742 Million in 2022. Sales of Software Licenses slow down with a decrease of Php2.245 Million from Php9.328 Million to Php7.083 million in 2022. While the revenues from the IT Manpower and Resource Augmentation have moved up by 14% from Php12.836 million to Php14.679 million in 2022.

Cost and Expenses in 2022 is Php179.009 Million, which is a Php4.790Million or 3% decrease from last year's Cost and Expenses of Php183.799Million. This was brought about by a decrease in Cost of Sales and Services of Php10.392 Million or 9% from Php 115.955 Million in 2021 to Php 105.563 Million in 2022. Whereas, Operating expenses has increased by Php5.602 Million or 8% from Php67.844Million in 2021 to Php73.446 in 2022 wherein 34% is salaries and other benefits (Php24.749 million), 15% Depreciation and amortization (Php10.817Million) and 15% is professional fees (Php11.009 Million).

Net income after tax jumped by 15% of by Php1.217million from Php7.946million in 2021 to Php9.164million in 2022. Net profit margin is at 4.47% and 4.05% of revenue in 2022 and 2021, respectively.

As of December 31, 2022 the total consolidated assets of the Company stood at Php2.927 Billion which is 4% higher than 2021. Current Assets increased by Php96.209 million or 16% in 2022. This increase was due to Trade and other receivables which is higher by 23%, and Due from related parties which is higher than 10%. While Noncurrent assets remains at Php2.2billion.

Current liabilities increased by Php318.1 million or by 24.43% from Php319.755 million to Php637.867 million as of 2022. This was largely caused by the approval of the Board of Directors on May 24, 2022 for the reversal of the previously approved conversion to equity of Php221million advances from Velarde, Inc. On the said date, the board likewise approved the conversion of the said advances into a loan with a term of one year.

In 2021, the Parent company availed of chattel mortgage loans aggregating ₱7,103,200 from a local bank for purchases of vehicles, which serves as the properties mortgaged. The loans have a term of five (5) years and bears interest rates ranging from 9.43% to 10.35% per annum.

In 2022, the Parent Company further availed of chattel mortgage loans aggregating ₱6,616,000 from the same bank for the same purpose. The loans have a term of 5 years and bears interest rate of 9.44% per annum.

On December 22, 2016, the Company availed of a chattel mortgage amounting to Php564K from a local universal bank for the purchase of a vehicle, which serves as the property mortgage. The new loan requires 60 monthly repayments until November 23, 2021.

The Parent Company availed of an unsecured, short-term loans aggregating ₱50.0 million with Land Bank. The loans carry annual interest rates ranging from 6.50% to 9.75% in 2020 and 4.80% to 7.35% in 2019 (4.80% to 6.74% in 2018) and have maturity dates ranging between three (3) months and six (6) months. The loan was fully paid on January 15, 2021. On February 10, 2021, the Parent Company secured another set of short-term loans totaling ₱50.0 million with Land Bank which was subsequently renewed and is maturing in July 2023.

In October 2018, the Company obtained a term loan of Php50 Million with 8% fixed interest rate from a local universal bank for use in acquisition of capital assets. The company started the monthly repayment of the principal in 2021. On June 16, 2022, the Parent Company further obtained a six-year, unsecured, ₱10.0 million loan agreement with the same local bank maturing on June 16, 2028. The loan carries an interest rate of 9% per annum.

In 06 October 2021, the Company obtained a short-term loan of Php50 Million from Unionbank of the Philippines with a floating interest rate of 4.5% per annum to be used for working capital requirements of the company. The loan was subsequently renewed by one (1) year or until September 30, 2023.

As at December 31 2022, the total Assets stood at Php2.927 billion, Liabilities at Php756.582 million and Equity at Php2.170 billion.

The Company's Liquidity Ratio wherein Current Ratio stood at 1.10 from 1:90 in 2021, while Acid Test Ratio stood at 1.04 from 1.78 of the same period last year, due to the result of the May 2022 reversal of debt to equity conversion and reclassification to Short-term liabilities.

The Company's Return on Equity in 2022, and 2021 was at 0.42% and 0.37% respectively.

A further analysis indicates that NOW Corp.'s Asset to Debt Ratio stood at 3.87; while its Debt to Asset Ratio stood at 0.26 in 2022.

## Year 2021

The consolidated revenue for the year 2021 amounted to Ph196.404million, there is a decrease of 3% from previous year's Ph201.723million. The revenue from broadband services has increased to Ph85.001million in 2021, higher by Ph1.693million or 2% from Ph83.308million in 2020. The COVID-19 pandemic has continued to hit the IT manpower and resource augmentation which revenues has decreased by Ph5.275million or 29% from Ph18.111million in 2021 to Ph12.836 million in 2021. Sales of software licenses has also decreased by 16% or by Ph1.737 million.

The net income after tax increased by 70% or by Ph3.269million from last year's Ph4.667million to Ph7.946million in 2021. There is a decrease of gross profit of 13% from Ph92.620million in 2020 to Ph80.449million in 2021. Cost of sales and services during the year amounted to Ph115.955 million, higher by 6% or Ph6.851 million compared to the Ph109.103 million cost of sales and services level posted for the year ended December 31, 2020. Due to cost cutting measure implemented during the year, the general and administrative expenses for the year 2021 has decreased to Ph67.844 million or 12% lower from last year's Ph77.448million. This decrease in 2021 was mainly due to the decrease in professional fees and advertising and promotion by 17% and 54% respectively.

As of December 31, 2021, the total consolidated assets of the Company stood at Ph2.824 billion compared with last year's Ph2.720 billion, an increase by Ph103.481 million or 4%. Current Assets increased by Ph83.517 million or 16%, from Ph522.896 million in 2020 to Ph606.414 million in 2021. The increase in Current Assets was mainly due to the increase in Due from Related Parties from Ph167.001million in 2020 to Ph211.231 million in 2021. Trade and other Receivables increased by 10% from Ph305.818 million in 2020 to Ph337.025million in 2021. Non-current Assets stood at Ph2.217million in 2021. 23

Current liabilities decreased by Ph127.738 million or 29%, from Ph447.493 million in 2020 to Ph319.755 million in 2021. This was brought by the decrease in the Due to Related party from Ph196.700 million in 2020 to Ph10.391 million in 2021. One Major factor also was the increased in current portion

of loans payable due to the availment of Php50million short-term loan from Unionbank last quarter of 2021.

Noncurrent Liabilities increased from Php134.669million in 2020 to P343.371 million in 2021. The increase was due to the reclassification of Php221Million as Deposit for future stock subscription under non-current liabilities. On October 31, 2018, the Parent Company signed a five-year ₱50,000,000 loan agreement with PSBC maturing on October 31, 2023. The loan is secured by a real estate and carries an interest rate of 8% per annum. The company started the monthly payment of its principal in February 2021.

On December 22, 2016, the Company availed a chattel mortgage amounting to Php564K from a local universal bank for the purchase of a vehicle, which serves as the property mortgage. The loan requires 60 monthly repayments until November 23, 2021.

In 2021, the Parent company availed of chattel mortgage loans aggregating ₱7,103,200 from RCBC for purchases of vehicles, which serves as the properties mortgaged. The loans have a term of five (5) years and bears interest rates ranging from 9.43% to 10.35% per annum.

The Parent Company availed of an unsecured, short-term loans aggregating ₱50.0 million with Land Bank. The loans carry annual interest rates ranging from 6.50% to 9.75% in 2020 and 4.80% to 7.35% in 2019 (4.80% to 6.74% in 2018) and have maturity dates ranging between three (3) months and six (6) months. The loan was fully paid on January 15, 2021. On February 2021, the Parent Company secured another set of short-term loans totaling ₱50.0 million with Land Bank.

Total consolidated assets as of December 31, 2021 stood at Php2.824 billion, with Liabilities at Php663.126 million and Equity at Php2.161 billion.

Current assets increased by 16% and current liabilities decreased by 29% resulting to an increase of the Company's Liquidity Ratio wherein Current Ratio stood at 1.90:1 and 1.17:1, while Acid Test Ratio stood at 1.78 and 1.10 for the years 2021 and 2020 respectively.

The Company's Return on Equity for the year ended, 2021 and 2020 was at 0.37% and 0.22% respectively.

A further analysis indicates that NOW Corp.'s Asset to Equity Ratio stood at 1.31x and 1.27x; while its Debt to Equity Ratio stood at 0.31x and 0.27x for the year 2021 and 2020 respectively.

#### Year 2020

The consolidated revenue for the year 2020 amounted to Ph201.723 million, there is a decrease of 8.62% from previous year's Ph220.762 million. While, the revenue from broadband services has increased to Php83.308 million in 2020, higher by Php1.637 million or 2.00% from Php81.671 million in 2019 and Revenue from Software Licenses and services amounted to Php11.065 million in 2020, with an increase of Php7.026 million from 2019 revenue of Php4.039 million. The COVID-19 pandemic impacted the revenue of IT manpower and resource augmentation which has decreased by Php12.662 million or 41.15% from Php30.772 million in 2019 to Php18.111million in 2020. Management Services has also dropped by 14.42% from 2019's revenue.

While there is a slight decrease of gross profit of 8.05% or by Php8.107 million from Php100.727 million in 2019 to Php92.620 million in 2020. The net income before tax dropped by Php4.954 million from Php15.706 million in 2019 to Php10.751 million in 2020. Cost of sales and services during the year amounted to Php109.103 million, lower by 9.11% or Php10.932 million compared to the Php120.035 million cost of sales and services level posted for the year ended December 31, 2019. While there is a decrease in cost of services during the year from previous year's Php118.122 million to Php106.493 million in 2020. Costs relating to software licenses increased from Php1.913million in 2019 to Php2.610 million in 2020. The General and administrative expenses for the year 2019 also decreased to P77.448 million or 5.01% lower from last year's Php81.531 million. This decrease in 2020 was mainly due to the 16.46% decrease in salaries and other benefits from Php29.457 million in 2019 to Php24.609 million in 2020; due to the 35.25% decrease in representation from Php7.572 million in 2019 to Php4.903million in 2020; and due to the 33.52% decrease in transportation and travel from Php4.946million in 2019 to Php3.288 million in 2019. While the professional fees and advertising and promotion increased in 2020 by 56.17% and 24.26% respectively. A total of Php5.758 million provision for impairment loss was recognized in 2020 as compared to 2019's Php0.476 million.

As of December 31, 2020, the total consolidated assets of the Company stood at Php2.720 billion compared with last year's Ph2.177 billion, an increase by Php543.691 million or 24.98%. Current Assets decreased by Php99.748 million or 16.03%, from Php622.695 million in 2019 to Php522.896 million in 2020. The decrease in Current assets was mainly due to the decrease in Due from Related Parties from Php336.978 million in 2019 to Php167.006 million in 2020. Trade and other Receivables increased by 34.66% from Php227.103 million in 2019 to Php305.818million in 2020. Non-current Assets increased by 41.41% or by Php643.489 million in 2020.

Current liabilities increased by Php135.211 million or 43.30%, from Php312.283 million in 2019 to Php447.493 million in 2020. This was brought by the increase of 103.55% of the Due to Related party from Php96.636 million in 2019 to Php196.700 million in 2020.

Noncurrent Liabilities decreased from Php260.387million in 2019 to P134.669 million in 2020. The decrease was due to the approval on March 2020 by the Securities and Exchange Commission of the Debt to Equity Conversion of Php209.000 Million classified as deposit for future stock subscription in 2019. The deposit for future subscription decreased by 57.42% in the year 2020.

On December 22, 2016, the Company availed a chattel mortgage amounting to Php564K from a local universal bank for the purchase of a vehicle, which serves as the property mortgage. The new loan requires 60 monthly repayments until November 23, 2021.

The Parent Company availed of an unsecured, short-term loans aggregating P50.0 million with Land Bank. The loans carry annual interest rates ranging from 6.50% to 9.75% in 2020 and 4.80% to 7.35% in 2019 (4.80% to 6.74% in 2018) and have maturity dates ranging between three (3) months and six (6) months. The loan was fully paid on January 15, 2021. On February 10, 2021, the Parent Company secured another set of short-term loans totaling P50.0 million with Land Bank.

On October 31, 2018, the Parent Company signed a five-year P50,000,000 loan agreement with PSBC maturing on October 31, 2023. The loan is secured by a real estate and carries an interest rate of 8% per annum.

Total consolidated assets as of December 31, 2020 stood at Php2.720 billion, with Liabilities at Php582.162 million and Equity at Php2.138 billion.

Current assets decreased by 16.03% and current liabilities increased by 43.30% resulting to a decrease of the Company's Liquidity Ratio wherein Current Ratio stood at 1.17:1 and 1.99:1, while Acid Test Ratio stood at 1.10 and 1.84 for the years 2020 and 2019 respectively.

The Company's Return on Equity for the year ended, 2020 and 2019 was at 0.22% and 0.71% respectively.

A further analysis indicates that NOW Corp.'s Asset to Debt Ratio stood at 4.67x and 3.80x; while its Debt to Asset Ratio stood at 0.21x and 0.26x for the year 2020 and 2019 respectively.

## Item 7. Financial Statements

The audited consolidated financial statements are attached as Annex "A".

## Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There had been no disagreements with Reyes Tacandong & Co. with regard to accounting policies and financial disclosures of the Company.

## PART III - CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Issuer

Under the By-Laws of the Company, the members of the Board of Directors shall hold office for a term of one (1) year until their successors shall have been elected and qualified.

#### Board of Directors

**Mel V. Velarde**, age 59, Filipino, Chairman. He served as President and CEO prior to his election as Chairman He is also Chairman of the Asian Institute of Journalism and Communication. He served as Philippine Commissioner to the United Nations Educational, Scientific and Cultural Organizations ("UNESCO") and Chairperson of the Committee on Science and Technology. Mr. Velarde has built his career in broadcasting, cable TV, telecommunications and information communications technology. He was former Executive Vice President and General Manager of SkyCable, a cable TV company that became the largest in the Philippines. He obtained his Bachelor of Arts in Liberal Studies Major in Interdisciplinary Studies (Summa Cum Laude) at Boston University, Massachusetts, US. He completed the Owner/President Management Program at the Harvard Business School, Harvard University, Cambridge, Massachusetts. He has ~~also~~ completed courses leading to a Masters Degree in Business Economics at the University of Asia and the Pacific. In addition, he took up the following executive courses: Wealth Management at Wharton Business School, University of Pennsylvania; Strategic Finance, University of Michigan; Corporate Restructuring and Business Transformation at Harvard Business School; Managing Businesses in China, Tsinghua University and Harvard Business School; Directing Documentaries at the London School of Film and Television; Broadcasting and Cable Television, Satellite Communications, Data and Internet Communications at the United States Telecommunications Training Institute (USTTI); Cybersecurity: Planning,

Implementing and Auditing of Critical Security Controls (SANS, Washington D.C.) and Advanced and Competitive Sailing Certifications at the Swain Sailing School at Tortola, the British Virgin Islands, Caribbean.

**Thomas G. Aquino**, age 74, Filipino, Vice Chairman of the Board of Directors. He is a Senior Fellow at the Center for Research and Communications, a multidisciplinary policy group at the University of Asia and the Pacific, Chairman of the Board of Trustees of the REID Foundation, and Trustee of the Asian Institute of Journalism and Communications. He is an Independent Director of ACR Inc., A Brown Company, Holcim Phils., and Pryce Corporation. Dr. Aquino served as Acting Secretary and Senior Undersecretary of the Department of Trade and Industry and Governor of the Board of Investments. He supervised the country's international trade promotions, international trade negotiations in the World Trade Organization (WTO) and in the ASEAN Free Trade Area (AFTA) as well as the bilateral trade talks with the country's major economic partners. He was lead negotiator for the country in the Japan-Philippines Economic Partnership Agreement and was country representative to the High Level Task Force on ASEAN Integration culminating in the ASEAN Economic Community. For government service, Dr. Aquino was conferred the Presidential Service Award (or Lingkod Bayan) for extraordinary contribution of national impact on public interest, security and patrimony and was recipient of the Gawad Mabini Award with the rank of Grand Cross (or Kamanong) for distinguished service to the country both at home and abroad. He obtained a Doctorate in Business Administration in 1980 from the IESE Business School, University of Navarre in Spain, an MS in Industrial Economics in 1972 from the CRC Graduate School, now University of Asia and the Pacific, and an AB in Economics in 1970 from the School of Economics, University of the Philippines.

**Henry Andrews B. Abes**, age 54, Filipino, was elected member of the Board of Directors on 01 August 2020. He was elected as President and CEO on 24 June 2021. His corporate career spans more than 30 years in the field of technology and telecommunications, online media, and commercial real estate. He rose from the ranks and eventually headed the residential sales group of Skycable in 1997. In 1999, he became the Vice-President and COO of One Virtual Corporation which pioneered in providing 2 way satellite broadband internet services mainly to private schools and ISPs throughout the country. In 2002, he became the Vice-President and Head of Customer Operations of Nextel Communications Philippines Inc (eventually NOW Telecom Company, Inc.) handling Sales and Marketing, Customer Care, and Revenue Assurance. In 2006, he became the General Manager of PLDT Subic Telecom. In 2009, he set-up all sales, marketing, and business development functions of the Corporate Sales Department of Wi-Tribe Telecoms Inc (formerly Liberty Broadcasting Network Inc.). In 2012, he assumed the position of Business Unit Head and Vice-President for Sales of NTT Ltd. Philippines (formerly DTSI Group) focusing on the Business Process Outsourcing and Global In-House Center Market which contributed 70% of the company's revenue. Mr. Abes obtained his Bachelor of Arts in Political Science at the Ateneo de Manila University. He also took law courses from San Beda College of Law and executive courses in Strategic Leadership from Harvard Business Publishing, Sales Management from University of Michigan Business School, and Strategic Marketing and Total Quality Management from Asian Institute of Management.

**Jose S. Alejandro**, age 87, Filipino, Director, served as Chairman of the Board on June 2, 2006 until March 22, 2007 when he resigned from said position and was elected as the Company's President. He served as President until January 21, 2008. As official representing the Company, he has been elected Director of the Philippine Chamber of Commerce and Industry, Inc. (PCCI) for over 12 years and now Adviser on Energy and Utilities. Mr. Alejandro is also been a Member of the Board of Directors of NOW Telecom Company, Inc. (formerly Next Mobile, Inc.) since 1989 and he now serves as the Board's Vice Chairman. He is a business and management professional and leader with over 25 years of corporate experience. He was the former President and CEO of East Asia Power Resources, a local publicly-listed independent power producer during the period of local economic crisis (1997-1999), Country Manager for the Power Systems Business of General Electric Co. (1987-1995), and Vice President - Marketing at GE Philippines, Inc. and General Manager of GE Appliance Co. In these capacities, he led the growth and success of this leading U.S. global diversified corporation in the Philippines. He holds a Bachelor of Arts and a Bachelor of Law degrees from the Ateneo de Manila University and had taken post graduate courses leading to Master in Business Administration in the same school and Business Policies, Manpower and Marketing Strategies at the GE Management Institute in NY, USA. He is a member of the Philippine Bar.

**Vicente Martin W. Araneta III**, age 59, Filipino, Director and Chief Risk Officer. He also serves as Director and President of Facilities, Inc. and as Chairman of Real Properties, Inc., the holding company of Facilities, Inc. and owner of the Summit One Tower, Facilities Centre and Palladium Subdivision. He is also a member of the Board of Directors and Chief Financial Officer of ActivAsia, Inc., a 360-degree marketing services company specializing in events, point-of-sale and channel activation. He is an incorporator founding member, Treasurer and Director of the Philippine Chamber of Commerce and Industry – Pasig City, Inc. He serves as director of Arribadigital, Inc. and ActivCare Home Health Solutions, Inc. He is also a member (on-leave) of the Management Association of the Philippines and of the Chamber of Real Estate and Builders Associations Inc. Mr. Araneta is a member of the Ateneo Alumni Association, Inc. and served as a member of its Board of Directors for the period 2005-2007 (served as President in 2006) and 2009-2012. He is an incorporator of the Mandaluyong Business Foundation. Mr. Araneta also served as Director for the period 2004 to 2005 of the Philippine Science High School Foundation.

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**Gerard Bnn R. Bautista**, age 59, Filipino, Director, was elected as a member of the Board of Directors on 07 June 2012. He is Chairman of the University of Baguio Foundation, partner at Bnn Bautista Architects, Charter Member of the Rotary Club of Makati Greenbelt and a member of other groups like the Harvard Architectural Society, the Harvard Alumni Entrepreneurs and the Philippine Jaycees. He was President of the Makati Jaycees. He has a degree in BS Architecture from the University of the Philippines, studied Information Technology at the Ateneo Grad School of Business, Financial

Forecasting at the UA&P, Finance and Management of Family Corps at the AIM, Financial Planning at the Harvard Kennedy School and School Planning and Design at the Harvard Graduate School of Design. He is the founder of Porsche Carrera R and a member of the Rockwell Club and Baguio Country Club.

**Francis Xavier la'O Manglapus**, age 67, Filipino, appointed member of the Board of Directors on 10 February 2021. Educated at Cornell University, Hotel and Restaurant Management, he became the first Materials Manager of the Inter-Continental Hotel Chain in New York City, computerizing the purchasing requirements of the world-wide chain. He shifted careers, and joined Merryl Lynch as a financial consultant during the stock market boom in the in 1980's. In the late 90's he became President of a boutique financial advisory firm, Management Exchange Corporation, specializing in asset-backed securities. He was Chairman of the Board of Prime Savings Bank, and also became Chairman of the Board of Bataan Shipyard and Engineering Company.

**Angeline L. Macasaet**, age 50, Filipino, Director. She is concurrently the Corporate Secretary, Chief Legal Officer and Acting Compliance Officer. She is a member of the Philippine Bar. She is also the Corporate Secretary of the various companies under the Velarde Group such as Velarde, Inc., Gamboa Holdings, Inc., Food Camp Industries and Marketing, Inc., Emerald Investments, Inc., as well as enfranchised companies such as NOW Telecom Company, Inc., GHT Network, Inc., News and Entertainment Network, Inc., among many others. She ensures the compliance of these companies with all regulatory requirements as well as the legal requirements involving specific transactions. Her extensive engagement involves all forms of litigation and in all for a. In addition to litigation, Ms. Macasaet has corporate practice all the way to the more complex engagements of management buy-outs, corporate mergers and share swap.

### **Independent Directors**

**Domingo B. Bonifacio**, age 69, American, Independent Director, was first elected as Independent Director on 20 January 2017. He is currently the Executive Vice President and General Manager of Automated Technology (Phil) Inc. (ATEC) Connectivity Division and Member of Board Directors. From 2014-2015, he was President of Cirtek Advanced Technologies and Solutions, Inc. From 2005-2014, he served as the President and CEO of REMEC Broadband Wireless International, Inc. From 2001-2005, was the President and CEO of REMEC Manufacturing Philippines, Inc and from 1996-2001, he was the Founder, CEO and President of Pacific Microwave Corporation and 1989-1995, he served as Director of Operations of Optical Microwave Networks, Inc (OMNI – USA). He obtained his B.S. Electronics and Communications degree from the University of Santo Tomas and passed the Electronics and Communication Engineering Licensure Examination in 1977. He continued his education in Microwave Engineering in 1978-1979 by enrolling in the University of California, Berkeley, CA. USA.

**William T. Torres**, age 90, Filipino, Director. Dr. Torres obtained his undergraduate degree from the Mapua Institute of Technology (now Mapua University) graduating at the top of his class in Mechanical Engineering. He started his professional career in the field of education, teaching in Mapua and then later in the Ateneo de Manila University. Awarded a Fulbright-Hays Grant in 1966, he pursued and eventually obtained both Master of Science and Doctor of Philosophy degrees in Computer Sciences from the University of Wisconsin-Madison, USA. He taught for an academic year at Wayne State University in Detroit, Michigan. At the Development Academy of the Philippines he served as Vice-President and later as Senior Vice-President for Operations. He was appointed Managing Director of the National Computer Center in the late 80s. Mr. Torres he has been actively involved in private ICT consulting practice. He joined National Steel Corporation first as consultant and then later as IT head. He was co-founder of the Philippines' first commercial ISP (MosCom) in 1994, was President until he retired in 2008. Currently, in addition to occasional consulting engagements, he is involved as a member of the National Academy of Science and Technology and of the Philippine Electronics and Telecommunications Federation (now Philippine Information Communications Technology Organization), is Vice-Chairman of the Board of Trustees of MFI Polytechnic Institute and of the Asian Institute of Journalism and Communication. Dr. Torres has served as a member of the Board of Trustees of the Mapua Institute of Technology from 2002 to 2010 and continues as Distinguished Professor, School of Information Technology.

**Colin Ross Christie**, age 63, British, is a nominee as Independent Director, has held senior executive posts in the Philippines and USA, including serving as CEO and board member of private and publicly-traded companies. He is the Executive Director of Global Chamber® Manila and is the founder and past-President of the Board of Trustees of the Analytics Association of the Philippines. He previously served on the Board of Trustees of the Healthcare Information Management Association of the Philippines (HIMAP) and was one of its founders. He is co-founder and Chairman of Navix Health Inc., a provider of a fully unified platform for behavioral health software powered by AI. He is a Director of Lifetrack Medical Systems Inc, an award-winning provider of a next-generation and patented distributed radiology platform. He is a co-founder and Director of Medcode Inc., the leading Philippines provider of training solutions in medical coding. He served as Director of Digital Transformation for Enderun Colleges and as a member of the faculty for the College of Business, Technology, Entrepreneurship, and Economics. He was the founder and CEO of MxSecure Philippines, Inc., an early pioneer in the Philippines BPO sector. Mr. Christie is a frequent speaker at business and education conferences. He earned his Bachelor of Science in Chemical Engineering from the University of California, Berkeley.

There is no person who is not an executive officer who is expected to make a significant contribution to the business of the Company.

#### Family Relationship

None of the Advisors, Executive Officers and Management employees are related by affinity or consanguinity.

#### Involvement in Certain Legal Proceeding

The Company is not a party to any administrative, civil or criminal litigation or proceeding pending or threatened against or relating to the Company in any of the courts in the Philippines or abroad.

#### Item 10. Executive Compensation

The aggregate compensation of executive officers and directors of the Company for the year 2022 and 2021, and the estimated compensation for the year 2023 are as follows:

ACTUAL	2022			2021
	COMPENSATION	OTHERS	TOTAL	TOTAL
A. Five (5) most highly compensated Executive Officers	7,769,389	1,255,962	9,025,351	10,225,086
All directors and executive officers as a Group unnamed	1,454,112	302,858	1,756,971	3,162,868

PROJECTED	2023		
	COMPENSATION	OTHERS	TOTAL
A. Five (5) most highly compensated Executive Officers	8,546,328	1,381,558	13,097,028
All directors and executive officers as a Group unnamed	1,599,524	333,144,	1,932,668

The following are the 5 highest compensated directors / executive officers of the Company for the year 2022:

1. Rene L. Rosales 2. Mel V. Velarde, 3. Angeline L. Macasaet, 4. Henry Andrews B. Abes 5. Joel N. Gonzales.

Except Mr. Mel V. Velarde, Mr. Francis Xavier L. Manglapus, and Mr. Henry Andrews B. Abes, and Ms. Angeline L. Macasaet, none of the other members of the board of directors received any compensation or salary except for per diem every board meeting.

#### Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly for any services rendered provided as a director/executive officer for the last completed fiscal year and the ensuing year.

#### Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as a director.

#### Outstanding Warrants or Options Held by the Company's CEO, the Executive Officers and Directors<sup>28</sup>

None. However, during the June 6, 2019 annual meeting, the stockholders approved the creation of Employee Stock Option Plan (ESOP), certain features, terms and conditions of which favor the executive officers and directors. The Company's ESOP has not yet been finalized and implemented.



## Item 11. Security Ownership of Certain Beneficial Owners and Management

### Voting Securities and Principal Holders Thereof

The Company has outstanding common shares totaling 1,806,726,314 shares as of 31 March 2023.

### Security Ownership of Certain Record and Beneficial Owners (More than 5% as of 31 March 2023)

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with the Record Owner	Citizenship	No. of Shares Held	Percentage
Common	PDC Nominee Corporation	-	Filipino	1,095,695,304	60.65
Common	Top Mega Enterprises Limited Room 503 Fu Fai Commercial Centre, Hillier St., Sheungwan, Hong Kong	Romeo C. Escobar, Jr. - stockholder	Chinese	253,724,855	14.04
Common	Velarde, Inc. Unit 5-1,5th Floor, OPL Building, 100 C. Palanca St., Legaspi Village, Makati City	Amparo V. Velarde, - Stockholder	Filipino	486,319,514	26.92
Common	Emerald Investments, Inc. Unit 5-1, 5 <sup>th</sup> Floor, OPL Building, 100 C. Palanca St., Legaspi Village, Makati City	Amparo V. Velarde, Indirect stockholder	Filipino	250,644,360	13.87
Common	Gamboa Holdings, Inc. Unit 5-1,,5th Floor, OPL Building, 100C. Palanca St., Legaspi Village, Makati City	Amparo V. Velarde, - Indirect stockholder	Filipino	217,875,577	12.06

\*Shares held by PCD Nominee Corporation includes 196,300,000 shares of Velarde, Inc.

### Security Ownership of Directors and Management as of 31 March 2023:

The directors and officers of the Company have no security ownership in the capital stock of the Company other than the qualifying shares recorded in the names of the directors but beneficially owned by corporate shareholders:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of class
Common	Thomas G. Aquino	1 (Direct)	Filipino	<.01
Common	Jose S. Alejandro	10 (Direct)	Filipino	<.01
Common	Mel V. Velarde	10 (Direct)	Filipino	<.01
Common	Vicente Martin W. Araneta	1 ((Direct)	Filipino	<.01
Common	Gerard Bnn R. Bautista	1 (Direct)	Filipino	<.01
Common	Henry Andrews B. Abes	1 (Direct)	Filipino	<.01
Common	Domingo B. Bonifacio	1 (Direct)	American	<.01
Common	Francis Xavier L. Manglapus	1 (Direct)	Filipino	<.01
Common	William T. Torres	1 (Direct)	Filipino	<.01
Common	Colin R. Christie	1 (Direct)	British	<.01
Common	Angeline L. Macasaet	1 (Direct)	Filipino	<.01

None of the members of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

## **Item 12. Certain Relationships and Related Transactions**

None of the Advisors, Executive Officers and Management employees are related by affinity or consanguinity.

In the normal course of business, the following transactions have been entered into with related parties affecting consolidated statements of income:

	Nature of Transaction	Transactions during the Year		Outstanding Balances	
		2022	2021	2022	2021
<b>Trade and other receivables</b>					
<i>Stockholders</i>	Management fees	<b>₱240,000</b>	₱240,000	<b>₱244,245,806</b>	₱4,682,492
	Infrastructure build-up				
<i>Entities under common control</i>	services	<b>75,000,000</b>	80,000,000	<b>117,194,023</b>	280,928,618
	Management fees	<b>7,050,000</b>	9,000,000	<b>99,201</b>	106,875
				<b>₱361,539,030</b>	₱285,717,985
<b>Due from related parties</b>					
<i>Stockholders</i>	Advances	<b>3,982,292</b>	₱30,007,568	<b>₱61,549,746</b>	₱119,895,587
	Interest	<b>7,078,902</b>	7,092,276	<b>93,453,633</b>	22,257,624
<i>Entities under common control</i>	Advances	<b>9,983,934</b>	7,130,412	<b>76,704,178</b>	69,077,600
				<b>₱231,707,557</b>	₱211,230,811
<b>Accounts payable and other current liabilities</b>					
<i>Stockholders</i>	Interest	<b>₱-</b>	₱-	<b>₱59,903,586</b>	₱59,903,586
<i>Entities under common control</i>	Outside services	<b>907,263</b>	2,333,841	<b>6,246,654</b>	6,480,236
		<b>2,085,335</b>			
	Advances		3,858,550	-	11,147,618
	VAS and other service agreements	<b>62,866,432</b>	62,453,249	-	-
				<b>₱66,150,240</b>	₱77,531,440
<b>Short-term loan and interest payable</b>					
<i>Stockholder</i>	Principal	<b>221,000,000</b>	-	<b>221,000,000</b>	-
	Interest	<b>6,048,740</b>	-	<b>6,048,740</b>	-
				<b>227,048,740</b>	-
<b>Due to related parties</b>					
<i>Stockholders</i>	Advances	<b>₱48,514,308</b>	₱34,300,624	<b>₱55,754,375</b>	₱6,511,867
	Leases	-	-	<b>2,896,778</b>	2,896,778
<i>Entities under common control</i>	Advances	-	-	<b>339,606</b>	339,606
	Services	-	-	<b>605,212</b>	605,212
	Leases	<b>390,000</b>	390,000	<b>53,866</b>	37,066
				<b>₱59,649,837</b>	₱10,390,529

Please refer to the Notes on Related Party Transactions of the Notes to Consolidated Financial Statements of the 2022 Audited Financial Statements, which is incorporated herein in the accompanying Index to Exhibits.

## PART IV – CORPORATE GOVERNANCE

### Item 13. Corporate Governance

Per SEC Memorandum Circular No. 15 Series of 2017, the Integrated Annual Corporate Governance Report shall be due on or before 30 May 2023, hence not yet included in this report.

## PART V - EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17-C

#### (a) Exhibits

The copy of audited consolidated financial statements is attached as Annex “A”. The Secretary’s Certificate certifying the authorized signatories for the Statement of Management Responsibility is attached as Annex “B” and the Sustainability Report as Annex “C”.

b) Reports on SEC Form 17-C

The following were the reports on SEC Form 17-C filed during the year 2022 until 1<sup>st</sup> Quarter of 2023:

DATE	PARTICULARS
16 March 2022	At the Regular Meeting of the Board of Directors of NOW Corporation held on 16 March 2022, the Board approved the setting of the annual stockholders’ meeting to be on 02 June 2022 with record date of 09 May 2022. Likewise at the said meeting, the Board approved the delegation to the Chairman, or in his absence the Vice-Chairman, to the President and to the Acting Chief Finance Officer, the authority to approve the 2021 audited financial statements of the Company.
24 May 2022	On 24 May 2022, the Board of Directors in its special meeting unanimously approved to reverse its approval on 01 July 2021 on the conversion into equity of the P221,000,000.00 advances from Velarde, Inc.. The Board likewise approved the conversion of said advances into an interest-bearing loan, effective 24 May 2022, with a term of one (1) year, renewable upon mutual agreement of the parties, with interest based on prevailing market rates. The approvals were made upon recommendations of management, based on proposals from and discussion with Velarde, Inc., given the current market conditions, and to give time to complete the implementation of the pending batches of conversions of advances to equity and cash subscription as previously agreed upon by the parties.
02 June 2022	<p>The following were elected as members of the Board of Directors during the Annual Meeting of the Stockholders held on 02 June 2022:</p> <ol style="list-style-type: none"> <li>1. Thomas G. Aquino</li> <li>2. Mel V. Velarde</li> <li>3. Jose S. Alejandro</li> <li>4. Vicente Martin W. Araneta III</li> <li>5. Gerard Bnn R. Bautista</li> <li>6. Domingo B. Bonifacio – Independent Director</li> <li>7. Francis Xavier L. Manglapus</li> <li>8. Henry Andrews B. Abes</li> <li>9. William T. Torres – Independent Director</li> <li>10. Colin R. Christie – Independent Director</li> <li>11. Angeline L. Macasaet</li> </ol> <p>At the 02 June 2022 Annual Stockholders’ Meeting, the shareholders present, in person or by proxy, unanimously approved/ratified the following items:</p> <ol style="list-style-type: none"> <li>1. Minutes of the Annual Stockholders' Meeting held on 24 June 2021;</li> <li>2. Acts and resolutions of the Board of Directors and Management since the 24 June 2021 Annual Stockholders' Meeting up to the date of the annual meeting of stockholders on 02 June 2022;</li> <li>3. 2021 Audited Financial Statements; and</li> <li>4. Re-Appointment of Reyes Tacandong &amp; Co. as Independent External Auditor</li> </ol>

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, therunto duly authorized, in Makati City on 26 April 2023.



**Henry Andrews B. Abes**  
President and CEO



**Jozolly O. Ramos**  
Acting Chief Finance Officer




**Angeline L. Macasaet**  
Corporate Secretary

ACKNOWLEDGMENT

SUBSCRIBED AND SWORN to before me this this 26<sup>th</sup> of April 2023, the affiants appear with their respective competent evidence of identity, as follows:

NAMES	Competent Evidence of Identity		Expiry Date
Henry Andrews B. Abes	Philippine Passport	P8333779A7	12 August 2028
Jozolly O. Ramos	Philippine Passport	P6193401A	26 February 2028
Angeline L. Macasaet	Philippine Passport	P3600193A	29 July 2032

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Series of 2023.



**ATTY. RAYMOND A. RAMOS**  
COMMISSION NO. M-077  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2024  
5 KALAYAAN AVENUE EXTENSION  
BARANGAY WEST REMBO 1215, MAKATI CITY  
SC Roll No. 62179/04-26-2013  
IBP NO. 258534/01-02-2023/Pasig City  
PTR NO. MKT 9562350/01-03-2023/Makati City  
MCLE Compliance No. VII-0020180/04-14-2023

	<p>At the 02 June 2022 Joint Organizational and Regular Meeting of the Board of Directors, the following officers and committee members were elected to the respective positions opposite their names:</p> <p>Chairman – Mel V. Velarde  Vice-Chairman – Mr. Francis Xavier L. Manglapus  President and CEO – Mr. Henry Andrews B. Abes  Corporate Secretary and Acting Compliance Officer - Atty. Angeline L. Macasaet  Acting Chief Financial Officer – Ms. Jozolly O. Ramos  Acting Treasurer – Ms. Melissa D. Dimayuga  Chief Risk Officer – Mr. Vicente Martin W. Araneta III  Chief Audit Executive – Mr. Arturo D. Sabino</p> <p><b><u>Nomination and Election Committee:</u></b>  Atty. Jose S. Alejandro - Chairman  Arch. Gerard Bnn R. Bautista -Member  Mr. Domingo B. Bonifacio - Member</p> <p><b><u>Audit and Risk Management Committee:</u></b>  Dr. William T. Torres – Chairman  Mr. Vicente Martin W. Araneta – Member  Mr. Colin R. Christie - Member</p> <p><b><u>Compensation and Remuneration Committee</u></b>  Dr. Thomas G. Aquino – Chairman  Mr. Henry Andrews B. Abes - Member  Mr. Francis Xavier L. Manglapus - Member</p> <p><b><u>Related Party Transaction Committee</u></b>  Mr. Domingo B. Bonifacio - Chairman  Mr. Vicente Martin W. Araneta III - Member  Mr. Colin R. Christie - Member</p> <p><b><u>Corporate Governance Committee</u></b>  Mr. Domingo B. Bonifacio – Chairman  Dr. William T. Torres – Member  Mr. Colin R. Christie - Member</p> <p><b><u>Management Committee</u></b>  Dr. Thomas G. Aquino – Chairman  Mr. Mel V. Velarde – Member  Angeline L. Macasaet - Member</p>
July 2022	<p>In July 2022, the Company and NOW Telecom signed a Memorandum of Agreement with and SBA Towers Philippines, Inc., a subsidiary of SBA Communications Corporation, a NASDAQ-listed firm focused on providing tower infrastructure and other shared infrastructure in the Philippines. The parties are in discussion and negotiating the lease of build-to-suit sites, towers, and passive telecommunications infrastructure and facilities that will be made available for the installation of NOW Telecom’s facilities and equipment to provide telecommunications and/or internet services. This is part of the roadmap of the NOW Group of providing 5G or the fifth-generation wireless network technology which will allow the delivery of up to 20 gigabit per second speed to enterprises and homes. It is an integral policy in NOW Group’s roadmap to partner with trusted vendors that are part of the Clean Network.</p>
16 September 2022	<p>Melissa T. Dimayuga tendered her resignation as Treasurer and Chief of Corporate Finance and Investor Relations of NOW Corporation (the “Company”) effective 17 September 2022. The resignation of Ms. Dimayuga was not due to any disagreement with the Company on any matter relating to the Company’s operations, policies or practice</p>

03 October 2022	On 03 October 2022, the Board of Directors of the Company authorized the management to initiate negotiations with News and Entertainment Network Corporation (Newsnet) to acquire equity ownership in Newsnet, an interactive pay television and multimedia services company assigned with the coveted 26GHz spectrum. This is part of the Company's thrust to expand, consolidate and strengthen its core business, subject to applicable regulatory approval from regulatory agencies and government bodies. Likewise, in the same meeting, the Board approved the execution by the Company, together with NOW Telecom Company, Inc., News and Entertainment Network Corporation, NOW Cable, Inc., and Asian Institute of Journalism and Communication, Inc. of the Memorandum of Agreement creating a common digital infrastructure for internal, private, and public sectors' use, streamlining their operations, optimizing their network utilization, and leveraging on shared services and resources. The Parties agree to expand the existing network on a nationwide basis through collaboration, joint venture, Built Operate Transfer Projects, Private-Public Partnership with local community organizations such as local government units, electric cooperatives, cable tv operators, internet service providers, broadcasters, real estate developers, state universities and colleges, and other community-based organizations, fiber air fixed wireless access network to next generation technology and expand the base stations nationwide.
10 March 2023	At the Regular Meeting of the Board of Directors of NOW Corporation held on 10 March 2023, the Board approved the setting of the annual stockholders' meeting to be on 01 June 2023 with record date of 15 May 2023. Likewise at the said meeting, the Board approved the delegation to the Chairman, or in his absence the Vice-Chairman, to the President and to the Acting Chief Finance Officer, the authority to approve the 2022 audited financial statements of the Company.

Quarterly Financial Reports (Form 17-Q) were previously submitted to the SEC for the quarters ending March, June and September 2022.

SIGNATURES  
FOLLOWS