

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS  
OF PHILWEB CORPORATION**

Held on 26 May 2021 at 10:00 a.m.  
by remote communication

**1. Call to Order**

The Chairman, Mr. Gregorio Ma. Araneta III, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Raymund S. Aquino, acted as the secretary of the meeting and recorded the minutes of the proceedings.

**2. Proof of Notice and Certification as to Quorum**

The Corporate Secretary, Mr. Raymund S. Aquino, certified that Notice of Annual Meeting of the Stockholders was duly published in the business sections of Malaya Business Insight and Daily Tribune on 4 May 2021 and 5 May 2021, in print and online format. He also said that electronic copies of the Corporation's Information Statement and Management Report, Annual Report (SEC Form 17-A) and the 2020 Audited Financial Statements are in the Corporation's website and PSE Edge. There being present, in person or by proxy, stockholders owning 1,059,980,730 shares representing at least 73.83% of the capital stock, he therefore certified that a quorum was present for the transaction of business. (The list of stockholders present or represented at the meeting is available at the office of the Corporation.)

**3. Approval of Minutes of the Annual Meeting of the Stockholders on 12 August 2020**

The next item on the agenda was the approval of the minutes of the Annual Meeting of the Stockholders held on 12 August 2020.

Considering that the minutes had earlier been distributed to the stockholders and the electronic copy of the same is in the Corporation's website, upon motion made and duly seconded, the reading of the minutes of the last Annual Meeting of the Stockholders was dispensed with and the same was unanimously approved.

**4. Management Report for the year ended 31 December 2020**

The next item on the agenda was the Management Report. The Company's President, Mr. Edgar Brian K. Ng, reported on the operational highlights of the past year and the Company's financial condition based on audited financial statements for the year ended 31 December 2020.

Mr. Ng reported that the nationwide COVID quarantine measures resulted in the closing of all gaming activities during April and May 2020 with a small number of locations allowed to re-open starting the end of June 2020. The third and fourth quarters of 2020 will reflect the gradual resumption of gaming sites across the country as restrictions began to ease. The total



2020 revenue of P265,000,000.00 is 51% lower than 2019 and can be attributed to closure of operations due to said quarantine measures. Costs were managed and re-aligned with business activity resulting in an overall 43% reduction in 2020 costs against 2019. Despite the extremely difficult socio-economic environment this past year, the Company still managed to achieve positive EBITDA during the fourth quarter of 2020 and first quarter of 2021, the highest levels since the Company received its PAGCOR accreditation as a gaming service provider in 2017. This positive EBITDA trend since the second quarter of 2018 was only interrupted due to business closures. The second and third quarters of 2020 dragged EBITDA down to P14,000,000.00 but the fourth quarter of 2020 and first quarter of 2021 operations have already exceeded the total 2019 EBITDA. 2020 still resulted in a total Company net loss of P60,000,000.00 but this is a 30% improvement over 2019. However, the fourth quarter of 2020 and first quarter of 2021 are the first time the Company had a positive net income since 2017. More significantly, the fourth quarter of 2021 positive EBITDA and net income were already achieved prior to the conversion of thirteen eGames locations in January 2021 and the acquisition of sixteen eBingo sites and two eBingo machine providers in March 2021.

Thereafter, upon motion duly made and seconded, the Management Report was noted and made part of the records of the Corporation.

**5. Ratification and Approval of Corporate Acts**

The next item on the agenda was the ratification and approval of corporate acts.

Upon motion duly made and seconded, all the acts, proceedings, transactions, and agreements, authorized and entered into by the Board of Directors, Executive Committee and Officers of the Corporation, for and on behalf of the Corporation, from the last Annual Meeting of the Stockholders to date, were approved, confirmed and ratified by the stockholders.

**6. Election of Directors**

The next item on the agenda was the election of the members of the Board of Directors of the Corporation.

Upon motion duly made and seconded, the following were nominated to be elected as members of the Board of Directors for the current year:

**For Regular Directors:**

1. Gregorio Araneta III
2. Crisanto Roy B. Alcid
3. Edgar Brian k. Ng
4. Edgar N. Ang
5. Alfonso M. Araneta
6. Luis M. Araneta
7. Perry Weinne S. Lato



For Independent Directors:

1. Mario A. Oreta
2. Rafael B. Ortigas
3. Philip S. Tuazon
4. William M. Valtos, Jr.

There being no other nominees, and since there were only eleven (11) nominees for eleven (11) positions, upon motion made and duly seconded, the Corporate Secretary was directed by the Chairman to cast the votes of all those present and represented at the meeting equally among the above-named individuals who were thereby unanimously elected as members of the Board of Directors for the current year, to act as such until their successors are duly elected and qualified in accordance with the By-Laws.

**7. Appointment of External Auditor**

Upon motion duly made and seconded, the accounting firm of Reyes Tacandong & Co. was appointed as the external auditor of the Corporation for the current year.

**8. Other Matters**

A stockholder asked about the impact of mobile gambling and other recently licensed products such as eSabong on PhilWeb's venue-based business. Mr. Ng replied that PhilWeb has received approval from PAGCOR to operate its remote gaming platform for eGames and has been doing so for the past two months already. Mr. Ng said that remote gaming is complementary to the venue-based business particularly during this time. What happens is when players need to go home because of the curfew, then they can choose to load their player accounts and they will be able to continue to play at home. Regarding eSabong and other mobile gaming products that may be approved, Mr. Ng said that they are complementary as well and in fact the company is having discussions with them to be able to deploy these offering in the various company locations.

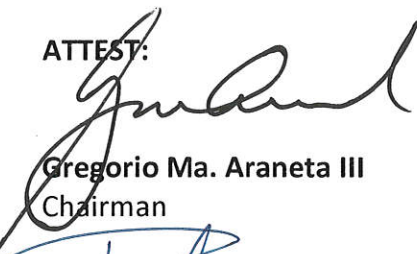
A stockholder also asked about the expectations of management for the second half of 2021. Mr. Ng replied that PhilWeb has joined the private initiative to secure Covid-19 vaccinations for its employees and business partners. Mr. Ng also said that as the year 2020 ended under very difficult business conditions, Philweb still managed to generate positive EBITDA and positive net income. At the start of 2021, PhilWeb converted thirteen locations back to its eGames network and acquired sixteen eBingo sites and two eBingo machine providers. Couple these positive results in the last two months of 2020 and these conversions and acquisitions at the start of 2021 with the fact that PhilWeb has managed to get its costs under control and obtained the right size for the needs of the company moving forward, Mr. Ng said that the company is in a good position for 2021. So as the economy begins to open up and the easing of restrictions due to the vaccination, Mr. Ng said that he expects players to begin coming back in the gaming venues. Mr. Ng ended with the observation that even with the

restrictions last year, PhilWeb still managed to generate strong business activity which shows the resilience of the gaming market.

9. **Adjournment**

There being no further business to transact before the stockholders, upon motion made and duly seconded, the meeting was adjourned.

ATTEST:



**Gregorio Ma. Araneta III**  
Chairman



**Raymund S. Aquino**  
Corporate Secretary