

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, Philippines**

(Company's Address)

8236-5577

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-A (Annual Report)

Form Type

Amendment Designation (if applicable)

December 31, 2022

Period Ended Date

N/A

(Secondary License Type and File Number)

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 177
OF THE REVISED CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2022
2. SEC 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 principal office: 41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City, Philippines
8. Registrant's telephone number (632) 82365577 Zip Code 1605
9. Former name, former address, and former fiscal year, if changed since last report: N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

<u>Title of each Class</u>	<u>Number of shares of common stock and amount of debt outstanding</u>
Common P1.00 par value	1,435,776,680 (net of treasury shares)

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

12. Indicate 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 12 months (or for such shorter period the registrant was required to file such reports)
Yes

- b) has been subject to such filing requirements for the past 90 days
Yes

Part I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

PhilWeb Corporation, the Company, was originally a mining and exploration company incorporated in August 20, 1969 under the name "South Seas Oil and Mineral Exploration Co. Inc." with an authorized capital stock of P50 million divided into five billion shares with a par value of P0.01 per share. On March 29, 1984, the stockholders authorized the change in the Company's name to "South Seas Natural Resources, Inc." which was approved by the SEC. The stockholders subsequently authorized on September 22, 1987 an increase in the Company's authorized capital stock to P200 million divided into 20 billion shares with a par value of P0.01 each share, 60% of which were classified as Class "A" shares which may be held only by Filipino citizens, and 40% of which were classified as Class "B" shares which may be held by non-Filipinos. The SEC approved the increase in capital and classification of shares of stock.

The Company became an Internet 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 Parent Company entered into a Deed of Assignment with All-Acacia Resources, Inc. whereby the Parent 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 Parent Company's mining operations. In consideration therefore, All-Acacia agreed to assume all liabilities and obligations of the Parent Company, including those relating to the assignment of advances from stockholders and/or deposits on subscriptions in excess of P18 million which had been agreed to be converted to equity of the Parent Company, and arrange for the resignation, retirement or termination of all the Parent Company's personnel relating to the mining business and pay their corresponding separation or retirement pay, as well as hold the Parent Company free and harmless from any expense, liability or obligation arising from the operation of the Parent 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 company, increase in the number of directors to 15, and adoption of new By-laws became effective upon their 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 SEC approved these changes on November 5, 2002.

At the annual stockholders' meeting on May 29, 2003, the stockholders approved the amendment of the Company's Articles of Incorporation by changing the primary purpose to that of application service provider for gaming and including the current internet business activities as an additional secondary purpose of the Company. The SEC approved these amendments on November 10, 2005.

At the annual stockholders' meeting on May 28, 2009, the stockholders approved the amendment to the Company's Articles of Incorporation changing the par value of the Company's common stock from P0.01 per share to P1.00 per share, with the authorized capital stock unchanged at P2.6 Billion but with a concurrent decrease in the number of shares from 260 Billion shares to 2.6 Billion shares. On September 22, 2009, the Securities and Exchange Commission approved the said amendment.

1.1 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 Stations 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 e-Games Stations.

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 was unable to provide services to the e-Games operators.

On August 14, 2017, PAGCOR published guidelines for the Accreditation of Electronic Gaming System Service Provider. PAGCOR issued its first Electronic Gaming System accreditation to PhilWeb on October 30, 2017. On December 1, 2017, the first 16 e-Games Stations 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 e-Games Stations. 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 platform, 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 87 e-Games Stations 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.

1.2 BigGame, Inc.

BigGame ended 2022 with 32 operating locations across the country. 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 2021. 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.

1.3 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 sixteen e bingo sites and two electronic bingo machine suppliers from the Palmary Group. Following this acquisition, PhilWeb now operates twenty-two electronic bingo sites. The acquisition of the two accredited electronic bingo machine supplier companies allows PhilWeb to expand its portfolio of gaming services into electronic bingo sites. At present, these two companies are accredited suppliers to seventy-five electronic bingo sites outlets across the country.

1.4 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.

1.5 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 to 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 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. There are two groups under this department a) IT Network Security team, which focuses on PhilWeb's perimeter security designing and implementing security rules and policies to maintain a secured gaming and corporate environment. b) Information Security Engineering provides application security, endpoint security and access control management for PhilWeb Corporation.

1.6 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 December 31, 2022, the Company has total of 178 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.

1.7 Competitive Business Condition and the Registrant's Competitive Position in the Industry and Methods of Competition

The Internet industry in the Philippines is relatively young, but it is experiencing rapid growth and diversification. There is a proliferation of portals, websites, e-commerce ventures and Internet gaming. The latter is undoubtedly one of the most attractive growth areas in the entire Internet business segment. Internet sports betting and Internet casinos dominates most of the Internet gaming revenues.

Sports betting are, to a vast population of Filipinos, a way of life. Betting on cockfighting, horse-racing, basketball and other local sports has been popular nationwide for many years. The gaming market in the Philippines is estimated to be over 100 billion pesos per year.

Capitalizing on its Internet technology experience, PhilWeb in early 2003 made a deliberate decision to focus on Internet gaming. It established partner relationship with leading software providers in addition to establishing its own gaming software capability. Recognizing PhilWeb's extensive knowledge in Internet technology, software development and expertise and its nationwide marketing distribution network, PAGCOR signed a Memorandum of Agreement with PhilWeb in November 2002, engaging the latter as its technology service provider and marketing consultant for Internet sports betting. Subsequently, PhilWeb and PAGCOR likewise entered into several Supplementary Agreements to cover the expansion programs of PAGCOR on Internet sports betting. PhilWeb excels in the gaming industry by providing superior and innovative products with the highest standards of customer service. It established strategic partnership to ensure a fair, secure and legal gaming experience for the customers. PhilWeb has created a rewarding and dynamic work environment where it attracts, retains and motivates highly competent, passionate and innovative people, and delivers above-market value for its shareholders.

The Company's objective is to be the premier Internet gaming firm in the country. Its Internet gaming strategy is anchored on the Company's contractual relationship with PAGCOR and its advanced Internet technology platform and marketing infrastructure.

The Company is the first and largest Internet gaming company in the Philippines. It is the dominant technology-based gaming firm listed on the Philippine Stock Exchange.

The Company excels in the gaming industry by providing superior and innovative products with the highest standards of customer service. It establishes strategic partnerships to ensure a fair, secure and legal gaming experience for the customers. The Company creates a rewarding and dynamic work environment where it attracts, retains and motivates highly competent, passionate and innovative people, and delivers above-market value for its shareholders.

Sources and Availability of Raw Materials and Names of Principal Supplier

The Company is a service business that does not require raw material. It is not dependent on any principal supplier.

Dependence on One or a Few Major Customers and Identification of Such

It is the Company's strategy to offer its services to as broad a market as possible. In 2004, the Company has set up business partnership with various Internet sports betting operators. This partnership continues to expand.

No PeGS operators accounts for a major portion or 20% or more of the revenues of the Company.

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

The Company has the following trademarks registered with the Intellectual Property Office of the Philippines (IPO):

1. PhilWeb Corporation (Registration No. 4-2010-006766 dated 19 May 2011)
2. e-Magine (Registration No. 4-2013-00001693 dated 27 September 2013)
3. e-Games (Registration No. 4-2012-00012726 dated 24 October 2013)
4. e-pitaka and device (Registration No. 4-2014-00005230 dated 7 August 2014)
5. Stylized Bidwars and device (Registration No. 4-2014-00005226 dated 7 August 2014)
6. TV Sabong (Registration No. 4-2014-00005228 dated 18 September 2014)
7. Basketball Jackpot and device (Registration No. 4-2014-00005227 dated 18 September 2014)
8. e-Casino Filipino (Registration No. 4-2014-00005231 dated 16 October 2014)
9. Playaway and device (Registration No. 4-2014-005403 dated 16 October 2014)
10. Wannabet and device (Registration No. 4-2014-005402 dated 16 October 2014)
11. Premyo Sa Resibo (Registration No. 4-2014-00004755 dated 27 November 2014)
12. Gold Lotto 4/38 (Registration No. 4-2012-00011522 dated 5 March 2015)
13. Txtingo 9 (Registration No. 4-2014-00006250 dated 19 March 2015)
14. Txtingo Super 5 (Registration No. 4-2014-00006249 dated 19 March 2015)
15. BigGame (Registration No. 4-2014-00004756 dated 20 August 2015)
16. e-Games Virtual Entertainment City (Registration No. 4-2012-00015429 dated 27 August 2015)
17. eSafe (Registration No. 4-2016-0002563 dated 1 September 2016)
18. New e-Games (Application No. 04-2017-010066 dated 16 September 2018)
19. PhilWeb Logo (Registration No. 04-2017-00011522 dated 13 October 2019)

Moreover, the Company also registered the following copyrights with the National Library:

1. Premyo Sa Resibo (Registration No. 0-2006-174 dated 26 May 2006)
2. BasketballJackpot.net Program Source Code (Registration No. 0-2006-3055 dated 20 October 2006)
3. Txtingo Super Singko Program Source Code (Registration No. 0-2008-393 dated 17 October 2008)
4. Resibonanza Program Source Code (Registration No. 0-2009-159 dated 12 March 2009)
5. Station Manager PAGCOR E-Games Station POS System Source Code (Registration No. N2010-23 dated 19 February 2010)
6. PAGCOR E-City POS Station Manager Source Code (Registration No. N2010-118 dated 1 October 2010)
7. Basketball 38.Net Program Source Code (Registration No. N2011-102 dated 4 July 2011)
8. Dashboard (Registration No. N2013-112 dated 4 October 2013)
9. PBA Trading Cards TMS (Registration No. N2013-113 dated 4 October 2013)
10. Loyalty System (Registration No. N2013-114 dated 4 October 2013)
11. Kick for Gold Betting and Admin System (Registration No. N2013-115 dated 4 October 2013)
12. Spyder Client (Registration No. N2013-116 dated 4 October 2013)
13. Spyder Server (Registration No. N2013-117 dated 4 October 2013)
14. E-City Launchpad (Registration No. N2013-118 dated 4 October 2013)

15. Kronus Admin (Registration No. N2013-119 dated 4 October 2013)
16. Kronus Alerts (Registration No. N2013-120 dated 4 October 2013)
17. Kronus Cashier (Registration No. N2013-121 dated 4 October 2013)
18. Kronus Prepaid Accounting System (Registration No. N2013-122 dated 4 October 2013)
19. Membership Admin (Registration No. N2013-123 dated 4 October 2013)
20. Membership Portal (Registration No. N2013-124 dated 4 October 2013)
21. MIS Tool (Registration No. N2013-125 dated 4 October 2013)
22. TMS – Indonesia (Registration No. N2013-126 dated 4 October 2013)
23. Voucher/Stacker Management System (Registration No. N2013-127 dated 4 October 2013)
24. TMS – Cambodia (Registration No. N2013-128 dated 4 October 2013)
25. TMS – Timor Leste (Registration No. N2013-129 dated 4 October 2013)
26. TeGS Zentrum Admin (Timor Leste e-Games) (Registration No. N2013-130 dated 4 October 2013)
27. TeGZ Zentrum Portal (Timor Leste e-Games) (Registration No. N2013-131 dated 4 October 2013)
28. Sweeps Admin (Registration No. N2013-132 dated 4 October 2013)
29. Sweepstakes Cashier (Registration No. N2013-133 dated 4 October 2013)
30. Sweeps Deck Management (Registration No. N2013-134 dated 4 October 2013)
31. Sweeps Launchpad (Registration No. N2013-135 dated 5 October 2013)
32. SMS BGI (Registration No. N2013-172 dated 26 December 2013)
33. Launchpad-RSS (Registration No. N2013-171 dated 26 December 2013)
34. Loyalty V2 Web Service (Registration No. N2013-170 dated 26 December 2013)
35. Loyalty V2 Portal (Registration No. N2013-169 dated 26 December 2013)
36. Loyalty V2 Admin (Registration No. N2013-168 dated 26 December 2013)
37. Cambodia Lottery Cashier (Registration No. N2013-167 dated 26 December 2013)
38. Cambodia Lottery Admin (Registration No. N2013-166 dated 26 December 2013)
39. PHP Hotel-Casino Lobby (Registration No. N2013-165 dated 26 December 2013)
40. PHP Hotel-Admin (Registration No. N2013-164 dated 26 December 2013)
41. Mobile Lotto (Registration No. N2013-163 dated 26 December 2013)
42. Friends Online Casino (Registration No. N2013-162 dated 26 December 2013)
43. Fraud Control management System (Registration No. N2013-161 dated 26 December 2013)
44. Bidwars (Registration No. N2013-160 dated 26 December 2013)
45. TV Sabong Admin & Betting System (Registration No. N2013-159 dated 26 December 2013)
46. Wannabet (Registration No. N2013-158 dated 26 December 2013)
47. Jackpot Karera (Registration No. N2013-157 dated 26 December 2013)
48. DBA Tool (Registration No. N2014-34 dated 28 January 2014)
49. Digital Signage System (Registration No. N2014-33 dated 28 January 2014)
50. Generation of Membership Identification (Registration No. N2014-155 dated 7 August 2014)

Pending Applications for Registration of Trademarks

The Company has three (3) pending trademarks applications with the IPO:

1. Gold Master Brand Logo (Application No. 4-2012-011523)
2. Vibrant Vegas Logo (Application No. 4-2012-009142)
3. Magic Macau Logo (Application No. 4-2012-009141)
4. BigGame Inc. (Application No. 4-2022-00509203)

The Company has the following Industrial Designs and Utility Model registered with the IPO

1. Computer-Based Automated Terminal (Industrial Design) Registration No. 3-2013-001325 dated 14 October 2015)
2. Printed Surface Ornamentation Applied to an e-Games Membership Card Design (Registration No. 3-2014-000864 dated 4 January 2016)
3. Printed Surface Ornamentation Applied to an e-Games Club Platinum Card (Registration No. 2-2014-000865 dated 4 January 2016)
4. Automated Terminal (Utility Model) Registration No. 2-2013-000658 dated 27 May 2015)

Need for Governmental Approval of Principal Products or Services; Effect of Existing or Probable Governmental Regulations on the Business

The Company's Internet gaming activities are done in partnership with PAGCOR, which is the only entity, authorized by the government to operate any game of chance.

Estimate of Amount Spent for Research and Development Activities in the Next Three Years

The Company does not expect to make any significant investment or expenditure for research and development for the existing bus. It is part of the Company's strategy to obtain its technology through strategic partnerships or similar arrangements with parties that already have access to the technologies, services, or products required by PhilWeb.

Costs and Effects of Compliance with Environmental Laws

The Company's current operations do not require an environmental compliance certificate from the Department of Environment and Natural Resources. In the event environmental laws and regulations cover any of its future operations, the Company intends to comply with such requirements.

Business Transactions with Related Parties

The Company has extended short-term advances to a related party with no interest. The Board of Directors of the respective companies has approved inter-company advances.

The Company has no material business transactions with related parties.

There are no major risks involved in each of the business of the Company and its subsidiaries.

Labor

As of 31 December 2022, the Company has 178 employees broken down as follows: 76 rank and file, 54 supervisors, 34 managers, and 14 executives. There is no union and neither is there a collective bargaining agreement with its employees. There have been no strikes or threats to strike in the past three years. Supplemental benefits given to employees include stock option plan to qualified employees, among others.

1.8 Material Events

The significant contracts and commitments entered into by the Company as of December 31, 2022 are as follows:

- On December 17, 2010, the Parent Company entered into an Omnibus Amended Intellectual Property License and Management Agreement for PAGCOR E-Games which supersedes the IPLMA, 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. The IPLMA expired on July 11, 2016. PAGCOR agreed to extend the contract for another month. On August 11, 2016, PAGCOR allowed the contract to lapse.
- On October 30, 2017, the Company received its Certificate of Accreditation from PAGCOR as an Electronic Gaming System (EGS) Service Provider of PAGCOR-licensed Gaming Sites for Electronic Games. As an Accredited EGS Service Provider, PhilWeb Corporation can offer its software and other services to the operators 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.
- On March 23, 2021, the Company was granted approval by PAGCOR to operate its Remote Gaming Platform (RGP) to allow customers to enjoy gaming products outside of e-Games venues.

Other Material Contracts

1. Contract of Lease with Amberland Corporation for the lease of the Company's principal office located at 41st Floor, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City. The lease term is from April 15, 2022 to April 14, 2025 for a monthly lease of P578,888.90.

The lease agreement is for a period of three (3) years with an option to renew under mutually agreeable terms.

Item 2. Properties

The Company does not own any real property. However, it is presently leasing from Amberland Corporation, located at the Unit 4101, One San Miguel Avenue Condominium, San Miguel Avenue corner Shaw Boulevard, Ortigas Center, Pasig City. The lease term is from April 15, 2022 to April 14, 2025 for a monthly lease of P578,888.90. The lease agreement is for a period of three (3) years with an option to renew under mutually agreeable terms.

No extraordinary purchase or sale of plant and equipment are expected beyond those in the regular course of the Company's operations. All purchases will be financed through internally-generated funds and existing capitalization, except for limited leasing facilities that will be utilized for the purchases of certain computer and transportation equipment.

Item 3. Legal Proceedings

1. Rodrigo R. Gacionco, Jr. vs. PhilWeb (CA G.R. CV-No. 01519) - Rescission of Lease Purchase Agreement.

The parties entered into a Lease Agreement with Option to Purchase on 22 November 2000. For alleged non-fulfillment of its obligation, Gandionco filed a case in the RTC to rescind the contract. PhilWeb stated that it never entered into such agreement for it was not signed by any of PhilWeb's authorized representatives. The Court Ruled in favor of Gandionco and declared the agreement between the parties as rescinded and ordered PhilWeb to pay Gacionco P 20,533.00 in litigation expenses, P20,000 in moral damages, P20,000 in exemplary damages and P50,000 in attorney's fees, in the total amount of P110,533.00. Gacionco was likewise ordered by the court to return to PhilWeb 10 IBM Computers, amounting to approximately P200,000.00 and 5000 pieces of ZOOM cards. PhilWeb appealed the case to the Court of Appeals. The appeal is submitted for decision by the Court of Appeals.

2. PhilWeb vs Sonia K. Pamatmat
I.S. No. 07-J-8470
Qualified Theft

The respondent is a former employee of PhilWeb. During her tenure as a former employee of PhilWeb, she took a company vehicle and did not return the same upon termination of her employment. PhilWeb demanded the return of its vehicle. Despite said demand, she failed to return the said property. PhilWeb then filed a complaint charging the respondent of Qualified Theft.

PhilWeb filed a Petition for Certiorari to annul the Resolution of the Department of Justice dismissing the criminal case against Sonia K. Pamatmat. The case is pending resolution by the Court of Appeals.

3. PhilWeb Corporation vs. BOS (Antigua) Ltd.
Civil Case No. 06 - 712
For Damages with Attachment
Makati RTC Branch 139

The parties entered into a Memorandum of Agreement on November 20, 2005 for the operation of sports betting facility. BOS allegedly violated provisions in the MOA prompting PhilWeb to file a complaint for damages in the amount of P24,000,000.00 against BOS. The case will be litigated upon service of summons to BOS. BOS did not file a counterclaim or a separate complaint.

4. PhilWeb Corporation vs. Commission on Audit
Decision No. 2015-097 (CGS-C Decision No. 2012-009) (ND No. 2011-001-(06/07))

On 18 July 2011, the Commission on Audit ("COA"), through its resident auditor, Atty. Resurreccion C. Quieta, ("Atty. Quieta") issued a Notice of Disallowance ("ND") against PhilWeb regarding the payment of PAGCOR of 10% Software License Fee ("SLF") to PhilWeb effective on 6 July 2006. According to Atty. Quieta, there was an excess in the remittance of the SLF during the period 6 July 2006 to 31 August 2007 in the total amount of Php57,926,133.63 since the amended Intellectual Property License and Management Agreement which was entered into by PhilWeb and PAGCOR, and which specified the payment of the 10% SLF, took effect only on 13 September 2007. This Php57,926,133.63 amount has been paid by PAGCOR and COA is claiming its return.

PhilWeb challenged this ND and filed its Appeal Memorandum on 12 December 2011 maintaining that the increase and the payment of the 10% SLF was agreed upon by PAGCOR and PhilWeb to take effect on 6 July 2006. On 6 December 2012, PhilWeb, received a copy of the Decision of the COA through Honorable Rufina S. Laquindanum dated 16 November 2012 denying its appeal and affirming the Notice of Disallowance. Thereafter, PhilWeb filed its Petition for Review with the COA on 8 January 2013. On 8 May 2015, PhilWeb received a copy of the Decision of the COA dated 1 April 2015 dismissing its Petition for Review. On 19 May 2015, PhilWeb seasonably filed its Motion for Reconsideration. This Motion for Reconsideration is now pending resolution by the COA.

5. PhilWeb Corporation vs. Commissioner of Internal Revenue
CTA Case No. 10563

On 13 January 2021, PhilWeb received the Formal Assessment Notice/Formal Letter of Demand (FAN/FLD) issued by the Bureau of Internal Revenue (BIR) assessing PhilWeb of deficiency VAT for taxable year 2015 (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php23,693,960.11. On 10 February 2021, PhilWeb filed its Protest Letter to the FAN/FLD refuting the remaining assessments of the BIR. On 28 May 2021, PhilWeb received a copy of the Final Decision on Disputed

Assessment (FDDA) of the BIR denying the protest and assessing PhilWeb of deficiency VAT (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php19,568,262.20. On 28 June 2022, PhilWeb filed with the Court of Tax Appeals (CTA) a Petition for Review appealing the FDDA. PhilWeb also filed last 18 August 2021 with the BIR an Offer of Compromise Settlement by offering to pay the amount of P2,256,068.215 to immediately settle, close and terminate this assessment. This offer is pending resolution with the BIR.

6. PhilWeb Corporation vs. Commissioner of Internal Revenue
CTA Case No. 10619 and CTA Case No. 10671

On 26 September 2016, PhilWeb received the FAN/FLD assessing PhilWeb of deficiency Income Tax, Expanded Withholding Tax, Documentary stamp Tax, and Value-Added Taxes for taxable year 2011 (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php698,871,318. On 26 October 2016, PhilWeb filed its Protest Letter to the FAN/FLD refuting the assessments of the BIR. On 2 September 2021, PhilWeb received a copy of the FDDA of the BIR denying the protest and assessing PhilWeb of deficiency Income Tax, Expanded Withholding Tax, Documentary stamp Tax, and Value-Added Taxes (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php954,880,386. On 4 October 2021, PhilWeb filed with the CTA a Petition for Review appealing the FDDA.

On 24 October 2016, PhilWeb received the FAN/FLD assessing PhilWeb of deficiency Income Tax, Expanded Withholding Tax, Documentary stamp Tax, and Value-Added Taxes for taxable year 2012 (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php1,114,293,563.55. On 22 November 2016, PhilWeb filed its Protest Letter to the FAN/FLD refuting the assessments of the BIR. On 20 September 2021, PhilWeb received a copy of the FDDA of the BIR denying the protest and assessing PhilWeb of deficiency Income Tax, Expanded Withholding Tax, Documentary stamp Tax, and Value-Added Taxes (inclusive of surcharges, interests, and compromise penalty) in the aggregate amount of Php306,146,489.37. On 20 October 2021, PhilWeb filed with the CTA a Petition for Review appealing the FDDA.

In a Resolution dated 4 April 2022, CTA Case No. 10671 was consolidated with CTA Case No. 10619, the case bearing the lower number. The case is set for pre-trial conference on 13 March 2023.

7. John Rimus T. Abadiano vs. PhilWeb Corporation
NLRC NCR Case No. 02-00545-21
For Separation Pay, Backwages and damages

John Rimus T. Abadiano filed an illegal dismissal case with a claim for separation pay, backwages and damages. In a decision dated 29 November 2021, the labor arbiter held that Abadiano was illegally dismissed. PhilWeb appealed said decision to the National Labor Relations Commission. The NLRC partly granted the appeal of PhilWeb deleting the award of backwages. The NLRC denied Abadiano's motion for partial reconsideration. This case was closed and terminated when the parties amicably settled the matter.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

Part II – OPERATIONAL AND FINANCIAL INFORMATION**Item 5. Market Price, Dividends and Related Stockholder Matters**Market Information

PhilWeb Corporation's stocks are listed with the Philippine Stock Exchange.

The following table sets forth the high and low closing sales prices per share of the Common Shares listed on the PSE during the respective periods indicated according to published financial sources.

	Price per Share	
	High	Low
2019		
First Quarter (ending March 2019)	3.82	2.54
Second Quarter (ending June 2019)	3.71	2.61
Third Quarter (ending September 2019)	4.38	3.00
Fourth Quarter (ending December 2019)	3.22	2.35
2020		
First Quarter (ending March 2020)	4.12	1.12
Second Quarter (ending June 2020)	2.75	1.55
Third Quarter (ending September 2020)	2.40	1.80
Fourth Quarter (ending December 2020)	3.36	2.06
2021		
First Quarter (ending March 2021)	3.08	2.60
Second Quarter (ending June 2021)	2.91	2.39
Third Quarter (ending September 2021)	2.57	2.20
Fourth Quarter (ending December 2021)	2.40	1.86
2022		
First Quarter (ending March 2022)	2.36	1.80
Second Quarter (ending June 2022)	6.09	2.24
Third Quarter (ending September 2022)	5.05	2.33
Fourth Quarter (ending December 2022)	3.09	2.29

2023		
First Quarter (ending March 2023)	2.78	1.79
April 5, 2023	1.89	1.87

Dividends

PhilWeb declared a cash dividend of P0.10 per share which was paid on September 15, 2014 to the holders of common stock as of September 1, 2014. PhilWeb declared a cash dividend of P0.10 per share which was paid on December 5, 2014 to the holders of common stock as of November 21, 2014. PhilWeb declared a cash dividend of P0.15 per share which was paid on February 16, 2015 to the holders of common stock as of January 30, 2015. PhilWeb declared a cash dividend of P0.15 per share which was paid on May 21, 2015 to the holders of common stock as of May 7, 2015. PhilWeb declared a cash dividend of P0.15 per share which was paid on August 28, 2015 to the holders of common stock as of August 14, 2015. PhilWeb declared a cash dividend of P0.15 per share which was paid on November 26, 2015 to the holders of common stock as of November 12, 2015. PhilWeb declared a cash dividend of P0.20 per share which was paid on March 4, 2016 to the holders of common stock as of February 19, 2016. PhilWeb declared a cash dividend of P0.20 per share which was paid on June 24, 2016 to the holders of common stock as of June 14, 2016.

The Company's future retained earnings corresponding to undistributed equity in net earnings are not available for dividend distribution until declared by the affiliates. There are no restrictions on the Company that limit the payment of dividends on common shares.

Holdings

There were 1,432 shareholders of record holding the Company's outstanding capital stock of 1,435,776,680 common shares as of December 31, 2022 net of treasury shares of 81,380,938.

Top 20 Stockholders

The top 20 stockholders of record as of December 31, 2022 (based on total outstanding capital stock of 1,435,776,680 shares, net of treasury shares of 81,380,938 were:

	No. of Subscribed Common Shares	% to Total Outstanding
1. PCD Nominee Corporation: Filipino – 1,205,163,447 Non-Filipino – 16,450,895	1,221,614,342	85.08%
2. PhilWeb Casino Corporation	156,899,853	10.93%

3.	Evermore Trading Limited	24,558,303	1.71%
4.	Gregorio Araneta, Inc.	13,043,478	0.91%
5.	HKPirate Holdings, Inc.	11,500,000	0.80%
6.	Umali, Amparo Cordial	835,400	0.06%
7.	Tan, Enrique	473,782	0.03%
8.	Filipino Pest Control & General Services, Inc.	420,000	0.03%
9.	Tan, Tiong	354,328	0.02%
10.	Manalo, Josephine A.	250,000	0.02%
11.	Ng, Edgar Brian K.	150,000	0.01%
12.	Pacheco, Juancho	144,000	0.01%
13.	Cabarrus, Estate of Jesus S.	139,304	0.01%
14.	Bautista, Jose	93,981	0.01%
15.	Santos, Alfredo	93,981	0.01%
16.	Tan, Evelina	84,583	0.01%
17.	Tenchavez, Roberto S. &/or Betsy B.	84,000	0.01%
18.	Cabarrus, Lim, Pastor, Bernardo, Garcia, Nieto	73,940	0.01%
19.	Bugarin, Enrique	71,341	0.00%
20.	Araneta, Benito R.	66,666	0.00%

Recent Sales of Unregistered Securities:

There has been no sale in the past three years of any unregistered securities of the Company.

On December 29, 2021, the Company issued 159,269,484 preferred shares with the Offer Price of P4.709 per share for an aggregate subscription price of P750,000,000.00 to the following stockholders: Gregorio Araneta, Incorporated for 97,260,565 preferred shares and PhilWeb Casino Corporation for 62,008,919 preferred shares. The Company also filed with the Securities and Exchange Commission last 29 December 2021 a Notice of Exempt Transaction (SEC Form 10.1) in connection with the issuance of 159,269,484 preferred shares of the Company for an aggregate subscription price of Php750,000,000.00.

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

The current capitalization of the Company, and expected future revenues from its various Internet gaming activities are projected to sufficiently meet the Company's current operating cash requirements.

The Company does not expect to conduct any material product research and development in the foreseeable future.

No extraordinary purchase or sale of plant and equipment are expected beyond those in the regular course of the Company's operations. All purchases will be financed through

internally-generated funds and existing capitalization, except for the limited leasing facilities that may be utilized for the above-mentioned purchases.

Hiring of employees will continue in the regular course of business.

There are no known trends, events or uncertainties that are reasonably expected to have a material impact on the Company's revenues or continuing operations.

There are no significant elements of income or loss that has not been disclosed.

The Company's Key Performance Indicators

For the year 2022, the Company's key performance indicators are the following:

- 1.) Earnings Before Interest, Taxes, and Depreciation and Amortization (EBITDA) amounted to P129,588,628, better by 174.8% as compared last year.
- 2.) Revenues increased in 2022 by 51.2% from P537,782,930 to P812,889,721.
- 3.) Operating income margin of 9.4%. Operating income of P76,370,724 divided by Net Revenues of P812,889,721.
- 4.) Current ratio was at 0.48:1.00. Current Assets of P205,655,464 divided by Current Liabilities of P429,731,980.
- 5.) Asset to equity ratio was at 2.00:1.00. Total Assets of P1,259,639,695 divided by Total Equity of P629,695,097.
- 6.) Debt to equity ratio was at 1.00:1.00. Total Liabilities of P629,944,598 divided by Total Equity of P629,695,097.

For the year 2021, the Company's key performance indicators are the following:

- 1.) Earnings Before Interest, Taxes, and Depreciation and Amortization (EBITDA) amounted to P47,164,881, better by 448.5% as compared last year.
- 2.) Revenues increased in 2021 by 103.0% from P264,881,733 to P537,782,930.
- 3.) Operating loss margin of 2.8%. Operating loss of (P14,801,309) divided by Net Revenues of P537,782,930.
- 4.) Current ratio was at 0.35:1.00. Current Assets of P172,099,029 divided by Current Liabilities of P485,731,597.
- 5.) Asset to equity ratio was at 2.12:1.00. Total Assets of P1,267,758,793 divided by Total Equity of P599,184,947.

- 6.) Debt to equity ratio was at 1.12:1.00. Total Liabilities of P668,573,846 divided by Total Equity of P599,184,947.

For the year 2020, the Company's key performance indicators are the following:

- 1.) Earnings Before Interest, Taxes, and Depreciation and Amortization (EBITDA) amounted to (P13,532,636), lower by 123.2% compared last year.
- 2.) Revenues decreased in 2020 by 50.9% from P539,862,792 to P264,881,733.
- 3.) Operating loss margin of 18.0%. Operating loss of (P47,584,168) divided by Net Revenues of P264,881,733.
- 4.) Current ratio was at 0.94:1.00. Current Assets of 435,459,545 divided by Current Liabilities of P463,385,755.
- 5.) Asset to equity ratio was at 3.82:1.00. Total Assets of P759,675,306 divided by Total Equity of P198,783,407.
- 6.) Debt to equity ratio was at 2.82:1.00. Total Liabilities of P560,891,899 divided by Total Equity of P198,783,407.

Performance for the Period Ended December 31, 2022

Cash and Cash Equivalents

The cash and cash equivalents decreased by P11.3 million or 15.5% versus last year. The Company generated cash from operation of P25 million, net of payments to suppliers and operator's loan assistance, and used P17.1 million mainly to pay loans and P19.6 million mainly for the leasehold improvements and computer equipment acquisitions.

Receivables (net)

The receivables increased by P36.3 million or 76.1% versus last year, mainly due to the loan assistance to the operators and increase in trade receivables.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P8.5 million or 16.4% versus last year mainly due to the increase in input VAT.

Property and Equipment

The decreased in property and equipment of P38.9 million or 35.5% represents the total acquisitions of P18.3 million less depreciation and amortization amounting to P57.2 million.

Right-of-use (ROU) Assets

ROU assets increased by P6.5 million or 3.8% mainly due to the recognition of the ROU assets as a result of the adoption of accounting standard, PFRS 16.

Net Deferred Tax Assets

Net Deferred tax assets decreased by P10.5 million or 36.5% mainly due to the application of the temporary difference arising from Net Operating Losses.

Goodwill

Goodwill amounted to P651.1 million, mainly arise from the acquisition of 16 eBingo sites and two accredited eBingo machine providers in 2021.

Other Noncurrent Assets

Other noncurrent assets increased by P1.3 million or 0.9% mainly due to the increase in noncurrent input VAT.

Accounts Payable and other current liabilities

Accounts payable and other current liabilities decreased by P38.6 million or 16.3% mainly due to the payment of trade payables.

Notes Payable

Notes payable decreased by P16.3 million or 8.4% due to the payment of loans.

Lease Liabilities

Lease liabilities current and noncurrent increased by P14.5 million or 8.3% mainly due to the recognition of lease liabilities as a result of the adoption of accounting standard, PFRS 16.

Retirement Benefits Liability

Retirement benefits liability increased by P2.6 million or 5.3% due to the additional provision for employees' retirement benefits, net of actuarial gain.

Other Noncurrent Liability

Other noncurrent liability decreased by P0.8 million or 5.2% due to the refund of operators' deposit.

Capital stock

No movement of capital stock during the year.

Additional paid in capital

No movement of additional paid in capital during the year.

Retained earnings

Retained earnings increased by P27.3 million or 3.4% due to the net income generated during the year.

Treasury stock

No movement of treasury stock during the year.

Income and Expenses

Net income for the year 2022 increased by P79.5 million or 152.3%, from net loss of P52.2 million in 2021 to net income of P27.3 million in 2022; and the EBITDA also increased by 174.8% or P82.4 million, from P47.2 million last year to P129.6 million this year. The increase in net income and EBITDA is mainly attributable to the improvement of revenue in 2022.

Revenue

Total revenue increased by P275.1 million or 51.2%, from P537.8 million in 2021 to P812.9 million in 2022. The increase in revenue is mainly attributable to the full operating capacity of eGames and eBingo sites, the full year impact of the consolidation of acquired eBingo sites and eBingo machine providers in March 2021 and the contribution of the eGames Remote Gaming Platform.

Costs and Expenses

As a result of the full operating capacity of eGames and eBingo locations, and the consolidation of the expenses of the acquired eBingo sites and accredited eBingo machine providers in March 2021, the costs and expenses for the year 2022 increased by 31.0% or P174.3 million, from P562.2 million in 2021 to P736.5 million in 2022.

Other Income (Charges)

Other charges increased by P24.2 million or 462.3% mainly due to the lower gain on rent concession.

Performance for the Period Ended December 31, 2021

Cash and Cash Equivalents

The cash and cash equivalents increased by P31.6 million or 77.0% versus last year. The Company generated cash from operation of P47.2 million and collected receivables from sales of treasury shares of P292.0 million, issued preferred shares of P456.4 million and used P6.0 million to pay loans and P758.0 million mainly for the acquisition of eBingo sites and eBingo machine providers.

Receivables (net)

The receivables decreased by P308.1 million or 86.6% versus last year, mainly due to the collection of receivables from sale of treasury shares.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P13.2 million or 34.2% versus last year mainly due to the increase in input VAT and prepaid taxes.

Property and Equipment

The increased in property and equipment of P37.2 million or 51.4% represents the total acquisitions of P91.5 million less depreciation and amortization amounting to P54.3 million.

Right-of-use (ROU) Assets

ROU assets increased by P94.4 million or 128.4% mainly due to recognition of the ROU assets of the acquired eBingo sites as a result of the adoption of new accounting standard, PFRS 16.

Net Deferred Tax Assets

Net Deferred tax assets decreased by P21.5 million or 42.8% mainly due to the expiration of temporary difference arising from Net Operating Losses.

Goodwill

Goodwill increased by P611.2 million mainly due to the recognition of goodwill arising from the acquisition of 16 eBingo sites and two accredited eBingo machine providers.

Other Noncurrent Assets

Other noncurrent assets increased by P50.2 million or 57.1% mainly due to the increase in noncurrent input VAT and performance cash deposit and other deposits from the acquired eBingo sites.

Accounts Payable and other current liabilities

The increased in accounts payable and other current liabilities by P10.2 million or 4.5% was mainly due to the increase in trade payables and accruals.

Notes Payable

Notes payable decreased by P6.0 million or 3.0% due to the payment of loans.

Lease Liabilities

Lease liabilities current and noncurrent increased by P93.1 million or 114.7% mainly due to the recognition of lease liabilities of the acquired eBingo sites as a result of the adoption of new accounting standard, PFRS 16.

Retirement Benefits Liability

The increased in retirement benefits liability of P10.7 million or 28.3% represents additional provision for employees' retirement benefits, net of actuarial gain.

Other Noncurrent Liability

Other noncurrent liability decreased by P0.3 million or 2.2% due to refund of operators' deposit.

Capital stock

The increased in capital stock of P159.3 million is mainly due to issuance of preferred shares during the year.

Additional paid in capital

The increased in additional paid in capital of P589.1 million is mainly due to issuance of preferred shares higher than the par value.

Retained earnings

The decreased in retained earnings of P52.2 million or 6.1% was attributable to the net loss during the year.

Treasury stock

Treasury stock increased by P292.0 million due to the issuance of preferred shares held by subsidiary.

Income and Expenses

Net loss after income tax decreased by P7.3 million or 12.3%, from P59.5 million last year to P52.2 million this year. However, net loss before income tax expense is significantly decreased by 61.5% or P47.5 million from P77.2 million in 2020 to P29.7 million in 2021.

For the year ended December 31, 2021, the Company's EBITDA increased by 448.5% or P60.7 million, from negative P13.5 million last year to positive P47.2 million this year. The decreased in net loss and the improvement in EBITDA in 2021 is mainly attributable to the higher revenue and continues cost savings measures implemented by the Group.

Revenue

Total revenue increased by P272.9 million or 103.0%, to P537.8 million for the year ended December 31, 2021 from P264.9 million registered last year. The increase in revenue is mainly attributable the contributions of the additional eGames sites in 2021, the consolidation of newly acquired eBingo sites and eBingo machine providers and the implementation of the eGames Remote Gaming Platform at the end of March 2021.

Costs and Expenses

As a result of the increase in operating eGames locations and the consolidation of the expenses of the newly acquired eBingo sites and accredited eBingo machine providers, the costs and expenses for the year 2021 increased by 75.8% or P242.3 million, from P319.9 million in 2020 to P562.2 million in 2021.

Other Income (Charges)

Other charges decreased by P16.9 million or 76.4% mainly due to the gain on rent concession.

Performance for the Period Ended December 31, 2020

Cash and Cash Equivalents

The cash and cash equivalents increased by P3.4 million or 9.1% versus last year. The Company generated cash from operation and obtained working capital advances of P9.0 million and used P3.3 million to pay loans and P2.3 million to acquire fixed assets.

Receivables (net)

The receivables increased by P21.8 million or 6.5% versus last year, mainly due to the loans extended to operators and increase in trade receivables.

Prepayments and Other Current Assets

Prepayments and other current assets decreased by P2.3 million or 5.7% versus last year mainly due to the amortization of prepayments.

Property and Equipment

The decreased in property and equipment of P41.4 million or 36.3% represents the total acquisitions of P2.3 million less depreciation and amortization amounting to P43.7 million.

Right-of-use (ROU) Assets

ROU assets decreased by P37.4 million or 33.7% mainly due to the amortization recognized during the year as a result of the adoption of new accounting standard, PFRS 16.

Net Deferred Tax Assets

Net Deferred tax assets increased by P18.3 million or 57.3% mainly due to the recognition of temporary difference arising from Net Operating Losses.

Other Noncurrent Assets

Other noncurrent assets increased by P3.5 million or 2.8% mainly due to the increase in noncurrent input VAT.

Accounts Payable and other current liabilities

The increased in accounts payable and other current liabilities by P56.2 million or 32.9% was mainly due to the increase in trade payables and accruals.

Notes Payable

Notes payable decreased by P3.3 million or 1.6% due to the payment of loans.

Lease Liabilities

Lease liabilities current and noncurrent decreased by P33.2 million or 29.1% mainly due to the payment of lease liabilities as a result of the adoption of new accounting standard, PFRS 16.

Retirement Benefits Liability

The increased in retirement benefits liability of P7.3 million or 24.0% represents additional provision for employees' retirement benefits, net of actuarial gain.

Other Noncurrent Liability

Other noncurrent liability decreased by P0.1 million or 0.3% due to refund of operators' deposit.

Capital stock

There is no movement for capital stock during the year.

Additional paid in capital

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

Retained earnings

The decreased in retained earnings of P59.5 million or 6.5% was attributable to the net loss during the year.

Treasury stock

There is no movement for treasury stock during the year.

Income and Expenses

Net loss decreased by P26.0 million or 30.4%, from P85.5 million last year to P59.5 million this year. The decreased is mainly due to the recognition of income tax benefits from the deferred tax assets on net operating loss carryover.

For the year ended December 31, 2020, the Company's EBITDA decreased by 123.2% or P71.9 million, from P58.4 million last year to (P13.5 million) mainly due to the suspension of gaming operation starting Mid-March 2020. However, with the improvements of revenues in the second half of the year and continues management of cost, the Group generated the highest quarterly EBITDA and Net Income in Q4 2020 since the restart of operation in 2017 amounting to P29.7 million and P7.3 million, respectively.

Revenue

Total revenue decreased by P275.0 million or 50.9%, to P264.9 million for the year ended December 31, 2020 from P539.9 million registered last year. The decreased was mainly due to the suspension of gaming operation as a result of the strict community quarantine protocols implemented by the government which started on the second half of March 2020. However, some sites have been gradually reopen starting mid of June 2020 resulting to improvements in revenue. Revenue generated in fourth quarter of 2020 amounts to P105.4 million, better by 235.7% as compared to P31.4 million in third quarter of 2020.

Costs and Expenses

To lessen the impact of the foregone revenue during the strict community quarantine period, cost reduction and saving measures are implemented. This results to reduction

of costs and expenses by P231.7 million or 42.6% from P544.2 million in 2019 to P312.5 million in 2020.

Other Income (Charges)

Other charges slightly decreased by P0.1 million or 0.4% mainly due to the gain on sale of property and equipment.

Key Variable and Other Qualitative and Quantitative Factors

There were no known trends, events or uncertainties that will have material impact on the Company's liquidity.

There were no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

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

The current capitalization of the Company, and expected future revenues from its various activities are projected to sufficiently meet the Company's operating cash requirements.

No extraordinary purchase of plant and equipment are expected beyond those in the regular course of the Company's operations.

There were no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the Company's revenues or continuing operations.

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

There were no known causes for any material changes from period to period of financial statements, which shall include vertical and horizontal analyses of any material item.

There are no seasonal aspects that have material effect on the Company's financial condition or results of operation.

Item 7. Financial Statements

See attached.

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

Audit fees in relation with the services rendered for the examination and preparation of the Company's financial statements. The following table sets out the aggregate fees billed for each of the last three years for professional services rendered by the independent public accountant.

	2022	2021	2020
Audit and Audit-Related Fees	P1,070,000	P980,000	P540,000
Tax Fees	None	None	None
Other Fees	None	None	None
Total	P1,070,000	P980,000	P540,000

The auditor of the Company conducted its audit in accordance with the auditing standards generally accepted in the Philippines with the objective of expressing an opinion as to whether the presentation of the financial statements, taken as a whole conforms with the accounting principles generally accepted in the Philippines. They performed tests of the accounting records and such other procedures, as they considered necessary in the circumstances to provide a reasonable basis for an opinion on the financial statements. They also assessed the accounting principles used and significant estimates made by the management and evaluated overall financial statements presentation.

The auditor also considered the Company's internal control in order to determine the nature, timing and extent of the audit procedures for the purpose of expressing an opinion on the financial statements. There were no additional fees related to this.

There were no products and services provided by the external auditor other than the services reported under the above items.

The Audit Committee approved the policies and procedures in relation to the services of the external auditor.

Part III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

Name	Age	Position/Citizenship/Period Served/Term of Office
Gregorio Araneta III	75	Director & Chairman/Filipino/9 years/1 year
Crisanto Roy B. Alcid	53	Director & Vice-Chairman/Filipino/8 years/1 year
Edgar Brian K. Ng	53	Director & President/Filipino/3 years/1 year
Edgar N. Ang	71	Director/Filipino/5 years/1 year
Alfonso M. Araneta	38	Director/Filipino/1 year/1 year
Luis M. Araneta	37	Director/Filipino/5 years/1 year
Mario A. Oreta	76	Director/Filipino/6 years/1 year
Rafael B. Ortigas	62	Director/Filipino/20 years/1 year

Philip S. Tuazon	71	Director/Filipino/5 years/1 year
William M. Valtos, Jr.	62	Director/Filipino/5 years/1 year
Ricky E. Rosario	35	CFO & Comptroller/Filipino/3 years/1 year
Alexius D. Coliat	47	CFO & Treasurer/Filipino/3 years/1 year
Mona Liza I. Navarro	43	Vice President/Filipino/6 years/1 year
Raymund S. Aquino	54	Corporate Secretary/Filipino/ 6 years/1 year

Gregorio Araneta III was elected Chairman of the Company in September 2016. He was elected Director of the Company in May 2014. He is the Chairman and Chief Executive Officer of Araneta Properties, Inc. since 2010. He is the Chairman and President of Gregorio Araneta, Inc., ARAZA Resources Corporation, H. E. Heacocks Resources Corp., Gregorio Araneta Management Corporation, Gamma Properties Inc. and Carmel Development Inc. He is also the Chairman of Energy and Gas Holdings Inc. Mr. Araneta attended the University of San Francisco and the Ateneo de Manila University, where he received his degree in Bachelor of Arts in Economics.

Crisanto Roy B. Alcid was elected Vice-Chairman of the Company in September 2017. He was elected Director of the Company in April 2015. He is the President and Chief Operating Officer of Araneta Properties, Inc. while concurrently serving as Director and Executive Vice President of Gregorio Araneta, Inc., Carmel Development Corp., Gregorio Araneta Management Corporation, and Araza Resources Corporation. Before joining the Araneta Group, he was formerly connected with Ayala Land, Inc., Asiatruster Development Bank, and Citibank N.A. Mr. Alcid holds a Bachelor of Science Degree in Management Engineering from the Ateneo de Manila University and has completed the General Management Program at the Harvard Business School.

Edgar Brian K. Ng was elected Director of the Company in February 2020. He is the President of the Company. In the past, he served as Managing Director/Country Manager of Affinity Express Philippines, Inc., Vice President & Country Manager of RR Donnelley Global Outsourcing, Director for Operations of OfficeTiger Philippines Corporation, and Director of Special Projects (Global Operations Support) for SPi. He also spent six years with The Print Town Group starting as a Prepress Manager for FEP Printing Corp and ending as Senior Vice President of LexMedia Digital. Aside from the corporate world, Mr. Ng was an instructor at both the undergraduate and graduate levels of Ateneo Universities. He has a Bachelor of Arts degree from the Ateneo de Manila University and an MBA from the Ateneo Graduate School of Business.

Edgar N. Ang was elected Director of the Company in September 2017. He is the Chairman and President of both The Angcore Group of Companies and AB&T Resources, Inc., which are engaged in Automotive Distribution. He is also the President of Rubiken Trading Corporation, a fertilizer-chemical company. Previously, he was the founder and managing director of Davao Cable World Network and Filipino Cable Corporation prior to its sale. He is also currently serving as Honorary Consul of the Republic of Korea to Davao City. He studied at the Ateneo de Manila

University and Sophia University in Tokyo, graduating with Bachelor of Science degrees in Economics & Business Administration.

Alfonso M. Araneta was elected Director of the Company in May 2021. He is a Director of Araneta Properties, Inc. ARAZA Resources Corp., ATSI PETC, Inc., Pagrel, Inc., Gamma Properties, Inc., Securicor Security Investigation Services, Inc., Alumma Foods, Inc., Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. He is currently the Executive Vice-President and Director of Envirotest, Inc., Vice President and Director of Carmel Development, Inc., and Vice-President and Director of Gregorio Araneta, Inc. Mr. Araneta graduated at De La Salle-College of St. Benilde, Manila where he earned his degree in Bachelor of Science in Business Administration.

Luis M. Araneta was elected Director of the Company in September 2017. He is a Director and the Business Development Manager of Araneta Properties, Inc. He is the President of Estancias Holdings, Inc. and Cerros Corp, Vice-President and Treasurer of ARAZA Resources Corporation, Director and Corporate Secretary of Carmel Development, Inc., Director of PAGREL, Inc. He is a Director of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. and Corporate Secretary of Gamma Properties, Inc. He studied at the Pace University in New York City where he earned his degree in Business Administration in Management.

Mario A. Oreta was elected Director of the Company in May 2016. He is also a former President and Vice-Chairman of Alphaland Development, Inc., Alphaland Balesin Island Resort Corporation, Alphaland Makati Place, Inc., The City Club at Alphaland Makati Place, Inc., Alphaland Balesin Island Club, Inc., and Alphaland Property Management Corporation. He is also a Director of Atok-Big Wedge Co., Inc. Mr. Oreta graduated with honors from the Ateneo De Manila University with a degree of Bachelor of Laws and immediately joined the law firm of Siguion Reyna, Montecillo and Ongsiako. He was also the founder and managing partner of Tanjuatco Oreta and Factoran Law Offices.

Rafael B. Ortigas was elected Director of the Company in April 2002. He is the Chairman and President of Leafar Commercial Corporation, a Director of Sagitro, Inc. and ISM Communications Corporation. He was a director of Itogon-Suyoc Resources, Inc., and OCLP Holdings, Inc. and former General Partner of Ortigas and Company Ltd. Partnership. He is also a Trustee and President of Leafar Foundation, Inc. and a Trustee of the Ortigas Foundation, Inc. He has a Bachelor of Science degree in Computer Science from De La Salle University and an MBA from Ateneo de Manila Graduate School of Business.

Philip S. Tuazon was elected Director of the Company in September 2017. He is currently a Director of the Philippine Ports Authority as Private Sector Representative, which position he also held in 1993 to 1999. Concurrently he is also a Director of JYT Investment and Vice President/Director of Fairwind Harbor Services, Incorporated. He was formerly connected with New Filipino Maritime Agencies, Incorporated as Executive Vice President/Director and Director/President of

Dolomite Mining Corporation. He was appointed as Administrator of Maritime Industry Authority (MARINA) where he served for almost seven years. He attended his collegiate years in Ateneo De Manila University, where he received his degree in Bachelor of Arts in Economics.

William M. Valtos, Jr. was elected Director of the Company in September 2017. He is Managing Director of Tao Corporation. He is also an Independent Director of Investree Philippines, Phizzle Inc., Transwealth Fleet Management Corp. and Transwealth Parking Services Corp. Prior to joining Tao Corporation, Mr. Valtos held a number of senior executive and Director positions in the ICCP Group over 24 years, including being a Director and CEO of Investment & Capital Corporation of the Philippines and a Director and Senior Managing Director of ICCP SBI Venture Partners. Prior to joining the ICCP Group, Mr. Valtos was Managing Director of Strategic Asset Management, Inc., a Chicago-based private direct investment firm. Mr. Valtos is a former Director of the Investment House Association of the Philippines. Mr. Valtos holds an MBA from the Kellogg School of Management at Northwestern University. He earned a BA in Economics and Political Science from the University of Illinois, where he was a Rhodes Scholar Candidate.

Ricky E. Rosario was elected as the CFO and Comptroller of the Company in August 2019. Mr. Rosario is a certified public accountant. His previous work experience includes being senior auditor of SGV & Co. He is an accredited tax practitioner and accredited CPA in public practice, and commerce and industry. He is a member of the Philippine Institute of Certified Public Accountants and registered as ASEAN Chartered Professional Accountant.

Alexius D. Coliat was elected as the CFO and Treasurer of the Company in August 2019. Mr. Coliat is a certified public accountant. His previous work experience includes being the Global Internal Audit Manager of Tyche Consulting Limited Phils. and a senior risk consultant of Hill & Associates Risk Consulting Philippines, Inc. He is a member of the Philippine Institute of Certified Public Accountants.

Mona Liza I. Navarro is currently a Vice President of the Company. She has been an IT practitioner for over 17 years with experience in Software Development, Project Management and IT Operations. She has a degree of Bachelor of Science in Computer Science from the University of the Philippines. She is an ITIL certified professional and a Certified IT Manager.

Raymund Nonato S. Aquino was elected Corporate Secretary of the Company in September 2017. He was a director of SGV & Co. He has a Juris Doctor Degree from the Ateneo de Manila University College of Law and a Bachelor of Arts degree major in Legal Management from the Ateneo de Manila University. He is a member of the Integrated Bar of the Philippines.

The following are the Company's independent directors:

1. Mario A. Oreta
2. Rafael B. Ortigas

3. Philip S. Tuazon
4. William M. Valtos, Jr.

Significant Employees

There are no persons other than the executive officers that are expected by the Company to make a significant contribution to the business.

Family Relationship of Directors and Officers

Mr. Alfonso M. Araneta and Mr. Luis M. Araneta are the sons of Mr. Gregorio Araneta III.

The Company does not know any other family relationship of directors and officers other than the ones provided.

Involvement of Directors and Officers in Certain Legal Proceedings

The Company is not aware that any of its directors and officers is involved in the past five years up to the date of the filing of this Statement in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law.

Item 10. Executive Compensation

The aggregate amount of compensation paid by the Company to all of its directors and management as a group for fiscal years 2021 and 2022 were P25,001,246 and 25,411,000, respectively. The estimated aggregate compensation for 2023 is P25,968,600.00.

Annual Compensation of Five Most Highly-Paid Executives including the CEO

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Comp.
1. Edgar Brian K. Ng President (elected February 2020)				
2. Mona Liza I. Navarro Vice President (effective March 2014)				
3. Raymund S. Aquino Vice President				

(effective August 2015)

4. Ronald M. Cuevas
Vice President
(effective January 2014)
5. Alexander C. Manabal
Assistant Vice President
(effective August 2009)

Aggregate Compensation of the CEO
& Five Most Highly-Paid Executives

2021	13,149,086	-	161,619
2022	13,248,000	-	552,000
2023 ¹	13,910,000	-	1,159,200

All Officers and Directors as a Group
Unnamed

2021	25,001,246	-	815,711
2022	25,411,000	-	1,424,500
2023 ²	25,968,600	-	2,164,050

There are no standard arrangements with regard to election, bonus, profit sharing, pension/retirement plan granting or extension of any option, warrant or right to purchase any securities. The Company has a stock option plan, which is administered by a stock options committee.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The abovementioned executive officers have employment contracts with the Company.

There has been no change in control arrangements with the present management.

Warrants and Options Outstanding

On February 16, 2001, the Securities and Exchange Commission ("SEC") approved the exemption of 4,447,134,695 common shares under the Company's Stock Option Plan from the registration requirements under the Securities Regulation Code (SEC Resolution No. 005, Series of 2001).

On November 18, 2003, the Stock Option Committee approved the awarding to selected individuals who have helped develop the business of the Company over the past two years option to subscribe to a total of One Billion Three Hundred Million (1,300,000,000)

¹ Estimate figures

² Estimate figures

common shares at a price of P0.01 per share (the then prevailing market price was P0.012 per share).

On October 14, 2004, the Stock Option Committee of the Company approved the award to selected officer options to subscribe to 500,000,000 common shares, at a subscription price of P0.01 per share (the then prevailing market price was P0.012 per share).

On March 2, 2005, the Stock Option Committee of the Company approved the award to selected officers, employees and third parties options to subscribe to 1,391,000,000 common shares, at a subscription price equivalent to a twenty percent (20%) discount over the average closing price during the past thirty (30) trading days (the then prevailing market price was P0.0169 per share).

On January 20, 2006, the Stock Option Committee of the Company approved the award to selected officers and employees options to subscribe to a total of 1,786,500 common shares, at a subscription price of P0.013 per share (the then prevailing market price was P0.016 per share).

On November 29, 2006, the Stock Option Committee of the Company approved the award to selected officers options to subscribe to total of 1,156,000,000 common shares, at a price of P0.0248 (the then prevailing market price was P0.031 per share).

On April 9, 2008, the PSE approved the Company's application for the listing of additional 1,982,399,858 common shares with a par value of P0.01 per share, to cover the Stock Option Plan of PhilWeb.

On April 19, 2012, the Stock Option Committee of the Company approved the award to selected officers and employees of options to subscribe to a total of 8,900,000 common shares, at a price of P14.00 per share.

On May 29, 2014, the Stock Option Committee of the Company approved the award to selected officers of options to subscribe to a total of 1,500,000 common shares, at a price of P4.15 per share.

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

(1) Security Ownership of Certain Record and Beneficial Owners

As of December 31, 2022, PhilWeb Corporation knows of no one who beneficially owns more than 5% of its common stock except as set forth in the table below:

<i>Title of Class</i>	<i>Name and Address of Record Owner and Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Amount and Nature of Record / Beneficial Ownership (indicate "r" or "b")</i>	<i>Percent Held</i>

<i>Title of Class</i>	<i>Name and Address of Record Owner and Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Amount and Nature of Record / Beneficial Ownership (indicate "r" or "b")</i>	<i>Percent Held</i>
Common	Gregorio Araneta, Incorporated 21/F Citibank Tower, Pasco de Roxas, Makati City Stockholder	Gregorio Araneta III Proxy/Representative	Filipino	829,574,354 (r&b - direct)	57.78%
Common	PhilWeb Casino Corporation 6/F Adamson Centre, 121 L.P. Leviste Street, Salcedo Village, Makati City Stockholder	Edgar Brian K. Ng Proxy/Representative	Filipino	157,044,156 (r&b - direct)	10.94%

(2) Security Ownership of Management

As of December 31, 2022, the following are the details of the security ownership of Management based on total outstanding shares of 1,435,776,680:

<i>Title of Class</i>	<i>Name of Beneficial Owner</i>	<i>Citizenship</i>	<i>Number of Shares and Nature of Beneficial Ownership</i>	<i>Percentage of Ownership</i>
Common	Gregorio Araneta III Chairman	Filipino	100 (direct) 829,574,254 (indirect)	0.00% 57.78%
Common	Crisanto Roy B. Alcid Vice Chairman	Filipino	100 (direct)	0.00%
Common	Edgar Brian K. Ng President	Filipino	326,500 (direct)	0.02%
Common	Edgar N. Ang Director	Filipino	50,000 (direct)	0.00%
Common	Allonso M. Araneta Director	Filipino	1,000 (direct)	0.00%
Common	Luis M. Araneta Director	Filipino	100 (direct)	0.00%
Common	Mario A. Oreta Independent Director	Filipino	1 (direct)	0.00%
Common	Rafael B. Ortigas Independent Director	Filipino	1,200 (direct)	0.00%
Common	Philip S. Tuazon Independent Director	Filipino	371,500 (direct)	0.03%
Common	William M. Valtes, Jr. Independent Director	Filipino	100 (direct)	0.00%
Common	Alexius D. Coliat CFO/Treasurer	Filipino	0 (direct)	0.00%
Common	Ricky F. Rosario CFO/Comptroller	Filipino	0 (direct)	0.00%
Common	Mona Liza I. Navarro Vice President	Filipino	11,500 (direct)	0.00%
Common	Raymund S. Aquino Corporate Secretary	Filipino	117,866 (direct)	0.01%
Aggregate Ownership of Directors and Officers as a Group			830,454,221	57.84%

There are no voting trust agreements or any other similar agreement that may result in a change in control of the Company of which the Company has any knowledge. No change in control of the Registrant has occurred since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

Please refer to Schedule C of SEC Supplementary Schedule as Required by Part II of SRC Rule 68 as Amended, on Related Party Transactions of the enclosed Consolidated Financial Statements for the year 2022.

Other than the foregoing, there has been no transaction outside of the ordinary course of business during the last two years, nor is any transaction presently proposed, to which the Company was or is to be a party in which any director or executive officer of the Company, or owner of more than 10% of the Company's voting securities or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest. In the ordinary and regular course of business, the Company had or may have had transactions with other companies in which some of the foregoing persons may have an interest.

Mr. Gregorio Araneta III directly and indirectly owns at least 57.78% of the Company's voting securities. No person, natural or juridical, owns more than 50% of the Company's voting securities.

Item 13. Corporate Governance

The Company through its Compliance Officer, Ms. Mona Liza I. Navarro, has monitored the Company's compliance with SEC Memorandum Circular No. 2 Series of 2002, SEC Memorandum Circular No. 19 Series of 2016 and the relevant SEC Circulars on Corporate Governance and noted that no substantive or major deviations occurred. The Company's directors and officers have complied with the practice and policies contained in the Company's Manual on Corporate Governance. The Company has submitted its self-rating performance assessment sheet in compliance with SEC requirements. All of the Company's directors and officers attended a seminar on corporate governance.

The Company's Board of Directors and officers have been properly briefed on their specific responsibilities as embodied on the Manual on Corporate Governance. The compliance officer monitors the Company's compliance with the provisions and requirements of the manual and determines violations if any.

There were no deviations made from the adopted Manual on Corporate Governance.

The Company's management considers its Manual on Corporate Governance sufficient and believes that there is no need to amend it. It ensures that the provisions of the manual are properly implemented.

Item 14. Sustainability Report

In compliance with SEC Memorandum Circular No. 4 Series of 2019, enclosed as Exhibit B is the Sustainability Report of the Company for the year ended December 31, 2022.

Part IV - EXHIBITS AND SCHEDULES

Item 15. Exhibit and Reports on SEC Form 17-C

- a. Exhibit
Exhibit A - Material Contracts
Exhibit B - Sustainability Report

- b. Reports on SEC Form 17-C

December 29, 2021

Announcement of the issuance of 159,269,484 preferred shares at Php4.709 per share for an approximate subscription price of Php750,000,000.00 to the following shareholders: Gregorio Araneta, Incorporated - 97,260,565 preferred shares and PhilWeb Casino Corporation - 62,008,919 preferred shares

April 11, 2022

Announcement of the First Quarter 2022 results of the Company.

May 25, 2022

Announcement of the results of the annual stockholders' meeting whereby the Company's stockholders elected the Company's eleven directors; election by the Board of Directors of the Company's officers, members of the Executive Committee, Compliance Officers, Corporate Information Officers and members of the Corporate Governance, Audit and Stock Option committees.

May 17, 2022

Press release of the Company entitled: PhilWeb Clarifies Online Article entitled "Greggy Araneta's Philweb loses case vs BIR".

June 20, 2022

Announcement of the resignation of Mr. Perry Weinne S. Lato as a director of the Company effective on June 20, 2022.

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 177 of the Revised Corporation Code of the Philippines, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on March 31, 2023.

By:

EXHIBIT "A"

(Please refer to the Registration Statement for copies
of other material contracts of PhilWeb Corporation)