

-----Original Message-----

From: Philippine Stock Exchange <[no-reply@pse.com.ph](mailto:no-reply@pse.com.ph)>

Sent: Thursday, November 9, 2023 3:46 PM

Subject: Quarterly Report

Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: Pacific Online Systems Corporation Reference Number: 0038263-2023 Date and Time: Thursday, November 09, 2023 15:46 PM Template Name: Quarterly Report Report Number: CR07537-2023

Best Regards,  
PSE EDGE

This e-mail message, including any attached file, is confidential and legally privileged. It is solely for the intended recipient. If you received this e-mail by mistake, you should immediately notify the sender and delete this message from your system.

If you are not the intended recipient, you are prohibited from disseminating, distributing or copying this e-mail and its contents. Unauthorized or unlawful access, processing, use, misuse, alteration, interception, interference, communication, disclosure, distribution, downloading, uploading, copying, storage, reproduction and/or replication of any or all information, including personal and sensitive personal information ("Personal Data"), data, file(s), text, numbers, figures, images and/or graphics provided herein is punishable by law in accordance with Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, Republic Act No. 10175, otherwise known as the Cybercrime Prevention Act of 2012, and other applicable laws and regulations.

This e-mail cannot be guaranteed to be secure and error-free as it could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses or other malicious programs. Therefore, the sender does not accept liability for any errors or omissions in the contents of this e-mail, which arise as a result of the transmission.

Unless it relates to business discharged by officials of the PSE, any views, opinions or factual assertions contained are those of the author and not necessarily of the PSE. The PSE prohibits unofficial use of its e-mail and consequently disclaims and accepts no liability for any damage caused by any libelous and defamatory statements transmitted via this e-mail.

If verification is required, please request for a hard copy.

To know about your rights as a data subject under the Data Privacy Act of 2012 and how the PSE processes and protects the Personal Data it collects and stores, you may visit the Privacy Policy page of PSE's website at <https://www.pse.com.ph/stockMarket/content.html?sec=privacypolicy>

The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street,  
Bonifacio Global City, Taguig City, Philippines 1634

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM 17-Q

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

1. For the quarterly period ended  
Sep 30, 2023
2. SEC Identification Number  
AS093-008809
3. BIR Tax Identification No.  
003-865-392-000
4. Exact name of issuer as specified in its charter  
Pacific Online Systems Corporation
5. Province, country or other jurisdiction of incorporation or organization  
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
28F East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center,  
Pasig City  
Postal Code  
1605
8. Issuer's telephone number, including area code  
+632-8584-1700
9. Former name or 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 Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	895,330,946

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes       No

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

The Philippine Stock Exchange Inc.

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the

Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes  No

(b) has been subject to such filing requirements for the past ninety (90) days

Yes  No

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



## Pacific Online Systems Corporation LOTO

### PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Sep 30, 2023
Currency (indicate units, if applicable)	Philippine Peso

#### Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2023	Dec 31, 2022
Current Assets	850,932,418	723,161,468
Total Assets	1,711,344,958	1,115,957,433
Current Liabilities	91,882,599	111,378,809
Total Liabilities	591,882,599	179,852,114
Retained Earnings/(Deficit)	485,188,558	342,701,848
Stockholders' Equity	1,119,462,359	936,105,319
Stockholders' Equity - Parent	1,116,215,868	934,129,143
Book Value per Share	1.33	1.11

#### Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	158,983,577	139,219,870	502,431,598	358,109,614
Gross Expense	97,357,918	74,389,650	284,029,472	250,953,054
Non-Operating Income	41,327,455	13,058,585	70,208,372	36,962,817
Non-Operating Expense	50	73,710	24,947	235,050
Income/(Loss) Before Tax	102,956,065	77,815,095	288,585,551	143,884,327
Income Tax Expense	20,201,365	-762,572	60,342,130	16,475,439

<b>Net Income/(Loss) After Tax</b>	82,751,700	78,577,667	228,243,421	127,408,888
<b>Net Income Attributable to Parent Equity Holder</b>	81,832,855	77,950,033	226,973,106	127,600,396
<b>Earnings/(Loss) Per Share (Basic)</b>	0.1	0.09	0.27	0.15
<b>Earnings/(Loss) Per Share (Diluted)</b>	0.1	0.09	0.27	0.15

	<b>Current Year (Trailing 12 months)</b>	<b>Previous Year (Trailing 12 months)</b>
<b>Earnings/(Loss) Per Share (Basic)</b>	0.27	0.15
<b>Earnings/(Loss) Per Share (Diluted)</b>	0.27	0.15

**Other Relevant Information**

None

**Filed on behalf by:**

<b>Name</b>	Irene Bautista
<b>Designation</b>	Controller



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2023**
2. SEC Identification Number: **AS093-008809** 3. BIR Tax Identification No. **003-865-392-000**
4. Exact name of registrant as specified in its charter: **PACIFIC ONLINE SYSTEMS CORPORATION**
5. **Metro Manila, Philippines** 6. \_\_\_\_\_ (SEC Use Only)  
Province, Country or other jurisdiction of Industry Classification Code  
Incorporation or organization
7. **28/F, East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City** **1605**  
Address of principal office Postal Code
8. **(632) 8584-1700**  
Registrant's telephone number, including area code
9. **Not applicable**  
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱1.00 par value	895,330,946
	Amount of Debt Outstanding
	Php500M

11. Are any or all of these securities listed on the Philippine Stock Exchange  
Yes [  ] No [  ]
12. Indicate by check mark whether the registrant:
- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 1 (a)-1 thereunder, and Section 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):  
Yes [  ] No [  ]
- (b) has been subject to such filing requirements for the past 90 days.  
Yes [  ] No [  ]

## PART I - FINANCIAL INFORMATION

### Item 1. Financial Statements

The following unaudited financial statements are submitted as part of this report:

- a.) Consolidated Statements of Income for the nine (9) months ended September 30, 2023 and September 30, 2022;
- b.) Consolidated Statements of Comprehensive Income for the nine (9) months ended September 30, 2023 and September 30, 2022;
- c.) Consolidated Statements of Financial Position as of September 30, 2023 and Audited Statements of Financial Position as of December 31, 2022;
- d.) Consolidated Statements of Changes in Equity for the nine (9) months ended September 30, 2023 and September 30, 2022; and
- e.) Consolidated Statements of Cash Flows for the nine (9) months ended, September 30, 2023 and September 30, 2022.

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

#### Results of Operations for the Period Ended September 30, 2023 vs. September 30, 2022

##### **Revenues**

Pacific Online Systems Corporation (the "Company") consolidated with its subsidiaries (the "Group"), earned total revenues of P502.4 million for the nine months ended September 30, 2023. Revenues increased by P144.30 million (40%) from revenues of the same period in 2022 amounting to P358.1 million mainly because of the increase in Lotto sales driven by the more open economy in 2023, the high jackpot prizes for the Lotto games, and the increase in the number of selling terminals for the period, especially in Luzon. In addition to this, the Company was also able to recognize and collect rent deficiency claims from its KENO operations.

##### **Cost and expenses**

Costs and expenses increased by P33.1 million (13%) to P284.0 million for the period ended September 2023 from P251.0 million for the same period in 2022 due to higher variable costs such as software license fees, operating supplies and travel and accommodation, which increased with the improvement in revenues. On the other hand, fixed costs such as back office expenses continue to decline due to the continuing effect of the cost efficiency measures implemented at back office levels which aimed to rationalize manpower, telecommunications, rental and utilities. Depreciation expenses are also significantly lower for the current period.

##### **Operating income**

Due to the foregoing, the Group realized an operating income of P218.4 million for the nine months ended September 30, 2023, which is more than double compared to the P107.2 million operating income for the same period in 2022.

##### **Other income (charges)**

Other income (net of other charges) increased by P33.5 million (91%) to P70.2 million as of September 30, 2023 compared to P36.7 million for the period ended September 30, 2022. The improvement in other income is due to the mark-to-market gains on the Company's investment held for trading as well as increase in interest income earned from its short-term investments of excess cash.

##### **Net income**

As a result, the Group recognized net income amounting to P228.2 million for the nine months ended September 30, 2023, showing an improvement of P100.8 million (79%) from the P127.4 million for the same period in 2022.



**Other comprehensive income and Total comprehensive income**

Other comprehensive income of the Group pertains to the unrealized valuation gains and losses on its financial assets at fair value through other comprehensive income. The Group posted a gain of P39.6 million during the for the nine months period ended September 30, 2023 versus P0.5 million for the same period in 2022. Because of this, total comprehensive income year to date September 30, 2023 is at P267.8 million, higher by P139.9 million (109%) from the P128.0 million other comprehensive income for the same period in 2022.

**Financial Condition as of September 30, 2023 vs. December 31, 2022****TOTAL ASSETS**

The Group's total assets of P1,711.3 million as of September 30, 2023 increased by P595.4 million or 53% from P1,116.0 million as of December 31, 2022. The main movements in the asset accounts are as follows:

**Cash and cash equivalents**

Cash and cash equivalents increased by P98.3 million (33%) to P399.9 million as at September 30, 2023 from P301.7 million as at December 31, 2022 due to the following: higher revenues and collections from increased Lotto sales for the year and additional cash from loan drawdowns of PinoyLotto Technologies Corp (PinoyLotto), offset in part by the payment of dividends amounting to P89.5 million during the first quarter of the year.

Pinoylotto is a joint venture operation owned by Pacific Online, Philippine Gaming Management Corp (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS). Pinoylotto won the bid for the Philippine Lottery System (PLS) of the Philippine Charity Sweepstakes Office, and has started nationwide operations on October 1, 2023. Loan drawdowns are being used to fund equipment purchases for the said project.

**Investments held for trading**

As at September 30, 2023, investments held for trading of the Group consists of investments in listed shares of stock of DigiPlus Interactive Corp (PLUS) (formerly Leisure and Resorts World Corporation), Vantage Equities, Inc. and APC Group, Inc. The amount of the Group's investments held for trading increased by P44.5 million (62%) as at September 30, 2023 due to the net increase in the share prices of the investments for the period.

**Trade and other receivables**

Trade and other receivables decreased by P2.0 million (1%) to P199.2 million as at September 30, 2023 from P201.2 million as at December 31, 2022 due to liquidation of advances and collection of other receivables.

**Creditable withholding taxes (CWTs)**

Creditable withholding taxes decreased by P33.9 million (26%) to P95.7 million as at September 30, 2023 from P129.6 million as at December 31, 2022 due to application of income tax due for the period.

**Other current assets**

Other current assets of the Group are composed of spare parts and supplies, prepayments and input taxes. This account increased by P21.0 million (108%) to P40.4 million as at September 30, 2023 from P19.4 million as at December 31, 2022 due mainly to the additional input taxes for the current period.

**Financial assets at fair value through other comprehensive income (FVOCI)**

The financial assets at FVOCI pertains to the investment in shares of Premium Leisure Corp (PLC). The account increased by P39.6 million (22%) to P218.7 million as at September 30, 2023 from P179.1 million as at December 31, 2022 due to unrealized valuation gains for the period.

**Property and equipment**

The Company's property and equipment is composed of lottery equipment, leasehold improvements, office furniture, fixtures and equipment and transportation equipment. This account decreased by P0.8 million (42%) to P1.2 million as at September 30, 2023 from P2.0 million as at December 31, 2022 mainly due to depreciation expense recognized for the period.

**Right of use assets (ROU)**

Right of use assets decreased by P1.8 million (100%) to nil as at September 30, 2023 from P1.8 million as at December 31, 2022 because of the amortization of ROU assets during the period.

**Other noncurrent assets**

Other noncurrent assets increased by P424.6 million (202%) to P634.4 million as at September 30, 2023 from P209.8 million as at December 31, 2022. The increase is mainly because of the advance payments made by Pinoylotto to its suppliers for the equipment of the new lottery system.

**LIABILITIES**

The Group recorded total liabilities at P591.9 million as at September 30, 2023, higher by P412.0 million (229%) compared to the total liabilities of P179.8 million as at December 31, 2022. The increase was mainly because of the drawdown of loan for the capital expenditure requirements of the PLS Project. Loans payable as at September 30, 2023 is at P500.0 million, increasing by P432.5 million (641%) from P67.5 million as at December 31, 2022.

**EQUITY**

Total equity of the Company increased by P183.4 million (20%) to P1,119.5 million as at September 30, 2023 from P936.1 million as at December 31, 2022. The increase is mainly brought about by the net income earned during the period, offset with the cash dividends declared and paid during the first quarter of the year.

**Cash Flows for the Nine Months Ended September 30, 2023 vs. September 30, 2022**

The Group's cash balance as of September 30, 2023 of P399.9 million was higher by P215.7 million (117%) compared to the cash balance of P184.2 million in September 30, 2022, due to higher revenues and net income, as well as proceeds from the loan availments for the period, and reduced in part by the payment of cash dividends.

**Discussion and Analysis of Material Events and Uncertainties Known to Management**

The equipment lease agreement between Pacific Online with the Philippine Charity Sweepstakes Office (PCSO) expired effective October 1, 2023. In its place, PinoyLotto, a joint operations company owned by Pacific Online, Philippine Gaming Management Corp (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS) has started nationwide operations in providing lottery equipment to PCSO.

On August 30, 2023, Pacific Online signed a Memorandum of Agreement (MOA) PCSO in connection with the latter's implementation of a One (1)-Year Trial Run for a Web-Based Application Betting Platform (WABP). Through the WABP, the PCSO aims to develop and promote more marketable, adaptable, resilient, and trendy betting platforms, considering the evolution of the gaming market and the advancements in technology. The MOA will cover a trial period for the WABP for one (1) year, subject to renewal, during which Pacific Online will be acting as PCSO's exclusive agent.

Except for what has been noted above, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

1. Known trends, demands, commitments, events or uncertainties that would have a material impact on the Group;

2. Material commitments for capital expenditures that are reasonably expected to have a material impact on the Group's short-term or long-term liquidity;
3. Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
4. Significant elements of income or loss that did not arise from the Group's continuing operations;
5. Seasonal aspects that had a material impact on the Group's results of operations;
6. Material changes in the financial statements of the Group for the periods ended December 31, 2022 to September 30, 2023;
7. Any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation; and
8. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.

### **Key Performance Indicators**

The Group monitors its performance and benchmarks itself to prior year's results in terms of the following indicators:

<b>Liquidity &amp; Financial Leverage Ratios</b>	<b>The manner by which the Company calculates the performance indicators</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Current ratio	Current assets over current liabilities	<b>9.26:1</b>	6.49:1
Debt to equity ratio	Total interest-bearing debt over total equity	<b>0.45:1</b>	0.07:1
Asset-to-equity ratio	Total assets over total equity	<b>1.52:1</b>	1.19:1
Solvency ratio	Total assets over total liabilities	<b>2.91:1</b>	6.20:1
Operating income margin	Operating income over revenues	<b>43.47%</b>	29.92%
Net profit (loss) margin	Net income over revenues	<b>45.43%</b>	35.58%
Return on equity	Net income over total equity	<b>20.39%</b>	13.61%
Return on assets	Net income over total assets	<b>13.37%</b>	11.42%

## PART II - OTHER INFORMATION

### Financial Instruments

#### **Financial Risk Management Objectives and Policies**

The financial instruments mainly comprise cash, trade and other receivables (excluding advances to contractors and suppliers) and guarantee and refundable deposits (presented as part of "Other current assets" or "Other noncurrent assets"), marketable securities and financial assets at FVOCI, trade and other current liabilities (excluding statutory payables) and lease liabilities. The main purpose of these financial instruments is to finance the Group's projects and operations.

It is the policy that no trading of financial instruments should be undertaken by the Group. The main risks arising from the financial instruments are credit risk, equity price risk, liquidity risk and foreign currency risk. The BOD reviews and approves policies for managing these risks.

**Credit Risk.** Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group does not offer credit terms without the specific approval of the management. There is no significant concentration of credit risk.

With respect to credit risk arising from the financial assets of the Group, which comprise of cash (excluding cash on hand) trade and other receivables (excluding advances to contractors and suppliers) and guarantee and refundable deposits (presented as part of "Other current assets" or "Other noncurrent assets"), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these financial assets.

The table below shows the Group's aging analysis of financial assets.

	September 30, 2023						Total
	Neither Past Due nor Impaired	Past Due but not Impaired				Impaired	
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Cash and cash equivalents*	₹399,392,701	₹-	₹-	₹-	₹-	₹-	₹399,392,701
Trade and other receivables**	197,778,631	-	-	-	-	113,677,614	311,456,245
Refundable deposit***	2,814,215	-	-	-	-	-	2,814,215
Guarantee bonds***	12,000,000	-	-	-	-	-	12,000,000
	₹611,985,547	₹-	₹-	₹-	₹-	₹113,677,614	₹725,663,161

\*Excluding cash on hand.

\*\*Excluding advances to suppliers, officers and employees.

\*\*\*Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statement of financial position.

December 31, 2022							
	Neither Past Due nor Impaired	Past Due but not Impaired				Impaired	Total
		Less than 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days		
Cash and cash equivalents*	P301,164,883	P-	P-	P-	P-	P-	P301,164,883
Trade and other receivables**	200,038,359	-	-	-	-	113,677,614	313,715,973
Refundable deposit***	2,769,759	-	-	-	-	-	2,769,759
Guarantee bonds***	14,500,000	-	-	-	-	-	14,500,000
	P518,473,001	P-	P-	P-	P-	P113,677,614	P632,150,615

\*Excluding cash on hand.

\*\*Excluding advances to suppliers, officers and employees.

\*\*\*Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statement of financial position.

Financial assets are considered past due when collections are not received on due date.

#### Credit Quality of Financial Assets

The financial assets are grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The credit quality of the Group's financial assets are as follows:

	September 30, 2023			Total
	ECL Staging			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Financial Assets at Amortized Cost</b>				
Cash and cash equivalents*	P399,392,701	P-	P-	P399,392,701
Trade and other receivables-net**	197,778,631	-	113,677,614	311,456,245
Refundable deposit ***	2,814,215	-	-	2,814,215
Guarantee bonds***	12,000,000	-	-	12,000,000
<b>Gross Carrying Amount</b>	<b>P611,985,547</b>	<b>P-</b>	<b>P113,677,614</b>	<b>P725,663,161</b>

\*Excluding cash on hand.

\*\*Excluding advances to contractors, suppliers, officers and employees.

\*\*\*Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statement of financial position.

December 31, 2022				
ECL Staging				
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
<b>Financial Assets at Amortized Cost</b>				
Cash and cash equivalents*	P301,164,883	P-	P-	P301,164,883
Trade and other receivables-net**	200,038,359	-	113,677,614	313,715,973
Refundable deposit ***	2,769,759	-	-	2,769,759
Guarantee bonds***	14,500,000	-	-	14,500,000
<b>Gross Carrying Amount</b>	<b>P518,473,001</b>	<b>P-</b>	<b>P113,677,614</b>	<b>P632,150,615</b>

\*Excluding cash on hand.

\*\*Excluding advances to contractors, suppliers, officers and employees.

\*\*\*Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statement of financial position.

High grade financial assets pertain to receivables from clients or customers who have no history of delayed payment while medium grade includes receivables from clients or customers who have history of delayed payment but is currently updated.

Cash in banks are deposited with the top ten banks in the Philippines; hence, considered high grade.

Quoted marketable securities and financial assets at FVOCI are assessed as high grade based on financial status of the counterparty and its current stock price performance in the market.

**Equity Price Risk.** Equity price risk is the risk that the fair value of quoted marketable securities and financial assets at FVOCI in listed equities decreases as a result of changes in the value of individual stock. The Group's exposure to equity price risk relates primarily to the Group's marketable securities. The Group monitors the equity investments based on market expectations. Significant movements within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the BOD.

The following table demonstrates the sensitivity to a reasonably possible change in equity price, with all other variables held constant, of the Group's 2023 and 2022 consolidated total comprehensive income before income tax:

Increase (Decrease) in Equity Price	Sep. 30, 2023	Dec. 31, 2022
Impact in profit or loss		
5%	P5,787,956	P3,564,429
(5%)	(5,787,956)	(3,564,429)
Impact in comprehensive income		
8%	17,499,435	14,331,434
(8%)	(17,499,435)	(14,331,434)

**Liquidity Risk.** Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and service its maturing debts. The Group's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. The Group considers obtaining borrowings as the need arises.

The table also analyzes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

<b>September 30, 2023</b>					
	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
Trade payables and other current liabilities*	P36,092,624	P-	P-	P 55,789,975	P91,882,599
Loan payable	-	-	-	500,000,000	500,000,000
	<b>P36,092,624</b>	<b>P-</b>	<b>P-</b>	<b>P55,789,975</b>	<b>P91,882,599</b>

\*excluding statutory payables

<b>December 31, 2022</b>					
	Less than 3 months	3-6 months	6-12 months	More than 12 months	Total
Trade payables and other current liabilities*	P39,290,044	P-	P-	P58,832,186	P98,122,230
Loan payable	-	-	-	67,500,000	67,500,000
Lease liabilities	1,149,804	766,536	-	-	1,916,340
	<b>P40,439,848</b>	<b>P766,536</b>	<b>P-</b>	<b>P126,332,186</b>	<b>P167,538,570</b>

\*excluding statutory payables

**Foreign Currency Risk.** Foreign currency risk is the risk that the fair value or future cash flows of financial asset or financial liability will fluctuate due to changes in foreign exchange rates.

As at September 30, 2023 and December 31, 2022, foreign currency-denominated financial asset and financial liability in US dollars, translated into Philippine peso at the closing rate:

	Sep. 30, 2023		Dec. 31, 2022	
	USD	Peso Equivalent	USD	Peso Equivalent
Cash and cash equivalents	\$33,870	P1,917,199	\$1,962,285	P109,097,145
Software license fee payable*	(680,191)	(38,502,235)	(838,192)	(46,600,971)
Net foreign currency-denominated assets (liabilities)	(\$646,322)	(P36,585,036)	\$1,124,093	P62,496,174

\*Presented under "Trade payables and other current liabilities" account.

In translating the foreign currency-denominated financial liabilities into peso amounts, the exchange rate used was P56.61 to US\$1.0 and P55.60 to US\$1.0, as at September 30, 2023 and December 31, 2022, respectively.

It is the Group's policy to ensure that capabilities exist for active but conservative management of its foreign currency risk. The Group seeks to mitigate its transactional currency exposure by maintaining its costs at consistently low levels, regardless of any upward or downward movement in the foreign currency exchange rate.

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rates, with all other variables held constant, of the Group's consolidated income before tax as at September 30, 2023 and December 31, 2022. There is no other impact on the Group's equity other than those already affecting the profit or loss in the consolidated statement of comprehensive income.

	Sep. 30, 2023		Dec. 31, 2022	
	Increase in US\$ Rate	Decrease in US\$ Rate	Increase in US\$ Rate	Decrease in US\$ Rate
Change in US\$ rate*	5%	(5%)	5%	(5%)
Effect on income before income tax	(P1,829,252)	P1,829,252	P10,756,670	(P10,756,670)

The increase in US\$ rate means stronger US dollar against peso while the decrease in US\$ means stronger peso against the US dollar.

### **Capital Management**

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2023 and 2022.

The Group considers the following as its capital:

	Sep. 30, 2023	Dec. 31, 2022
Common stock	P895,330,946	P895,330,946
Additional paid-in capital	254,640,323	254,640,323
Cost of Parent Company common shares held by a subsidiary	(285,267,558)	(285,267,558)
	<b>P864,703,711</b>	<b>P864,703,711</b>

### **Fair Value of Assets and Financial Liabilities**

Set out below is a comparison by category and by class of carrying values and fair values of the Group's assets and financial liabilities:

	Sep. 30, 2023		Dec. 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
<b>At amortized cost:</b>				
Cash and cash equivalents	P399,922,001	P399,922,001	P301,656,383	P301,656,383
Trade and other receivables*	197,778,631	197,778,631	200,038,359	200,038,359
Refundable security deposits**	2,814,215	2,814,215	2,769,759	2,769,759
Guaranteed deposits**	12,000,000	12,000,000	14,500,000	14,500,000
<b>At FVPL</b>				
Investment held for trading	115,759,120	115,759,120	71,288,577	71,288,577
<b>At FVOCI</b>				
Financial assets at FVOCI	218,742,940	218,742,940	179,142,925	179,142,925
	<b>P947,016,907</b>	<b>P947,016,907</b>	<b>P769,396,003</b>	<b>P769,396,003</b>
<b>Financial Liabilities</b>				
<b>At amortized cost:</b>				
Trade payables and other current liabilities***	P 90,015,434	P 90,015,434	P98,122,230	P98,122,230
Loan payable	500,000,000	500,000,000	67,500,000	66,538,186
Lease liabilities	-	-	1,891,442	1,899,514
	<b>P590,015,434</b>	<b>P590,015,434</b>	<b>P167,513,672</b>	<b>P166,559,930</b>

\*Excluding advances to suppliers, officers and employees.

\*\*Presented under "Other current assets" and/or "Other noncurrent assets" account in the consolidated statements of financial position.

\*\*\*Excluding statutory payables

The Group has no financial liabilities measured at fair value as at September 30, 2023 and December 31, 2022. There were no transfers between fair value measurements as at September 30, 2023 and December 31, 2022.



The following methods and assumptions are used to estimate the fair value of each class of financial assets and financial liabilities:

*Cash, Trade and Other Receivables, Trade and Other Current Liabilities (excluding Statutory Payables).* The carrying values of these financial instruments approximate their fair values due to the relatively short-term maturities of these financial assets and financial liabilities.

*Financial Assets at FVPL and Financial Assets at FVOCI.* The fair values of Financial Assets at FVPL and financial assets at FVOCI in quoted equity shares are based on quoted prices in the PSE or those shares whose prices are readily available from brokers or other regulatory agency as at reporting date. There are no quoted market prices for the unlisted shares and there are no other reliable sources of their fair values, therefore, these are carried at cost, net of any impairment loss.

*Loan Payable and Lease Liabilities.* The fair values are based on the discounted value of expected future cash flows using the applicable interest rate for similar types of instruments. Discount rate used for loan payable is 5.78% in 2022 and 5.25% to 6.50% for lease liabilities in 2023 and 2022.

### **Other Required Disclosures**

1. The attached interim financial reports were prepared in compliance with Philippine Financial Reporting Standards (PFRS).

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Group entities.

2. Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD & A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
3. There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
4. Except as disclosed in the MD & A, there were no other issuance, repurchases and repayments of debt and equity securities.
5. Except as disclosed in the MD & A, there were no material events that occurred subsequent to September 30, 2023 and up to the date of this report that need disclosure herein.
6. Except as disclosed in the MD & A, there were no changes in the composition of the Group since September 30, 2023, such as business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring, and discontinued operations.
7. There were no changes in contingent liabilities or contingent assets since September 30, 2023.
8. Except as disclosed in the MD & A, there exist no material contingencies and other material events or transactions affecting the current interim period.

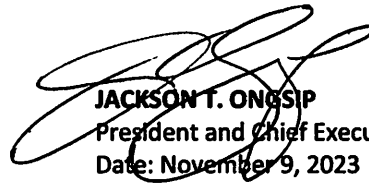
**SIGNATURES**

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

Issuer: **PACIFIC ONLINE SYSTEMS CORPORATION**



**WILLY N. OCLER**  
Chairman of the Board  
Date: November 9, 2023



**JACKSON T. ONGSIP**  
President and Chief Executive Officer  
Date: November 9, 2023



**MARIA NERIZA C. BANARIA**  
Chief Financial Officer and Treasurer  
Date: November 9, 2023

**PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Financial Position**

	<b>Sep. 30, 2023</b>	<b>Dec. 31, 2022</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	₱399,922,001	₱301,656,383
Investments held for trading	115,759,120	71,288,577
Trade and other receivables	199,161,401	201,198,131
Creditable withholding taxes (CWTs)	95,714,299	129,606,983
Other current assets	40,375,597	19,411,394
<b>Total Current Assets</b>	<b>850,932,418</b>	<b>723,161,468</b>
<b>Noncurrent Assets</b>		
Financial assets at fair value through other comprehensive income (FVOCI)	218,742,940	179,142,925
Property and equipment	1,172,193	2,013,551
Right-of-use (ROU) assets	-	1,815,399
Deferred tax asset	1,718,988	-
Net retirement asset	4,381,798	-
Other noncurrent assets	634,396,621	209,824,090
<b>Total Noncurrent Assets</b>	<b>860,412,540</b>	<b>392,795,965</b>
	<b>₱1,711,344,958</b>	<b>₱1,115,957,433</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade payables and other current liabilities	₱91,882,599	₱109,487,367
Current portion of lease liabilities	-	1,891,442
<b>Total Current Liabilities</b>	<b>91,882,599</b>	<b>111,378,809</b>
<b>Noncurrent Liabilities</b>		
Loan payable	500,000,000	67,500,000
Net retirement liability	-	442,153
Net deferred tax liabilities	-	531,152
<b>Total Noncurrent Liabilities</b>	<b>500,000,000</b>	<b>68,473,305</b>
<b>Total Liabilities</b>	<b>591,882,599</b>	<b>179,852,114</b>

*(Forward)*

	Sep. 30, 2023	Dec. 31, 2022
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital stock	<b>₱895,330,946</b>	<b>₱895,330,946</b>
Additional paid-in capital	<b>254,640,323</b>	<b>254,640,323</b>
Cost of Parent Company common shares held by a subsidiary	<b>(285,267,558)</b>	<b>(285,267,558)</b>
Other equity reserves	<b>(233,676,401)</b>	<b>(273,276,416)</b>
Retained earnings	<b>485,188,558</b>	<b>342,701,848</b>
	<b>1,116,215,868</b>	<b>934,129,143</b>
<b>Non-controlling Interest</b>	<b>3,246,491</b>	<b>1,976,176</b>
<b>Total Equity</b>	<b>1,119,462,359</b>	<b>936,105,319</b>
	<b>₱1,711,344,958</b>	<b>₱1,115,957,433</b>

**PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Income (Unaudited)**  
**For the nine months ended September 30, 2023 and 2022**

	Nine Months Ended Sep 30		This Quarter	
	2023	2022	2023	2022
<b>REVENUES</b>				
Equipment rentals	P502,431,598	P358,109,614	P158,983,577	P139,219,870
<b>Total Revenues</b>	<b>P502,431,598</b>	<b>P358,109,614</b>	<b>P158,983,577</b>	<b>P139,219,870</b>
<b>COSTS AND EXPENSES</b>				
Personnel costs	59,272,949	63,453,036	18,211,439	19,427,930
Software and license fees	59,648,560	41,535,732	19,830,610	16,330,055
Operating supplies	5,767,302	4,923,900	602,768	2,080,917
Depreciation and amortization	3,099,365	32,504,376	466,015	3,117,923
Communications	30,259,213	34,491,362	10,781,381	11,204,832
Travel and accommodation	28,154,729	14,546,091	4,454,367	4,647,897
Rent and utilities	19,109,079	19,307,336	6,823,397	6,807,193
Repairs and maintenance	24,215,411	18,148,109	16,596,217	6,814,836
Taxes and licenses	3,370,851	3,579,948	1,080,490	946,707
Entertainment and representation	3,623,799	410,364	5,027	37,597
Professional fees	4,088,361	6,258,730	1,533,580	2,282,268
Marketing and promotion	-	28,000	-	-
Pre-operating expenses	40,863,370	8,887,749	16,586,259	475,133
Directors fees	1,162,418	1,539,869	348,039	207,190
Others	1,394,065	1,338,452	38,328	9,174
<b>Total Costs and Expenses</b>	<b>284,029,472</b>	<b>250,953,054</b>	<b>97,357,918</b>	<b>74,389,650</b>
<b>OPERATING INCOME</b>	<b>218,402,126</b>	<b>107,156,560</b>	<b>61,625,659</b>	<b>64,830,220</b>
<b>OTHER INCOME (CHARGES)</b>				
Dividend income	18,947,664	18,947,664	-	-
Interest income	3,701,394	71,788	1,204,216	29,138
Finance charges	(24,947)	(235,050)	(50)	(73,710)
Mark-to-market gain (loss) on marketable securities	45,766,343	5,730,732	39,473,858	9,980,111
Others – net	1,792,971	12,212,633	649,381	3,049,337
<b>Total Other Income (Charges)</b>	<b>70,183,425</b>	<b>36,727,767</b>	<b>41,327,404</b>	<b>12,984,875</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>288,585,551</b>	<b>143,884,327</b>	<b>102,953,065</b>	<b>77,815,095</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>				
Current	61,629,010	-	20,201,365	-
Deferred	(1,286,880)	16,475,439	-	(762,572)
	60,342,130	16,475,439	20,201,365	(762,572)
<b>NET INCOME (LOSS)</b>	<b>P228,243,421</b>	<b>P127,408,888</b>	<b>P82,751,700</b>	<b>P78,577,667</b>
<b>Attributable to:</b>				
Equity holders of the Parent Company	226,973,106	127,600,396	81,832,855	77,950,033
Non-controlling interests	1,270,315	(191,508)	918,845	627,634
	<b>P228,243,421</b>	<b>P127,408,888</b>	<b>82,751,700</b>	<b>P78,577,667</b>
<b>Attributable to Equity Holders of the Parent Company</b>				
Basic / diluted earnings (loss) per share	P 0.2687	P0.1510	P0.0969	P0.0931

**PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income (Unaudited)**  
**For the nine months ended September 30, 2023 and 2022**

	Nine Months Ended Sep 30		This Quarter	
	2023	2022	2023	2022
<b>NET INCOME (LOSS)</b>	<b>P228,243,421</b>	<b>P127,408,888</b>	<b>P82,751,699</b>	<b>P78,577,667</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will never be reclassified to profit or loss				
Fair value gain (loss) on investment in shares of stock	39,600,015	552,455	7,542,860	13,200,005
Remeasurements of retirement benefits, net of tax	-	-	-	-
	39,600,015	552,455	7,542,860	13,200,005
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>P267,843,436</b>	<b>P127,961,343</b>	<b>P90,294,559</b>	<b>P91,777,672</b>
<b>Attributable to:</b>				
Equity holders of the Parent Company	266,573,121	128,152,851	89,375,714	91,844,320
Non-controlling interests	1,270,315	(191,508)	918,845	(66,648)
	<b>P267,843,436</b>	<b>P127,961,343</b>	<b>P90,294,559</b>	<b>P91,777,672</b>

**PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Unaudited)**  
**For the nine months ended September 30, 2023 and 2022**

	For the nine months ended September 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (Loss) before income tax	P288,585,551	P143,884,327
Adjustments for:		
Depreciation and amortization	3,099,365	32,504,376
Retirement benefits	5,176,050	7,511,575
Finance charges	24,947	235,050
Unrealized foreign exchange loss (gain)	(108,119)	1,027,161
Interest income	(3,701,394)	(71,788)
Marked-to-market losses (gains) on investments held for trading	(45,766,343)	(5,730,732)
Dividend income	(18,947,664)	(18,947,664)
Gain on sale of property and equipment	27,822	(2,942,782)
Gain on sale of investments held for trading	(250,200)	-
Operating income (loss) before working capital changes	228,140,015	157,469,523
Decrease (increase) in:		
Trade and other receivables	2,036,730	(139,516,525)
Other current assets	12,928,481	(26,991,611)
Other noncurrent assets	(424,572,531)	96,584
Increase (decrease) in:		
Trade and other payables	(17,604,769)	(2,123,706)
Net cash generated from (used for) operations	(199,072,074)	(11,065,735)
Retirement contributions	(10,000,000)	(10,000,000)
Interest received	3,701,394	71,788
Income tax paid	(62,592,270)	-
Net cash provided by (used in) operating activities	(267,962,950)	(20,993,947)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	18,947,664	18,947,664
Proceeds from sale of:		
Financial assets at fair value through other comprehensive income (FVOCI)	-	88,661,790
Investments held for trading	1,546,000	-
Property and equipment	132,500	3,825,960
Acquisitions of property and equipment	(602,930)	-
Net cash flows provided by (used in) investing activities	20,023,234	111,435,414
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan availments	432,500,000	-
Cash dividend paid	(84,486,396)	-
Payment of lease liabilities	(1,891,442)	(3,654,161)
Finance charges paid	(24,947)	(235,050)
Net cash flows provided by (used in) financing activities	346,097,215	(3,889,211)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	98,157,499	86,552,256
CASH AT BEGINNING OF YEAR	301,656,383	98,638,883
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	108,119	(1,027,161)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P399,922,001</b>	<b>P184,163,978</b>

**PACIFIC ONLINE SYSTEMS CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity (Unaudited)**

	Capital Stock	Additional Paid-in Capital	Cost of Parent Company Common Shares Held by a Subsidiary	Other Equity Reserves	Retained Earnings	Total	Non- Controlling Interest	Total Equity
<b>January 1, 2023</b>	<b>P895,330,946</b>	<b>P254,640,323</b>	<b>(P285,267,558)</b>	<b>(P273,276,416)</b>	<b>P342,701,848</b>	<b>P934,129,143</b>	<b>P1,976,176</b>	<b>P936,105,319</b>
Net income for the period	-	-	-	-	226,973,106	226,973,106	1,270,315	228,243,421
Other comprehensive income:								
Unrealized valuation gains on financial assets at FVOCI	-	-	-	39,600,015	-	39,600,015	-	39,600,015
Total comprehensive income (loss) for the period	-	-	-	39,600,015	226,973,106	266,573,121	1,270,315	267,843,436
Dividends paid	-	-	-	-	(84,486,396)	(84,486,396)	-	(84,486,396)
<b>Balance at September 30, 2023</b>	<b>P895,330,946</b>	<b>254,640,323</b>	<b>(P285,267,558)</b>	<b>(P233,676,401)</b>	<b>P485,188,558</b>	<b>P1,116,215,868</b>	<b>P3,246,491</b>	<b>P1,119,462,359</b>

	Capital Stock	Additional Paid-in Capital	Cost of Parent Company Common Shares Held by a Subsidiary	Other Equity Reserves	Retained Earnings	Total	Non- Controlling Interest	Total Equity
<b>January 1, 2022</b>	<b>P895,330,946</b>	<b>P254,640,323</b>	<b>(P285,267,558)</b>	<b>(P477,111,708)</b>	<b>P329,713,024</b>	<b>P717,305,027</b>	<b>P1,993,935</b>	<b>P719,298,962</b>
Net income (loss) for the period	-	-	-	-	127,600,397	127,600,397	(191,508)	127,408,889
Other comprehensive income:								
Unrealized valuation gains on financial assets at FVOCI	-	-	-	552,455	-	552,455	-	552,455
Total comprehensive income (loss) for the period	-	-	-	552,455	126,906,113	128,152,852	(191,508)	127,961,344
Realized portion of fair value reserve				183,779,301	(183,779,301)	-		-
<b>Balance at September 30, 2022</b>	<b>P895,330,946</b>	<b>P254,640,323</b>	<b>(P285,267,558)</b>	<b>(P292,779,952)</b>	<b>P273,534,120</b>	<b>P845,457,879</b>	<b>P1,802,427</b>	<b>P847,260,306</b>



**PACIFIC ONLINE SYSTEMS CORPORATION**  
**Attachments to Unaudited Financial Statements**  
**Trade and Other Receivables**  
**As of September 30, 2023**

1.) Aging of Trade and Other Receivables

	Neither Past Due nor Impaired	Impaired	Total
<b>a.) Trade and Nontrade Receivables</b>			
1.) Trade receivables	P70,040,818	P -	P70,040,818
2.) Nontrade receivable	9,822,386	113,677,614	125,500,000
3.) Accrued license fee income	4,000,000	-	4,000,000
	<b>83,863,204</b>	<b>113,677,614</b>	<b>197,540,818</b>
<b>b.) Other Receivables</b>			
1.) Advances to officers and employees	1,382,770	-	1,382,770
2.) Other receivables	237,813	-	237,813
	<b>1,620,583</b>	<b>-</b>	<b>1,620,583</b>
<b>Total</b>	<b>P85,483,787</b>	<b>P113,677,614</b>	<b>P199,161,401</b>

2.) Description of other receivables

<i>Types of Receivables</i>	<i>Nature and Description</i>	<i>Collection / Liquidation Period</i>
1.) Advances to officers and employees	Company loan and other advances granted to officers and employees	Within one (1) year
2.) Other receivables	Other advances	Within one (1) year

3.) Normal operating cycle: 365 days

**PACIFIC ONLINE SYSTEMS CORPORATION**  
**Attachments to Unaudited Financial Statements**  
**Segment Information**  
**For the period ended September 30, 2023**

The primary segment reporting format is presented based on business segments in which the Group's risks and rates of return are affected predominantly by differences in the products and services provided. Thus, the operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is engaged in the businesses of leasing lottery equipment to PCSO (leasing activities). Revenue generated from the leasing activities account for 100% of the Group's revenue in 2023.


**End of Report**

# Certification

We, **Willy N. Ocier**, Chairman of the Board, **Jackson T. Ongsip**, President and Chief Executive Officer, and **Maria Neriza C. Banaria**, Chief Financial Officer and Treasurer of **PACIFIC ONLINE SYSTEMS CORPORATION**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number **AS93008809** and with principal office address at **28<sup>th</sup> Floor East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City**, on oath state:

- 1) That we have caused this **SEC Form 17-Q (Quarterly Report) for the period ended September 30, 2023** to be prepared on behalf of **Pacific Online Systems Corporation**;
- 2) That we have read and understood its contents which are true and correct based on our own personal knowledge and/or authentic records;
- 3) That the company, **Pacific Online Systems Corporation**, will comply with the requirements set forth in SEC Notice dated May 12, 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That we are fully aware that submitted documents which will require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s.2020 shall be used by the company in its submission to CGFD.

IN WITNESS WHEREOF, we have hereunto set our hands this 9<sup>th</sup> day of November 2023.

  
\_\_\_\_\_  
WILLY N. OCIER

  
\_\_\_\_\_  
JACKSON T. ONGSIP

  
\_\_\_\_\_  
MARIA NERIZA C. BANARIA

**SUBSCRIBED AND SWORN** to before me this 9<sup>th</sup> day of November 2023, In Pasig City, Philippines.

NOTARY PUBLIC

  
**GAUDENCIO A. BARBOZA, JR.**  
NOTARY PUBLIC

Cities of Pasig, San Juan and  
in the Municipality of Pateros, Metro Manila  
Until December 31, 2024

PTR No. 0112601 / 01/03/2023 Pasig City  
IBP No. 248416 / 10/06/2022 For Year 2023/ RSM  
Roll No. 41969

MCLE Comp. VII-0028557/April 19, 2023  
No. 11, Unit J Freemont Arcade Bldg.  
Shaw Blvd. Brgy. San Antonio, Pasig City  
Appointment No. 61 (2023-2024).

Doc. No. 430  
Page No. 86  
Book No. 29  
Series of 2023