

On 19 May 2025, NOW Corporation was officially notified by its associate NOW Telecom Company, Inc. regarding a Public Advisory issued by the Trusted Network Alliance (an initiative led by NOW Telecom in partnership with U.S. government-backed cybersecurity and digital infrastructure programs) pertaining to emerging regulatory developments with material implications for the telecommunications, business process outsourcing (BPO), and U.S.-affiliated business sectors operating in the Philippines.

The advisory, which is publicly issued and herein quoted in full below, is part of the Company's continuing disclosure obligations and in accordance with good governance and transparency practices. The Company is currently evaluating any impact this may have on its operations, investments, and compliance posture, and shall provide additional disclosures as warranted.

“Public Advisory

To All BPOs and U.S.-Affiliated Companies Operating in the Philippines
Issued by the Trusted Network Alliance, Led by NOW Telecom

May 2025

In light of recent regulatory developments, all BPOs and U.S.-affiliated companies operating in the Philippines are strongly advised to conduct an immediate review of their telecom and IT infrastructure contracts — particularly those involving third-party suppliers utilizing banned or non-compliant equipment and technologies under U.S. federal and state regulations.

This advisory is issued following the sudden and unexplained cancellation of NOW Telecom's license by the Philippine National Telecommunications Commission (NTC), despite its 25-year franchise and status as the only U.S.-certified “clean network” provider in the country. This action has triggered escalating concerns over violations of U.S. compliance rules and is expected to lead to formal federal and state investigations.

NOW Telecom is a U.S. taxpayer-funded grantee under the U.S. Trade and Development Agency for 5G and National Broadband infrastructure and serves as a supplier to a U.S. military logistics contractor. This unexpected disruption to our operations underscores the real and imminent business continuity and legal exposure risk that will likely extend to BPOs and U.S. companies dependent on non-compliant network infrastructure.

The Philippine BPO sector, which contributes over \$38 billion in annual revenue, is now at heightened risk of being drawn into U.S. enforcement and prosecution proceedings unless immediate compliance measures are taken.

We urge all affected entities to:

- Review all supplier agreements and third-party service contracts for telecom and IT infrastructure
- Identify any use of non-compliant or unverified equipment or networks
- Seek immediate legal counsel to evaluate and mitigate any exposure under U.S. federal and state law”

The Company's core operations are not directly affected by the regulatory action against NOW Telecom subject of the TNA Advisory. It Company operates independently across various ICT, digital media, and enterprise solutions verticals, and maintains partnerships with multiple telecom service providers beyond NOW Telecom.

Nonetheless, as the Company holds a material equity interest in NOW Telecom, regulatory or legal developments that impact the latter may affect the valuation, growth trajectory, and strategic contribution of this association to the Company Corporation. Specifically:

- - Short-Term Impact: Potential disruption to NOW Telecom's ability to deliver services may cause short-term financial effects on the value of NOW Corporation's investment.
- - Long-Term Impact: The regulatory uncertainty may affect NOW Telecom's future performance, which could influence NOW Corporation's long-term strategic planning and investor outlook.
- - Legal and Reputational Considerations: The issues raised may attract scrutiny from foreign regulatory agencies, particularly those in the United States, where NOW Telecom is a grantee of the USTDA and is engaged in cybersecurity-aligned initiatives.