



SECURITIES AND EXCHANGE COMMISSION

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SEC Number 39121
File Number

PHILWEB CORPORATION

(Company's Full Name)

**41st Floor, One San Miguel Avenue Condominium,
San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City**

(Company's Address)

(632) 8236-5577

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

**Quarterly Report Pursuant to Section 17
of the Securities Regulation Code and SRC Rule 17
(2) (b) Thereunder**

Form Type

Amendment Designation (if applicable)

March 31, 2025

Period Ended Date

N/A

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2025
2. Commission identification number 39121
3. BIR Tax Identification No 000-141-527-000
4. Exact name of issuer as specified in its charter PhilWeb Corporation
5. Province, country or other jurisdiction of incorporation or organization Philippines
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office 41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City
Postal Code 1605
8. Issuer's telephone number, including area code (632) 8236-5577

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

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding (net of treasury shares of 81,380,938)
Common P1 par value	1,435,776,680*

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

Yes No

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange / Common Stock

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 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

Part I – Financial Information

Item 1. Financial Statements See attached

The interim financial statements have been prepared in accordance with Philippine Financial Reporting Standard.

The same accounting policies and methods of computation are followed in the interim and annual financial statements.

There are no seasonal aspects that have an effect on the Company's results of operations.

There are no unusual items affecting Assets, Liabilities, Equity, Net income, or Cash Flows.

There are no changes in estimates of amounts reported in the prior financial periods.

There is no disclosure on segment information in the Company's annual financial statements.

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements.

There are no major changes in the Company, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations, other than the following:

1. On July 10, 2012, ePLDT Inc. and the Company signed the Share Purchase Agreement covering 397,892,307 shares or 26.28% of the total outstanding capital of the Company. The sale of shares priced at P10.70 will be executed in four tranches to be completed by the end of 2013. Acquisition of shares in the first tranche was consummated on July 13, 2012.

On October 19, 2012, PhilWeb Casino Corporation (PCC) a wholly owned subsidiary, on behalf of the Company, accelerated the acquisition of the second tranche of shares from ePLDT which also comprise of 93,457,944 shares of the Company at the same price of Php10.70 per share.

On October 22, 2012, the Company and PCC entered into a Placement Agreement with UBS AG and Religare Capital Markets (Hong Kong) Limited acting as placement agents for the sale of 137.5 million shares of the Company to qualified buyers at a price of P15.00 per share or a total aggregate price of P2,062.5 million.

On June 13, 2013, PCC and ePLDT transacted the third tranche of Philweb shares totaling 93,457,944 shares. The total price paid for third tranche is P1,015 million or P10.86 per share.

On December 13, 2013, PCC and ePLDT transacted the fourth and last tranche of Philweb shares totaling 117,518,475 shares. The total price paid for last tranche is P1,297 million or P11.04 per share.

2. The Company's Intellectual Property License and Management Agreement (IPLMA) with PAGCOR expired on July 11, 2016. On July 8, 2016 PAGCOR extended the contract from July 11, 2016 until August 10, 2016.

3. The IPLMA expired on August 11, 2016. On December 22, 2016, the Company was notified by PAGCOR that it has to go thru the procurement process.
4. On March 8, 2017, the Company's Board of Directors approved the plan, thru its subsidiary BGI, to acquire 15 PAGCOR Gaming Stations from existing independent operators using a total of up to 7,500,000 Company shares it is currently holding in treasury as payment.
5. On August 18, 2017, the Company received a Provisional Certificate of Accreditation from the PAGCOR to be an accredited Electronic Gaming System (EGS) Service Provider. As an Accredited EGS Service Provider, the Company can offer its software and other services to the operators of PAGCOR-licensed gaming sites for electronic games. PAGCOR will conduct an inspection and testing of PhilWeb's servers and gaming facilities as required under the accreditation rules.

The testing and inspection were completed and on September 25, 2017 the Company received a letter from PAGCOR indicating that the Company passed the inspection and testing as required.

6. On October 30, 2017, the Company received a Certificate of Accreditation from PAGCOR. In compliance with the accreditation rules, the Company submitted the P25 million letter of credit as performance bond on November 2, 2017.
7. On December 1, 2017, the first 16 electronic gaming locations were allowed to operate under PhilWeb's Electronic Gaming System platform.
8. On February 20, 2018, PAGCOR allowed the Company to offer its services to an additional 21 electronic gaming locations.
9. On March 7, 2018, PAGCOR issued a memorandum accepting and processing applications of new and existing operators to resume the use of the Company's electronic gaming system, thereby allowing the Company to fully resume its operations.
10. On May 31, 2019, the Company and Palmary Corporation signed a Cooperation Agreement to jointly develop their electronic bingo or e-Bingo businesses. On the same date, Palmary Corporation also signed a Share Purchase Agreement to purchase 97,333,333 shares of the Company.
11. On March 15, 2020, PAGCOR issued a memorandum directing the temporary cessation of the gaming operations of its licensees operating in the National Capital Region. On March 16, 2020, PAGCOR issued a memorandum extending nationwide the temporary cessation of the gaming operations of its licensees effective midnight of March 16, 2020 until midnight of April 14, 2020 or until the government declares the COVID-19 situation either under control or for extended community quarantine.
12. On June 15, 2020, the Company resumed its gaming services to electronic gaming locations and electronic bingo sites that have reopened across the country.
13. On March 8, 2021, the Company acquired 16 e-Bingo outlets and two e-Bingo machine suppliers from the Palmary Group for a total consideration of P730,000,000.00.
14. On March 23, 2021, the Company was granted approval by PAGCOR to operate its Remote Gaming Platform (RGP) to allow high-value customers to enjoy gaming products outside of e-Games venues.

15. On February 6, 2023, the Company received its Certificate of Accreditation from PAGCOR as a Sports Betting System Service Provider of PAGCOR-licensed Gaming Sites for Electronic Games. PhilWeb Corporation is now offering sports betting under eSportsbet.

There are no contingent liabilities or contingent assets since the last annual balance sheet date.

There are no material contingencies and any other events or transactions not mentioned that are material to an understanding of the current interim period.

Earnings Per Share

Earnings per share is determined by dividing net income for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed as aforementioned and assuming further that all outstanding options are exercised at the beginning of the period.

The weighted average number of common shares used in determining basic and diluted earnings per share is shown below:

	Basic*	Diluted*
March 31, 2025	1,278,732,577	1,278,732,577
March 31, 2024	1,278,732,577	1,278,732,577

* Net of treasury shares directly held by PhilWeb and PCC. PCC is a wholly-owned subsidiary.

Financial Assets and Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial Recognition and Measurement. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit and loss (FVPL), includes transaction cost.

“Day 1” Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company’s business model and its contractual cash flow characteristics.

As at March 31, 2025, the Company does not have financial assets at FVPL and FVOCI and financial liabilities at FVPL.

Financial Assets at Amortized Cost. A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at March 31, 2025, the Company's cash and cash equivalents, trade and other receivables and rental and other deposits presented under "Other noncurrent assets" are classified under this category.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

As at March 31, 2025, the Company's accounts payable and other current liabilities (excluding statutory payables), notes payable and other noncurrent liability are classified under this category.

Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2024:

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants*
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture*

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the consolidated financial statements.

Item 2. Management's Discussion and Analysis of Key Financial Condition and Results of Operations

The Company became an Internet Services company in January 18, 2000 upon the stockholders' approval of a restructuring plan which involved changes in the Company's name, primary purpose, increase in capital stock, declassification of shares, increase in the number of directors, and adoption of new by-laws, among other matters. At the same meeting, the stockholders likewise authorized the Board of Directors to sell all or substantially all of the assets of the Company, and approved the sale of the mining properties and tangible mining assets.

On January 18, 2000, the Company entered into a Deed of Assignment with All-Acacia Resources, Inc. whereby the Company transferred all its rights over its mining claims located in the Provinces of Samar and Surigao and all of its mining assets, both tangible and intangible, used in the Company's mining operations. In consideration therefore, All-Acacia agreed to assume all liabilities and obligations of the Company, including those relating to the assignment of advances from stockholders and/or deposits on subscriptions in excess of ₱18 million which had been agreed to be converted to equity of the Company, and arrange for the resignation, retirement or termination of all the Company's personnel relating to the mining business and pay their corresponding separation or retirement pay, as well as hold the Company free and harmless from any expense, liability or obligation arising from the operation of the Company as of the date of the Agreement.

The change in the Company's corporate name to "PhilWeb.Com, Inc.", its primary purpose from a mining and oil exploration company to that of an Internet Service company, increase in the number of directors to 15, and adoption of new By-laws became effective upon the approval by the SEC on February 8, 2000. The SEC subsequently approved the increase in the Company's authorized capital stock to P2.6 Billion and the declassification of its common shares to one class on March 6, 2000.

At the annual stockholders' meeting on May 31, 2002, the stockholders approved the change in corporate name from "PhilWeb.Com, Inc." to "PhilWeb Corporation". The stockholders also approved the inclusion of the gaming business as an additional secondary purpose of the Company. The SEC approved these changes on November 5, 2002.

On November 28, 2002, the Company signed a Memorandum of Agreement with Philippine Amusement and Gaming Corporation (PAGCOR) for the Company to provide PAGCOR with technical consultancy and marketing services related to Internet Sports Betting. PAGCOR has launched its Internet Sports Betting website called BasketballJackpot.Net, with the objective of getting a slice of the US\$10 billion worldwide Sports Betting market. In April 2004, the Company launched its internet casino business.

At the annual stockholders' meeting on May 29, 2003, the stockholders approved the change in the primary purpose of the Company to develop, design, build, install, own, possess, use, operate, manage, market and maintain gaming systems, applications, programs, and operating platforms and facilities of every description, including but not limited to integrated and on-line computer systems, terminals, software, servers and routers together with interconnecting and interlinking telecommunications systems for voice data and multimedia transmission and interexchange for the transport, storage and processing of messages and data; to do any and all acts, activities and undertakings in relation to, arising out of and incidental to the development, design, building, installment, ownership, possession, usage, operation, management, marketing and maintenance of such gaming systems, applications, programs, and operating platforms and facilities, including but not limited to the sale and the leasing of such gaming systems, applications, programs, and operating platforms and facilities, and the supply and provision of management, operation, technical and marketing expertise and other advisory and consultation services in relation thereto, including but not

limited to services to Philippine Amusement and Gaming Corporation (PAGCOR) and, as permitted by law, other gaming operators.

On June 1, 2006, the Parent Company entered into an Intellectual Property License and Management Agreement for Internet Casinos with PAGCOR, wherein the Parent Company has agreed to license to PAGCOR the former's intellectual property rights to the software system and to provide the collateral hardware and other requirements necessary for the operations of PAGCOR's Internet casino game offering. This supersedes the Memorandum of Agreement dated November 28, 2002, Supplemental Agreement No. 1 dated March 18, 2003 and a Supplemental Agreement No. 2 dated June 30, 2003.

On December 17, 2010, Parent Company entered into an Omnibus Amended Intellectual Property License and Management Agreement (IPLMA) for PAGCOR E-Games with PAGCOR wherein the Parent Company grants an exclusive intellectual property license to PAGCOR for the use of its proprietary software system and collateral hardware necessary for PAGCOR to operate the Internet Casino or PAGCOR e-Games. This supersedes the June 1, 2006 IPLMA. The IPLMA will expire on July 11, 2016.

On July 8, 2016, PAGCOR extended the IPLMA from July 11, 2016 until August 10, 2016.

IPLMA contract expired on August 11, 2016 and has not been renewed.

On August 18, 2017, the Company received a Provisional Accreditation from PAGCOR as an EGS Service Provider of PAGCOR-licensed Gaming Sites for Electronic Games. PAGCOR conducted an inspection and testing of company's servers and gaming facilities as required under the accreditation rules. On September 25, 2017, the Company received a letter from PAGCOR indicating the company's compliance in the inspection and testing requirements mentioned in the Provisional Accreditation. On October 30, 2017, the Company received a Certificate of Accreditation from the PAGCOR as an EGS Service Provider of PAGCOR-licensed Gaming Sites for Electronic Games.

On December 1, 2017, the first 16 electronic gaming locations were allowed to operate under PhilWeb's Electronic Gaming System platform. On February 20, 2018, PAGCOR then allowed the Company to offer its services to an additional 21 electronic gaming location.

On March 7, 2018, PAGCOR issued a memorandum accepting and processing applications of new and existing operators to resume the use of the Company's electronic gaming system, thereby allowing the Company to fully resume its operations.

2.1 PAGCOR e-Games cafés

e-Games was licensed by the Philippine Amusement and Gaming Corporation (PAGCOR) in 2003 to launch e-Games Stations, which are Internet cafés exclusively dedicated to casino games. With technology provided by PhilWeb, patrons can choose from more than 300 casino games, including baccarat, blackjack, various slot machine games, video poker and sports betting. Most e-Games cafés operate on a 24/7 basis.

There were 288 operating e-Games cafés across the country, majority of which are owned and operated by independent operators. These e-Games Operators handle day-to-day operations and get a commission based on the casino winnings of the café.

On August 11, 2016, PAGCOR decided not to renew the Intellectual Property License and Management Agreement (IPLMA) with PhilWeb. Following the expiration of the said IPLMA with PAGCOR for the e-Games service, PhilWeb has been unable to provide services to the e-

Games operators. During that time, PhilWeb continued to comply with PAGCOR instructions on the release of operator funds as well as player credits in their gaming accounts.

On August 14, 2017, PAGCOR published guidelines for the Accreditation of Electronic Gaming System (EGS) Service Provider. PAGCOR issued its first EGS accreditation to PhilWeb on October 30, 2017. On December 1, 2017, the first 16 electronic gaming locations were allowed to operate under PhilWeb's Electronic Gaming System platform.

On February 20, 2018, PAGCOR then allowed the Company to offer its services to an additional 21 electronic gaming locations. On March 7, 2018, PAGCOR issued a memorandum accepting and processing applications of new and existing operators to resume the use of the Company's electronic gaming system, thereby allowing the Company to fully resume its operations.

On March 23, 2021, the Company was granted approval by PAGCOR to operate its Remote Gaming Platform (RGP) to allow high-value customers to enjoy gaming products outside of e-Games venues.

Operator Partnerships

As of the preparation of this report, there are 98 locations across the country that are operating under PhilWeb.

Content and Services

PhilWeb's Electronic Gaming System platform resumed with the Magic Macau suite of casino games. These games include wide-area progressive slots, video poker, and electronic table games such as Blackjack and Baccarat. During the year, the Company as well implemented two more casino brands, Viva! Las Vegas and Monte Carlo containing various casino, slot, and fishing games from six content providers. This gives more variety and options for the customers of eGaming locations. All of these games are available and accessible to all eGaming locations and its Remote Gaming Platform extension.

Apart from these, PhilWeb also resumed support services being provided to Operators, such as Accounting and Reporting, jackpot fund management, remittance management, technical support, marketing and customer service.

Marketing

At the resumption of its Electronic Gaming service, PhilWeb launched various marketing activities to promote the business from 2017 up to the present. Operating sites were not only provided with regulatory materials, branded content and promotional activities. PhilWeb strengthened its support to eGames operators through local marketing programs such as site activations, player events, staff incentive and seasonal promos.

PhilWeb leveraged its partnership with game providers by setting up the nationwide tour of Habanero Caravan and engaging customers through RTG Seeing Doubles. High-budget network campaigns like Super 6, Wheels & Thrills and The Great Bike Giveaway, each with over a million worth of prizes ranging from casino credits to luxury cars, were conducted to increase loyalty to the eGames brand.

PAGCOR-certified web-based gaming was introduced in the second quarter of 2021 through PhilWeb's remote gaming platform. Sign Up & Win, Race to P5M Bet and eGames After Dark were launched to provide entertainment and reward its exclusive members during the pandemic.

2.2 BigGame, Inc.

From 10 operating locations at the start of 2017, BigGame is now operating 32 locations across the country as of preparation of this report. This was achieved partly through the acquisition of electronic gaming sites in different parts of the country.

BigGame's network of cafés functions as the Company's "R&D laboratory" where new games, strategies and other innovative ideas are first tested. Results, whether positive or negative, are reported to e-Games operators during the quarterly General Assemblies. If a new game or idea delivers positive results and is approved unanimously by the operators, the BigGame café in question becomes the standard by which all other BigGame and e-Games cafés will follow. Because of this rigorous process, BigGame continues to bring in improved gaming configurations and upgrades for the Company's various services and amenities.

Best Gaming Experience

BigGame continues to provide the Best Gaming Experience to its customers. Continuous daily food service has become a mainstay at the BigGame locations since its introduction in 2016.

BigGame continues its site expansion, renovation and refurbishment activities in 2018. The year ahead will also see more innovations and improvements in player experience. Player acquisition efforts will also be a focus through activation activities in various entertainment establishments. BigGame remains committed to increasing customer service levels, as well as adding site amenities and creating an ambiance that extends the best gaming experience for our target market.

2.3 e-Bingo

In an effort to expand and diversify operation, PhilWeb, thru Easy e-Bingo, Inc. (a wholly-owned subsidiary) acquired two electronic bingo sites located in the National Capital Region. This provides PhilWeb with valuable insights into another segment of the gaming industry. Easy e-Bingo, Inc. is currently operating six e-Bingo locations.

On March 8, 2021, PhilWeb Corporation acquired 16 e-Bingo outlets and two e-Bingo machine suppliers from the Palmary Group. Following this acquisition, PhilWeb now operates 22 e-Bingo outlets. The acquisition of the two accredited e-Bingo machine supplier companies allows PhilWeb to expand its portfolio of gaming services into e-Bingo outlets. At present, the two companies are accredited suppliers to 75 e-Bingo outlets across the country.

2.4 Corporate Services

Finance

The PhilWeb Finance Department continued to provide its unwavering support to the growth of the business through the sound implementation of financial systems, processes and internal control policies that safeguard the Company assets and resources.

Finance developed the reporting process and reconciliations of progressive jackpot contributions and actual payouts for slot machine games. This paved the way for PAGCOR to approve the introduction of new games with large progressive payouts, such as Happy Golden Ox, Three Stooges and Rudolf's Revenge. The introduction and implementation of

new games was successful not only in creating excitement for our players, but also in delivering additional revenue to all our stakeholders.

Another milestone was the implementation of our closed-loop e-wallet which we branded “e-SAFE”. The keys to the implementation of e-SAFE were the internal controls and security measures that we established to ensure that the client’s money is safe and secure. Coupled with the introduction of new gaming platforms such as MSW, the e-SAFE will now allow players to place bets to these games using the wallet balance. This will also allow players to receive payouts through their wallets, which they can keep or withdraw any time they want. The Company is looking of re-launching this wallet in the near future.

Finance continues to ensure that all cash from the nationwide network of e-Games are collected on a timely and accurate manner. Through our company-proprietary POS system and 24/7 operation of our Cash Centers, we are able to monitor cash exposure and thereby enabling us to collect or replenish the cash needs of each site almost immediately. Our arrangements with banks, also allow us to replenish the operator and pay the player of the provincial sites on a real-time basis. The strict implementation of collection policies enables us to manage our cash with very minimal risk to the Company and to the operator.

Finance continuously provides financial reports, reconciliations in a timely manner to management and stakeholders to support key business decisions.

Legal

The Legal Department ensures that the interests of the Company as well as its subsidiaries and affiliates are fully protected. Likewise, it makes certain that the Company observes all laws, rules and regulations relevant to the operation of its business and that it complies with all the reportorial requirements of various government offices and agencies such as, but not limited to, the Securities and Exchange Commission, the Philippine Stock Exchange, the Board of Investments and the Philippine Economic Zone Authority. In the same manner, the Legal Department manages and oversees the Company’s dealings with concerned local government units with respect to the issuances of permits and licenses.

The Legal Department is also responsible for the registration of trademarks, patents and copyrights that are aimed to protect the intellectual property rights of the Company. Moreover, it is in-charge of reviewing all the contracts that the Company enters into thereby guaranteeing that the terms of every agreement are beneficial to the interests of the Company. Further, the Legal Department handles all cases brought by or against the Company whether these cases involve civil, criminal or administrative matters. In all, the Legal Department serves as the legal adviser and consultant of the Company, ever vigilant and protective of the Company’s rights and interests.

Customer Support

To ensure continuity in providing 24 x 7 support to all e-Games members, operators and site staff during the pandemic, several improvements were implemented in the Customer Support department. The call center’s telephony system was transitioned from a premise based to a telco grade hosted ACD, IVRS and telephony solution on a cloud-based infrastructure. The new system is now accessible through the internet which allowed all our customer support officers to access the platform and man the eGames hotline anytime, anywhere. Our customer service channels were also expanded and now includes - voice (hotline), email and chat support via SMS, Viber and Facebook. With these enhancements, we are able to handle over 100,000 transactions across all products and channels. Customer Support has also maintained its 92% average answer rate for inbound calls and 30-minute response rate for all its written correspondences via email, SMS and chat.

The group continued to provide outbound support for other departments as well: Marketing – for promo related activities; Information Technology – for maintenance advisories; and Finance – for cash collection and replenishment.

The group is determined to enhance the customer experience even further by strengthening its ability to provide support and engage with customers through other digital channels, streamline processes to shorten resolution times, and continuous staff training to reinforce the culture of service in every member of the team.

2.5 Information Technology

PhilWeb's Information Technology group is composed of five functional departments, namely: Infrastructure, Software Development, Service Delivery, Service Support and Information Security. Each department's functions are aligned with PhilWeb's operational requirements as well as its corporate needs.

The Infrastructure Department's primary role is to provide all the components – hardware, software, network resources, facilities and services – needed to deliver IT services for PhilWeb's casino and corporate operations. The team is also responsible for the monitoring and maintenance of these components, providing level two support to ensure that operations are available 24/7.

The Software Development Department is in charge of creating and implementing software vital to PhilWeb's casino operations. As of this writing, a number of home-grown applications are in production which will allow PhilWeb to provide a better experience to its operators and members. Internally, the group has also developed tools to provide the operational teams such as Customer Support, Finance Operations, and Casino Operations with the information they need for their day-to-day activities.

The Service Delivery Department is responsible for the implementation and management of quality IT services. Guided by industry best practices, the group manages delivery of services through the disciplines of Project Management and Service Management. In line with its vision to ensure quality, the team also has a Quality Assurance unit which conducts testing on home grown software prior to customer endorsement to ensure that business requirements are met.

The Service Support Department is in charge of providing first level technical support and service monitoring to ensure that IT services are always available to both internal and external customers of the Company. There are two groups under this department: a) the Technical Support team, which monitors and performs first level troubleshooting on services pertaining to PhilWeb's corporate & casino infrastructure and B) Field Support, which is tasked to provide first level troubleshooting for e-Games and e-Bingo sites. Tickets reported by site personnel and operators are first escalated to this team for validation and resolution.

The Information Security Department provides guidance on securing and protecting the privacy of information, and ensures that the institution maintains appropriate operational controls, standards, processes, and information security policies.

2.6 Human Resources and Administration

Organization Structure

PhilWeb's Human Resources and Administration Departments were re-structured in January of 2016 and became one division, Human Resources and Administration. Merging the two departments was effective and cost efficient maximizing the combined competencies of the former 2 departments that gave more solid support for the Company.

The Human Resources Department (HR)

Recruitment & Selection

Recruitment and Selection in PhilWeb continued to follow stringent procedures to ensure that we are hiring only qualified and competent workforce.

New Hires Orientation covering the Company's Vision, Mission and Core Values, Culture and History of PhilWeb, the Organization Chart, Product Training, Policies and Procedures and Code of Conduct as well as explanation on their Employment Contract – comprise the outline of the Induction Program and is given prior to turnover to the requesting department. Technical orientation is handled by the respective department.

As of March 31, 2025, the Company has total of 177 employees.

Compensation and Benefits

The HR Department ensured timely delivery of compensation and benefits to the workforce and their professional and personal growth were charted through based Performance Evaluation/Appraisal.

Employee Engagement

In addition to workplace learning and development interventions as tool for workforce retention and engagement, regular general assemblies and other means of communication are undertaken to get the workforce pulse as regards the company's business developments.

Corporate Social Responsibility (CSR)

PhilWeb reaffirms its commitment and responsibility to its stakeholders through sound and efficient fiscal management of its business from top to departmental level. While this is foremost in our minds, the responsibility to our constituents and community and the environment we work in cannot be undermined.

PhilWeb continues to share our resources and propagates its advocacy to bring computer literacy and education to the less privileged of our society even to the farthest and remote areas. Consistent with the government's endeavor of inclusive growth, the donation does not only end in the delivery of the hardware but comes with related trainings and applications on the use of computers and applications.

The Administration Department

The Administration Team continued to place great effort in cost-effective measures to support the company's goal to achieve economy and efficiency in its operations without sacrificing the quality of support they render to PhilWeb.

The Administration Team continued to do their share in the timely delivery of their services, ensured that needs of the company were met and repairs and preventive maintenance on the equipment were planned and executed with the least downtime to the Company.

The Human Resources and Administration Division will continue to be a strategic partner of the different business units of PhilWeb and will continue to contribute to innovation for excellence in all our endeavors.

RESULTS OF OPERATION

	For the First Quarter Ended March 31, 2025	For the First Quarter Ended March 31, 2024
Income Statement		
Revenues	178,790,107	205,261,581
Costs and Expenses	199,435,926	198,170,110
Other Income (Expense) - Net	(20,645,819)	(4,788,255)
Net Income (Loss) After Tax	(25,511,352)	2,303,216
Retained Earnings at Beginning of Period	160,516,389	759,745,577
Retained Earnings at End of Period	135,005,037	762,048,793
Balance Sheet		
Current Assets	138,025,111	207,889,746
Total Assets	598,847,329	1,214,727,120
Total Liabilities	668,233,177	656,097,420
Total Equity	(69,385,848)	558,629,700

Total revenues decreased by P26.5 million or 12.9%, to P178.8 million for the three months ended March 31, 2025, from P205.3 million registered the same period last year.

Cost and expenses slightly increased by P1.3 million or 0.6%, to P199.4 million during the three months period ended March 31, 2025 from P198.2 million registered the same period last year.

Overall, for the three months ended March 31, 2025, the Company's incurred negative EBITDA of P3.0 million, lower by P28.0 million as compared to P25.0 million registered the same period last year; while the Company incurred net loss of P25.5 million during the three months period of 2025, lower by P27.8 million as compared to net income of P2.3 million registered the same period last year.

The Company's key performance indicators for the three months ended March 31, 2025 and 2024 are the following:

Financial Ratios	March 31, 2025	March 31, 2024
Net Income Margin (Net Income / Net Revenues)	-14.3%	1.1%
Operating Income Margin (Operating Income / Net Revenue)	-11.5%	5.6%
Current Ratio (Current Assets/Current Liabilities)	0.28:1.00	0.46:1.00
Asset to Equity Ratio (Total Assets / Total Equity)	-8.63:1.00	2.17:1.00
Debt to Equity Ratio (Total Liabilities / Total Equity)	-9.63:1.00	1.17:1.00
Return on Total Assets (Net Income / Total Assets)	-4.26%	0.19%
Return on Total Equity (Net Income / Total Equity)	-36.77%	0.41%
Interest Rate Coverage Ratio (EBIT / Interest Expense)	-4.24:1.00	2.38:1.00

Performance for the Period January 1, 2025 to March 31, 2025
(Comparison of Balance Sheets as of March 31, 2025 and December 31, 2024)

Cash

Cash decreased by P1.1 million or 2.5% versus last year. The Company generated cash from operation of P5.8 million and used mainly to pay payables and acquired fixed assets.

Receivables

Receivables decreased by P11.7 million or 19.1% versus last year mainly due to the decrease in trade receivables.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P14.0 million or 107.4% versus last year mainly due to the increase in prepaid taxes.

Property and Equipment

The decrease in property and equipment of P7.2 million or 12.0% represents the total acquisitions of P6.6 million less depreciation of P13.8 million.

Right-of-use (ROU) Assets

ROU assets amounting to P134.4 million are recognized as a result of the adoption of new accounting standard, PFRS 16. These represent the right to use the underlying assets during the lease term.

Goodwill

Goodwill amounting to P153.1 million represents the fair value of the expected synergies arising from the acquisition of the business. No movement during the period.

Other Noncurrent Assets

Other noncurrent assets amounted to P117.9 million mainly pertains to various deposits. No significant movement during the period.

Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities increased by P18.1 million or 7.6% mainly due to the increase in trade payables.

Notes Payable

Notes payable increased by P1.0 million or 0.6% mainly due to payment of loan.

Lease Liabilities

Lease liabilities are recognized as a result of the adoption of new accounting standard, PFRS 16. These pertain to the current and noncurrent portion of lease payment amounting to P56.4 million and P97.0 million, respectively.

Net Retirement Benefits Liability

The increased in net retirement liability of P1.7 million or 2.8% represents additional provision for employees' retirement benefits.

Other Noncurrent Liability

Other noncurrent liability pertains to cash deposits upon opening of electronic gaming to PhilWeb's EGS.

Capital stock

There is no movement for capital stock during the period.

Additional paid in capital

There is no movement for additional paid in capital during the period.

Retained earnings

The decrease in retained earnings of P25.5 million or 15.9% was attributable to the net loss during the period.

Treasury stock

There is no movement for additional paid in capital during the period.

Quantitative and Qualitative Disclosures on Financial Instruments

The Company's principal financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued expenses.

The main risks arising from the Company's financial instruments are liquidity risk, credit risk and market risk. The policies for managing each of these risks are provided below:

- a. Credit Risk is limited to the risk arising from inability of a debtor to make payments when receivables are due. The Company's internet gaming business is made on cash basis and internet gaming operators are covered by required security deposits. Other receivables arise from one of transactions and are due and demandable on a short-term basis. Due to these reasons, the Company has no significant exposures to credit risk as of March 31, 2025.

The carrying amount of receivables represents the Company's maximum exposure to credit risks in relation to financial assets.

- b. Liquidity risk is the risk that the Company will be unable to meet its obligations as they fall due. To effectively manage liquidity risk, the Company monitors its cash flows and ensures that credit facilities are available to meet its obligation when they fall due.
- c. Market risks is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Fair values

The fair values of the Company's financial instrument approximate their carrying amounts as of balance sheet date either because of their relatively short-term nature or the interest rates they carry approximate interest rates for comparable instruments in the market.

Key Performance Indicators of Subsidiaries for the three months ended March 31, 2025.

BGI is a wholly-owned subsidiary that started commercial operations in July 2005. BGI's total revenue for the three months ended March 31, 2025 amounts to P50.3 million, 5.3% lower as compared to 2024 total revenue of P53.1 million of the same period.

Part II - Other Information

There are no disclosures not reported under SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILWEB CORPORATION

Registrant



RICKY E. ROSARIO
CFO & Comptroller



EDGAR BRIAN K. NG
President

April 30, 2025

Quarterly Report – January 1, 2025 – March 31, 2025