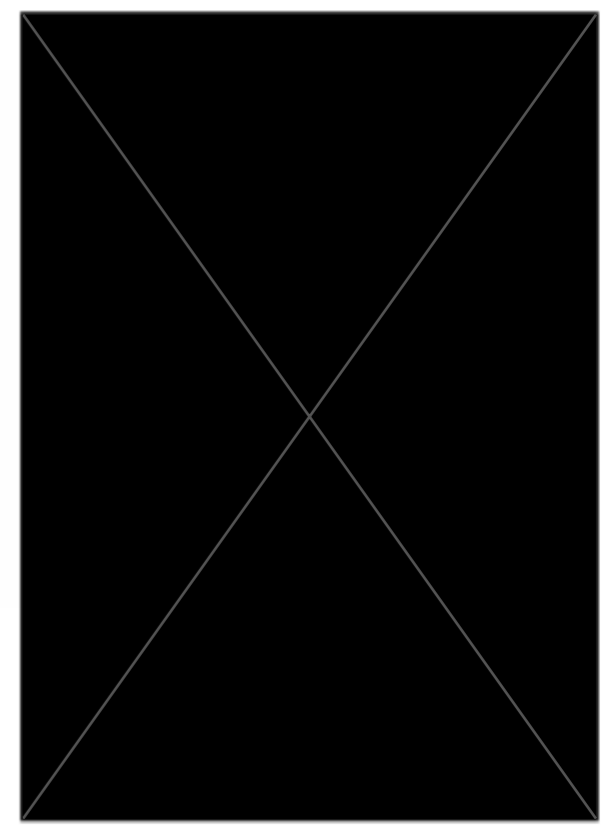




# SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines

Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph



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## Company Information

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**SEC Registration No.:** CS200700054

**Company Name:** INQUIRER INTERACTIVE INC

**Industry Classification:** O93000

**Company Type:** Stock Corporation

## Document Information

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**Document ID:** OST1012620238897628

**Document Type:** Financial Statement

**Document Code:** FS

**Period Covered:** December 31, 2020

**Submission Type:** Annual

**Remarks:** None

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Acceptance of this document is subject to review of forms and contents





# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 0 7 0 0 0 5 4

### COMPANY NAME

INQUIRER INTERACTIVE, INC.  
(A SUBSIDIARY OF INQUIRER HOLDINGS, INC.)

### PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

3 / F MEDIA RESOURCE PLAZA BLDG.  
MOLA ST. CORNER PASONG TIRAD ST.  
MAKATI CITY, PHILIPPINES

Form Type

A A F S

Department requiring the report

CRMD

Secondary License Type, if Applicable

N/A

### COMPANY INFORMATION

Company's Email Address: admin.finance@inquirer.net  
Company's Telephone Number/s: 8519-2023  
Mobile Number: -  
No. of Stockholders: 7  
Annual Meeting (Month / Day): July 10  
Fiscal Year (Month / Day): December 31

### CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

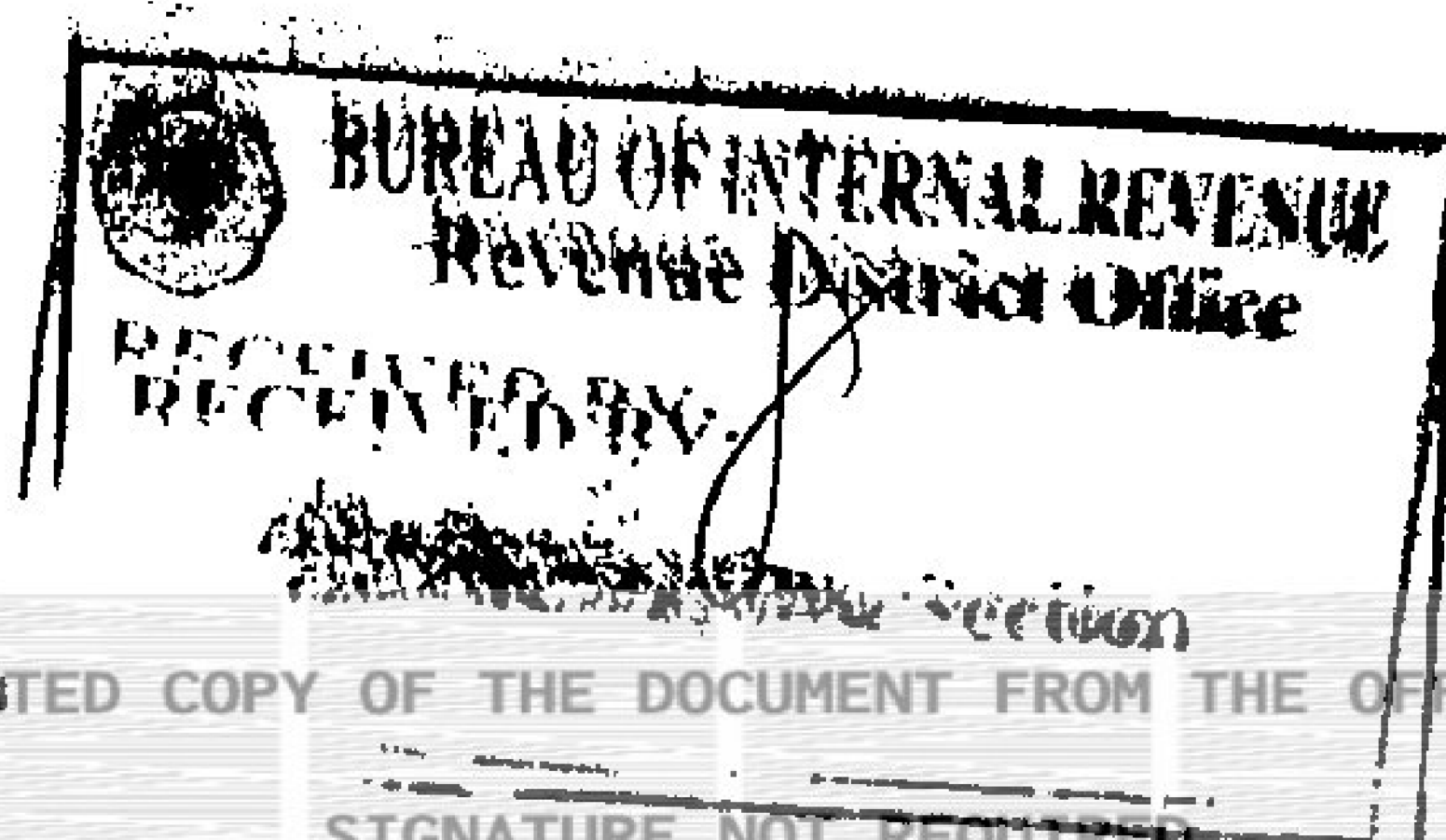
Name of Contact Person: PAOLO ROMEO R. PRIETO  
Email Address: @inquirer.net  
Telephone Number/s: [Redacted]  
Mobile Number: N/A

### CONTACT PERSON'S ADDRESS

[Redacted Address]

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.





**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of Inquirer Interactive, Inc. is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the shareholders.

Roxas Cruz Tagle and Co., the independent auditor, appointed by the shareholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
\_\_\_\_\_  
**PAOLO R. PRIETO**  
Presiden/Chairman of the  
Board

  
\_\_\_\_\_  
**IMELDA C. ALCANTARA**  
Chief Operating Officer

  
\_\_\_\_\_  
**MANUEL CHANCO III**  
Treasurer

Signed this 23rd day of November, 2022.



## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Shareholders  
**Inquirer Interactive, Inc.**  
(A subsidiary of Inquirer Holdings, Inc.)  
3/F Media Resource Plaza Bldg.  
Mola St. Corner Pasong Tirad St.  
Makati City

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of **Inquirer Interactive, Inc.** (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SME).

#### *Basis for Opinion*

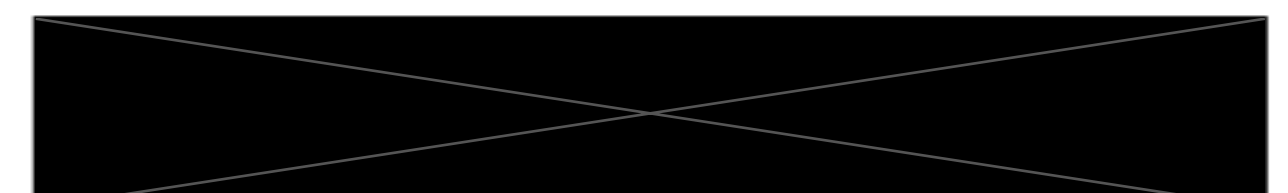
We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SME, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



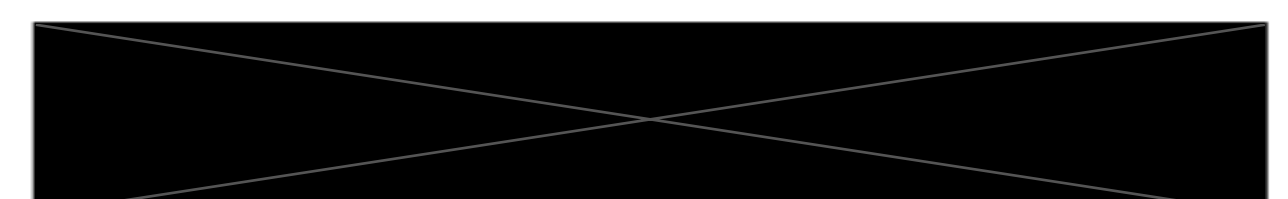


*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

**Report on the Supplementary Information Required by the Bureau of Internal Revenue (BIR)**

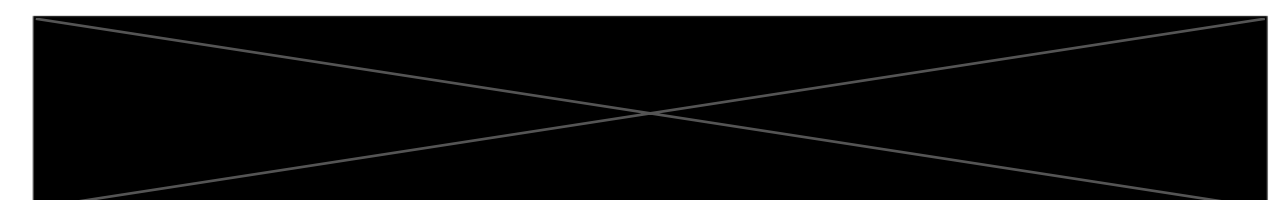
Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information as disclosed in Note 23 to the financial statements is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**ROXAS CRUZ TAGLE AND CO.**



**Warren M. Urriza**  
Partner  
CPA Certificate No. [REDACTED]  
Tax Identification No. [REDACTED]  
SEC Accreditation No. [REDACTED]  
effective for the [REDACTED] 2023 financial statements of SEC covered institutions  
BIR Accreditation No. [REDACTED] 2022, issued on January 5, 2022,  
effective until January 4, 2025  
PTR No. [REDACTED] issued on January 24, 2022, Makati City

November 23, 2022  
Makati City



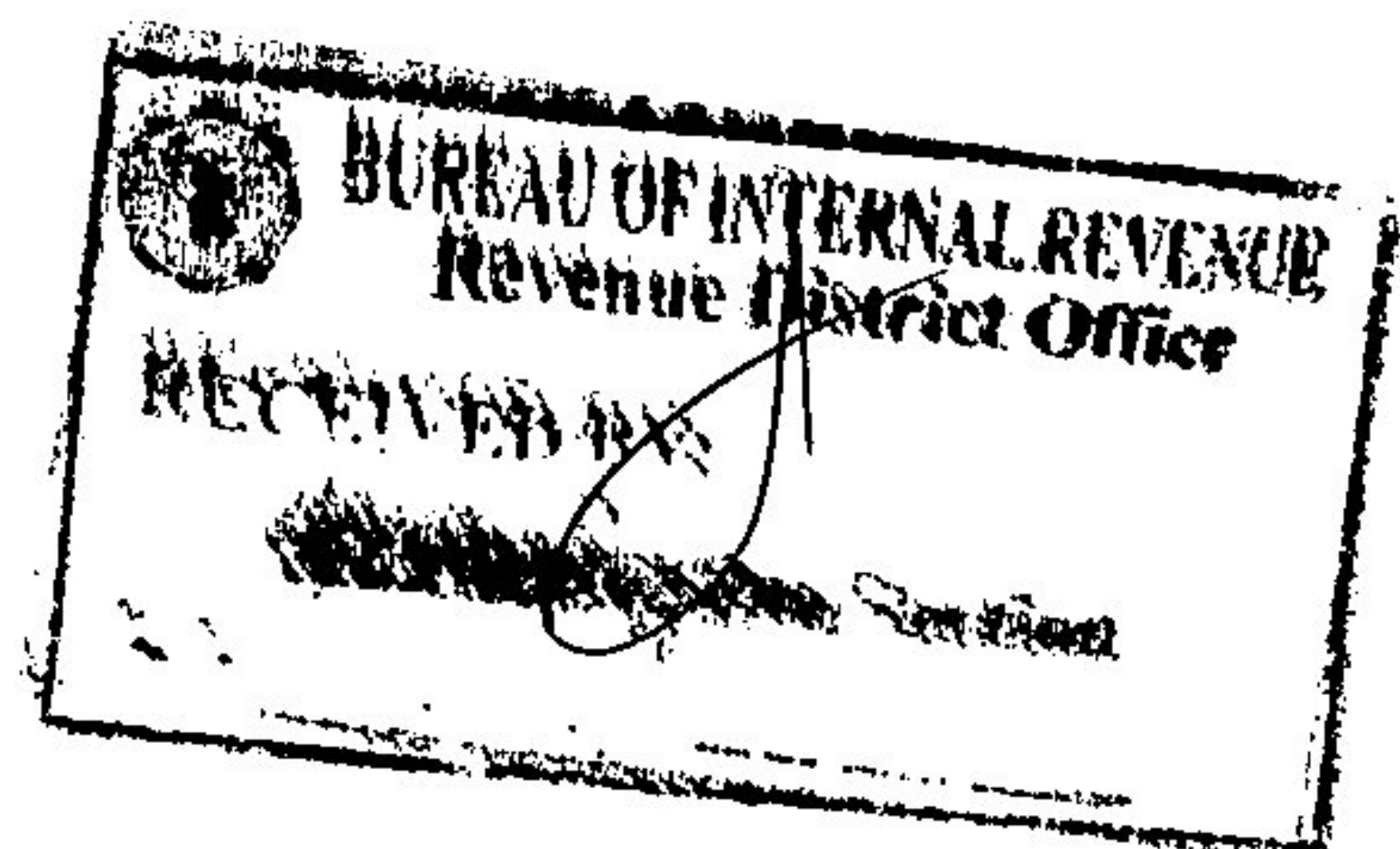


**INQUIRER INTERACTIVE, INC.**  
(A Subsidiary of Inquirer Holdings, Inc.)

**STATEMENTS OF FINANCIAL POSITION**  
DECEMBER 31, 2020 AND 2019

	Note	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	₱19,052,969	₱19,851,965
Trade and other receivables	6	147,517,507	124,098,855
Advances to related parties	21	13,702,711	14,368,219
Other current assets	7	4,238,331	5,906,673
<b>Total Current Assets</b>		<b>184,511,518</b>	<b>164,225,712</b>
<b>Noncurrent Assets</b>			
Investment in retail treasury bond	8	4,000,000	4,000,000
Property and equipment	9	8,812,163	11,491,729
Computer software	10	79,735	101,193
Investment in a subsidiary	11	876,220	876,220
Deferred tax assets	19	16,624,752	11,555,836
<b>Total Noncurrent Assets</b>		<b>30,392,870</b>	<b>28,024,978</b>
		<b>₱214,904,388</b>	<b>₱192,250,690</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	₱53,186,215	₱53,435,626
Advances from related parties	21	48,602,064	38,574,011
Dividends payable	14	28,511,317	20,761,993
Income tax payable		4,465,666	-
<b>Total Current Liabilities</b>		<b>134,765,262</b>	<b>112,771,630</b>
<b>Noncurrent Liabilities</b>			
Retirement liability	13	33,015,328	22,972,203
<b>Total Liabilities</b>		<b>167,780,590</b>	<b>135,743,833</b>
<b>Equity</b>			
Share capital	14	25,000,000	25,000,000
Remeasurement loss on retirement obligation, net of tax	13	(7,737,233)	(3,905,332)
Retained earnings		29,861,031	35,412,189
<b>Total Equity</b>		<b>47,123,798</b>	<b>56,506,857</b>
		<b>₱214,904,388</b>	<b>₱192,250,690</b>

See Notes to the Financial Statements.



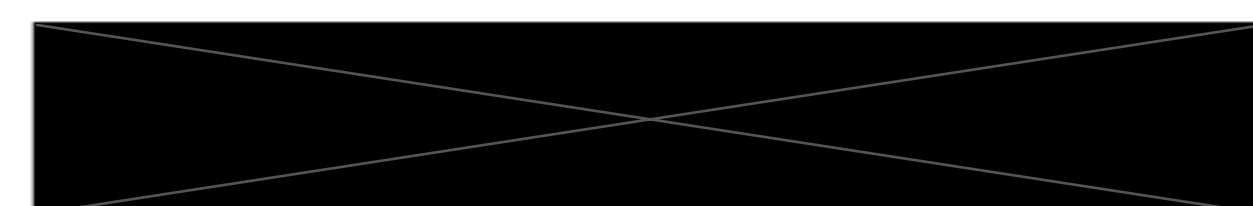
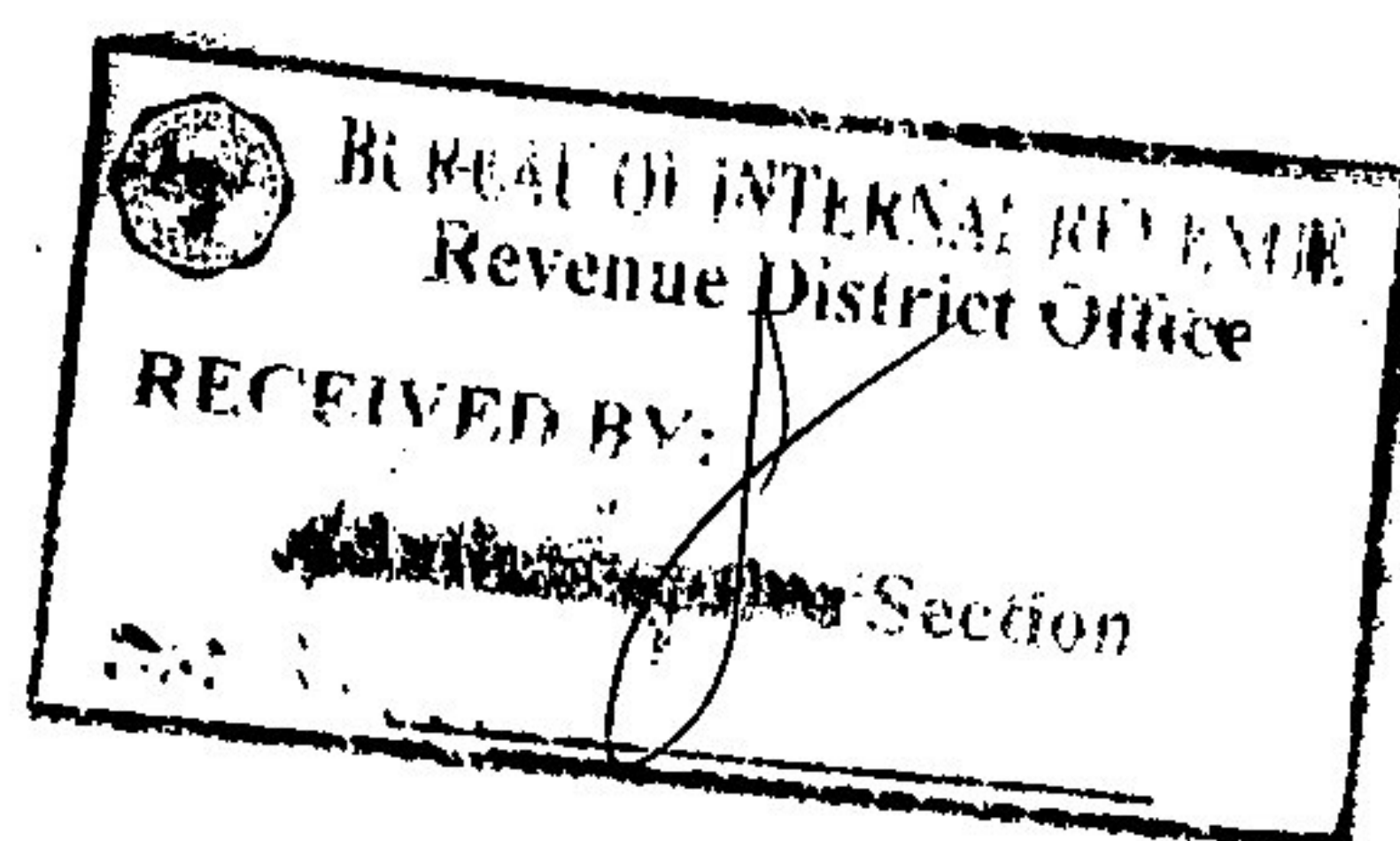


**INQUIRER INTERACTIVE, INC.**  
*(A Subsidiary of Inquirer Holdings, Inc.)*

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Note	2020	2019
Service revenues, net	15	₱157,117,585	₱174,770,299
Cost of services	16	(69,592,968)	(70,750,097)
Gross profit		87,524,617	104,020,202
Operating expenses	18	(87,049,233)	(96,331,663)
Finance income	5	312,812	664,011
Other income, net	17	10,333,613	8,967,735
<b>Profit before tax</b>		<b>11,121,809</b>	<b>17,320,285</b>
<b>Provision for income tax</b>	19	<b>(6,260,467)</b>	<b>(6,908,094)</b>
<b>NET INCOME</b>		<b>4,861,342</b>	<b>10,412,191</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
<i>Not to be reclassified to profit or loss in subsequent period:</i>			
Actuarial loss on retirement obligation, net of tax	13	(3,831,901)	(5,582,939)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>₱1,029,441</b>	<b>₱4,829,252</b>

See Notes to the Financial Statements.



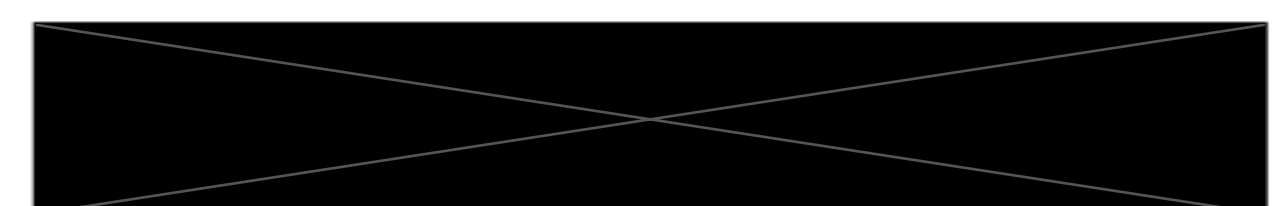
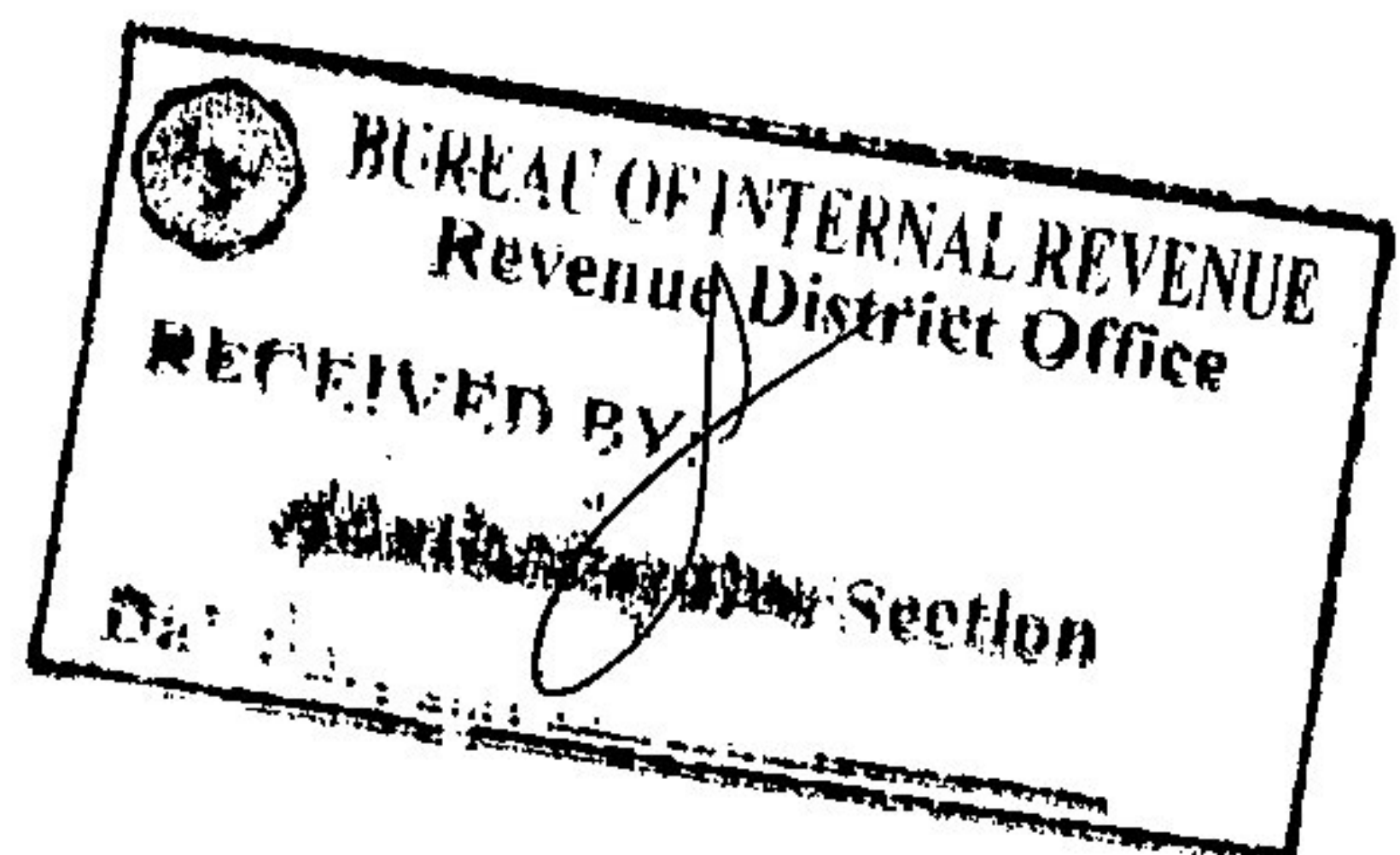


**INQUIRER INTERACTIVE, INC.**  
*(A Subsidiary of Inquirer Holdings, Inc.)*

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Share Capital (Note 14)	Actuarial Gain (Loss) on Retirement Obligation, net of tax (Note 13)	Retained Earnings (Note 14)	Total Equity
As at January 1, 2020	₱25,000,000	(₱3,905,332)	₱35,412,189	₱56,506,857
Cash dividends declared	-	-	(10,412,500)	(10,412,500)
Total Income (loss) for the year	-	(3,831,901)	4,861,342	1,029,441
<b>As at December 31, 2020</b>	<b>₱25,000,000</b>	<b>(₱7,737,233)</b>	<b>₱29,861,031</b>	<b>₱47,123,798</b>
As at January 1, 2019	₱25,000,000	₱1,677,607	₱32,196,035	₱58,873,642
Cash dividends declared	-	-	(7,196,037)	(7,196,037)
Total comprehensive income (loss) for the year	-	(5,582,939)	10,412,191	4,829,252
<b>As at December 31, 2019</b>	<b>₱25,000,000</b>	<b>(₱3,905,332)</b>	<b>₱35,412,189</b>	<b>₱56,506,857</b>

See Notes to the Financial Statements.



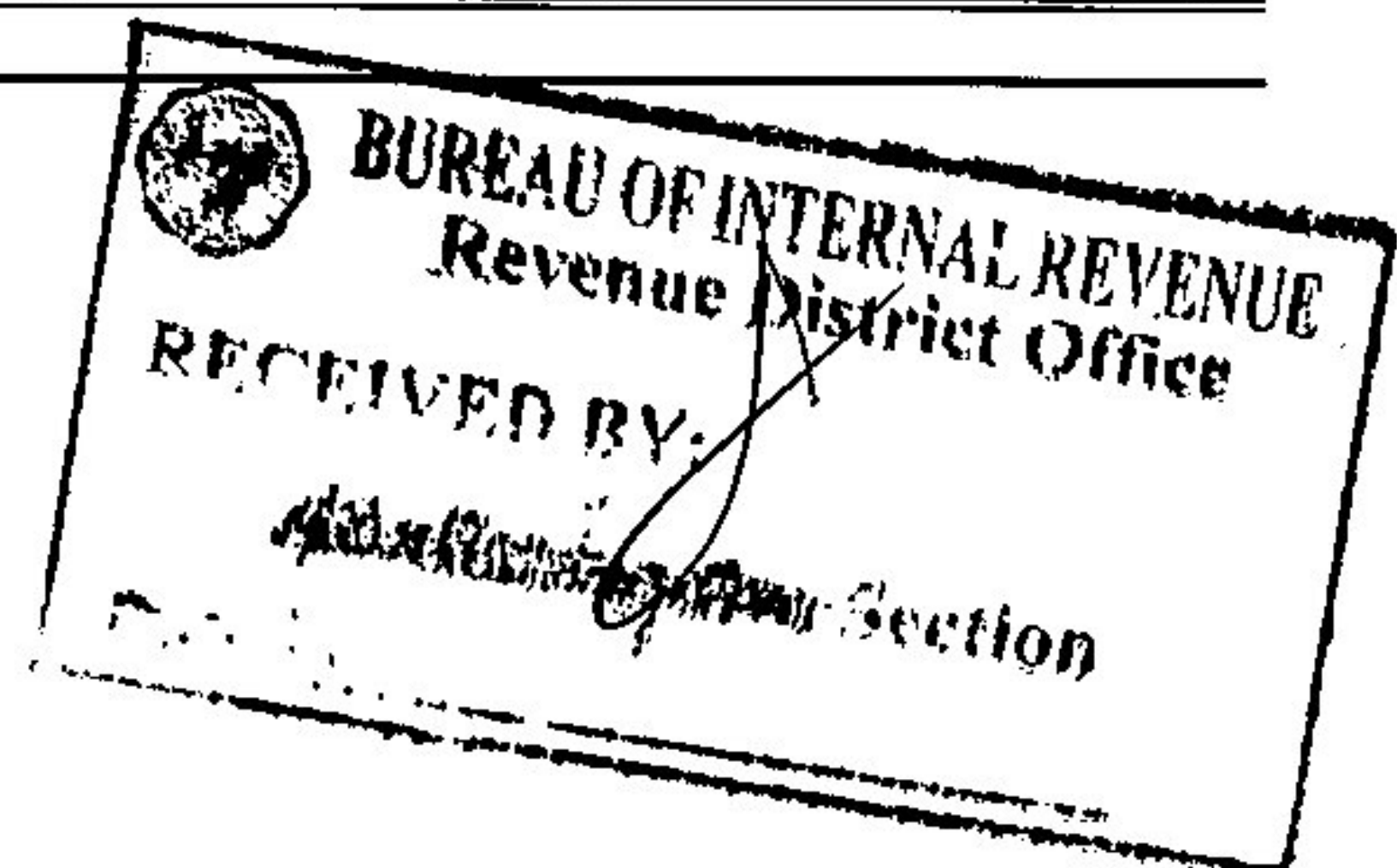


**INQUIRER INTERACTIVE, INC.**  
*(A Subsidiary of Inquirer Holdings, Inc.)*

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	Note	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax		P11,121,809	P17,320,285
Adjustments for:			
Provision for impairment losses	6	7,748,370	485,539
Retirement	13	4,568,980	4,084,501
Depreciation and amortization	9	3,472,035	4,898,086
Unrealized foreign exchange loss, net	17	728,836	783,943
Interest income	5	(312,812)	(664,011)
Operating cash flows before working capital changes		27,327,218	26,908,343
Decrease (increase) in:			
Trade and other receivables		(31,167,022)	(10,954,191)
Advances to related parties		665,508	(33,456,631)
Other current assets		1,668,342	(4,149,907)
Increase (decrease) in:			
Advances from related parties		10,028,053	35,188,341
Trade and other payables		(249,410)	5,037,616
Cash generated from operations		8,272,689	18,573,571
Income taxes paid		(5,221,474)	(6,951,184)
Finance income received		312,812	664,011
Contributions to the retirement fund	13	-	(3,333,955)
<b>Net cash flows from operating activities</b>		<b>3,364,027</b>	<b>8,952,443</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment	9	(488,185)	(3,582,309)
Additions to computer software	10	(282,826)	(486,712)
Proceeds from sale of asset		-	319,494
<b>Net cash flows used in investing activities</b>		<b>(771,011)</b>	<b>(3,749,527)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Cash dividends paid		(2,663,176)	(6,232,434)
<b>NET EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS</b>		<b>(728,836)</b>	<b>(348,357)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(798,996)</b>	<b>(1,377,875)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>19,851,965</b>	<b>21,229,840</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	5	<b>P19,052,969</b>	<b>P19,851,965</b>

See Notes to the Financial Statements.







**INQUIRER INTERACTIVE, INC.**  
(A Subsidiary of Inquirer Holdings, Inc.)

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**1. Business Information**

**Inquirer Interactive, Inc.** (the "Company") was organized under the laws of the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on January 11, 2007.

The Company's primary purpose is to design, conceptualize, operate and maintain websites, information bulletin boards, visual data bases, wireless communication products and services, or similar facilities or systems that makes available all kinds of information, data or pictures in the internet, worldwide web, wireless communication platforms, or other forms of seamless communications as presently available or as science and technology may in the future make available, and to sell, purchase, acquire or transact in such information, data or pictures with third parties, such as, but not limited to, publishers of newspapers, publishers of periodicals, media outlets, schools, and financial institutions, without engaging as internet service provider.

The Company is a 70%-owned subsidiary of Inquirer Holdings, Inc. (the Parent Company), a company incorporated in the Republic of the Philippines.

The Company's registered office and principal place of business is at 3<sup>rd</sup> Floor Media Resource Plaza Bldg., Mola St. corner Pasong Tirad Streets, Makati City.

The financial statements of the Company as at and for the years ended December 31, 2020 and 2019 were approved and authorized for issuance by the Board of Directors (BOD) on November 23, 2022.

**2. Basis of Preparation and Statement of Compliance**

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SME). PFRS for SME provides qualifying entities an option of using a much simplified, PFRS-based accounting framework to prepare their financial statements.

The Company elected not to prepare consolidated financial statements because the Company is a subsidiary of a parent company who prepares consolidated financial statements.

Basis of Preparation

The financial statements have been prepared on the historical cost basis. All values are rounded to the nearest peso, unless otherwise indicated.

Functional and Presentation Currency

The financial statements are presented in Philippine Peso (₱), which is the functional currency of the Company. All values are rounded off to the nearest peso, except when otherwise indicated.

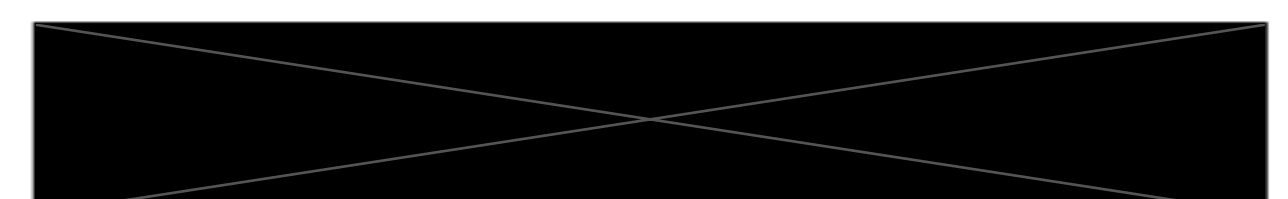
**3. Summary of Significant Accounting Policies**

Financial Instruments

The Company classifies its financial instruments as either basic financial instruments or other financial instruments. Financial instruments are recognized only when the entity becomes a party to the contractual provisions of the instrument.

*Initial recognition*

The Company's basic financial assets and liabilities are measured initially at transaction price including transaction costs except for those that are measured at fair value through profit or loss.





#### *Basic financial instruments*

The Company's basic financial instruments other than investments in non-convertible and non-puttable preference shares and non-puttable ordinary shares that are publicly traded or fair value can be measured reliably are subsequently measured at amortized cost less impairment.

The amortized cost of a financial instrument at the end of each reporting period is computed as the net of the amount at which the financial instrument is measured at initial recognition, minus any repayments of the principal, plus or minus the cumulative amortization using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The Company's basic financial instruments include cash and cash equivalents, trade and other receivables, advances to related parties, investment in retail treasury bond, refundable deposits, trade and other payables, dividend payable and advances from related parties.

Cash equivalents pertains to money market placements which are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of acquisition and are subject to an insignificant risk of change in value.

#### *Effective interest method*

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability. The effective interest rate is determined on the basis of the carrying amount of the financial asset or liability at initial recognition.

Under the effective interest method, the amortized cost of a financial asset (liability) is the present value of future cash receipts (payments) discounted at the effective interest rate; and the interest expense (income) in a period equals the carrying amount of the financial liability (asset) at the beginning of a period multiplied by the effective interest rate for the period.

#### *Offsetting*

Financial assets and liabilities are offset only when there is a legally enforceable right and intention to set off the amounts to realize the asset and settle the liability simultaneously.

#### *Derecognition of financial assets*

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

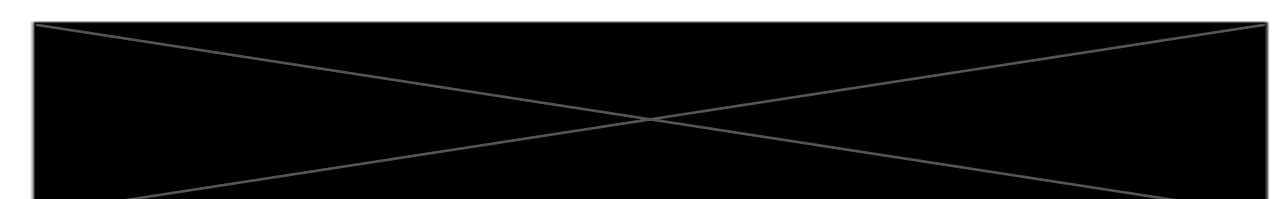
If the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company derecognizes the asset and recognizes separately any rights and obligations retained or created in the transfer.

Any difference between the consideration received and the amounts recognized and derecognized shall be recognized in profit or loss.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognized only when it is extinguished or when the obligation specified in the contract is discharged, cancelled or expired.

Any difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed shall be recognized in profit or loss.





#### *Impairment of financial Assets*

At the end of each reporting period, the Company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the Company recognizes immediately an impairment loss in profit or loss.

Objective evidence that a financial asset or group of assets is impaired includes:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider;
- it has become probable that the debtor will enter bankruptcy or other financial reorganization; and
- observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

For an instrument measured at amortized cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the Company reverses the previously recognized impairment loss either directly or adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset (net of allowance account) that exceeds what the carrying amount would have been had the impairment not previously recognized. The Company shall recognize immediately the amount of reversal in profit or loss.

#### Other Current Assets

Other current assets include prepaid expenses, input value-added tax (VAT) and refundable deposit.

Prepayments represent expenses not yet incurred but already paid. Prepayments are initially recorded as assets and measured at the amount paid. Subsequently, these are charged to profit or loss as these are consumed in the operations or expire with passage of time.

Prepaid income tax pertains to the income tax payments of the Company from previous quarters of the current year under regular rate in excess of the current income tax liability which are carried over as tax credit for the succeeding years or quarters. Prepaid income tax is initially recorded as asset and measured at the excess payment of the Company's income tax liability.

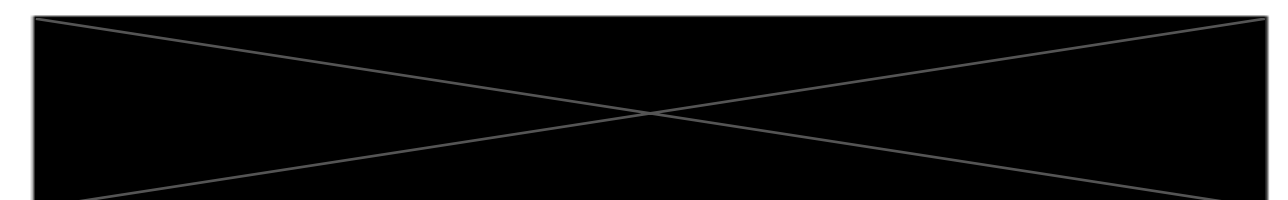
Prepayments are classified in the statements of financial position as current asset when the cost of goods related to the prepayment are expected to be incurred within one year or the entity's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as noncurrent.

The input VAT pertains to 12% indirect tax paid by the Company, in the course of the Company's trade or business, on local exchange of goods or services, including lease or use of property from a VAT-registered person or entity.

Output VAT pertains to 12% tax due on collections related to the service revenues recognized by the Company.

If at the end of the taxable month, the output VAT exceeds the input VAT, the outstanding balance is included as part of government liabilities under "Trade and other payables" account. If input VAT exceeds the output VAT, the excess shall be carried over to the succeeding month and included under "Prepayments and other current assets" account.

Deferred output VAT pertains to 12% tax due on the receivables related to the local sales of the Company.





Outstanding balance of deferred output VAT is presented in the statements of financial position as part of government liabilities under "Trade and other payables" account.

Refundable deposits are classified as basic financial asset.

Property and Equipment

Property and equipment except for land, are stated at historical cost less accumulated depreciation and any impairment in value. Land, if any, is stated at cost less impairment in value.

The initial cost of property and equipment comprises its purchase price, including taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the cost are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation and amortization are charged so as to allocate the cost of assets less its residual values over their estimated useful lives computed using the straight-line method. The estimated useful lives of the respective assets are as follows:

<u>Property classification</u>	<u>Estimated useful lives</u>
Computer equipment	3-5 years
Furniture, fixtures and office equipment	2-5 years
Leasehold improvements	2-5 years
Advertising tools and equipment	2-3 years

Leasehold improvements are amortized over the terms of the lease or its estimated useful life of 5 years, whichever is shorter.

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

If there is an indication that there has been a significant change in depreciation and amortization method, useful life or residual value of an asset, the depreciation and amortization of that asset is revised prospectively to reflect the new expectations.

When assets are sold, retired or disposed of, the cost and related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is recognized in the statements of comprehensive income.

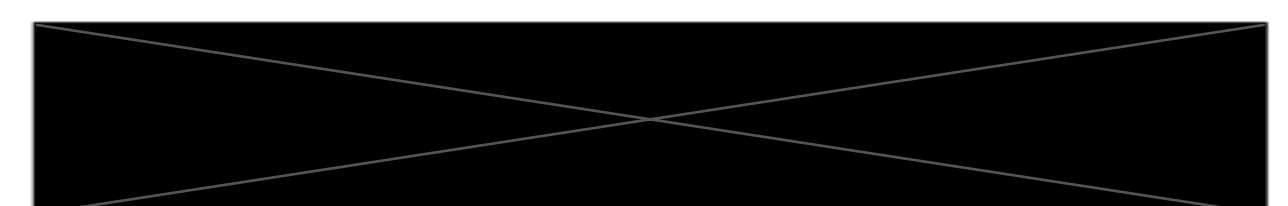
Fully depreciated and amortized assets are retained in the accounts until these are no longer in use and no further charge to depreciation nor amortization is made in respect of those assets.

Computer Software

Computer software is initially measured at cost. Subsequently, this is measured at cost less any accumulated amortization and any impairment in value. The initial cost of computer software consists of its purchase price and other directly attributable costs of condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

The Company amortized its computer software on a straight-line basis over their estimated useful lives from the date they are available for use. The estimated useful life of the Company's capitalized computer software is within 2 to 10 years. If there is an indication that there has been a significant change in amortization rate and useful life of computer software, the amortization is revised prospectively to reflect the new expectations.





Computer software shall be derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising from the derecognition of computer software is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. Gain or loss is recognized in the statements of comprehensive income.

#### Investment in a Subsidiary

Subsidiaries are entities over which the Company has control. The Company controls a subsidiary when it has power over the subsidiary; it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The Company carries its investment in a subsidiary at cost less any impairment in value.

The Company annually reassess whether it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control.

If the Company loses control over a subsidiary, it shall (i) derecognize the carrying value of the investment; (ii) recognize the fair value of the consideration received that resulted in the loss of control, distribution of shares of the subsidiary to owners in their capacity as owners or any investment retained in the former subsidiary at its fair value at the date the control is lost; (iii) reclassify to profit and loss or transfer to retained earnings, the amounts recognized in other comprehensive income (OCI) in relation to the subsidiary; and (iv) recognize any resulting difference as a gain or loss in the statements of comprehensive income in the year the control was lost.

#### Impairment of Non-financial Assets

Non-financial assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. Impairment losses, if any, are recognized in the profit or loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's).

#### Retirement Benefits

The Company has funded, non-contributory defined benefit retirement plan covering all of its permanent full-time employees. The cost of providing retirement benefits under the defined benefit plan is determined using the Projected Unit Credit method equivalent to a percentage of plan salary for every year of credited service inclusive of the employer accumulated value in Retirement Plan in accordance with their vesting schedule.

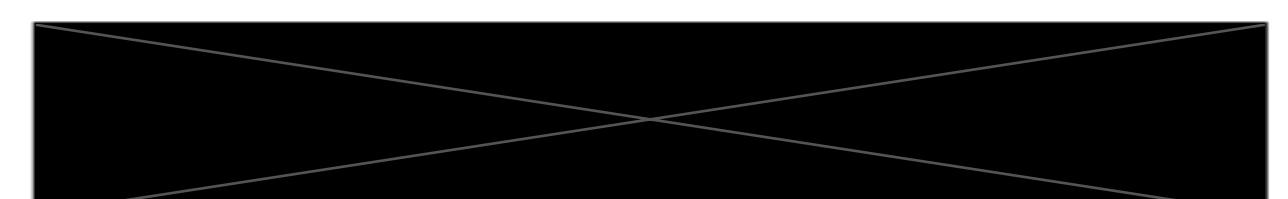
The net defined benefit liability or asset recognized in the statement of financial position is the aggregate of the PVRO at the end of the reporting period less the fair value of plan asset (FVPA), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

FVPA is based on market price information. When no market price is available, the FVPA is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets.

Defined benefit costs comprise service cost, net interest on the defined benefit retirement liability or asset and remeasurement of net defined benefit retirement liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period as a result of contributions and defined payments, which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.





Remeasurements of net defined benefit liability or asset comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Share Capital

Share capital is determined using the nominal value of shares that have been issued. Subscription receivable is measured and recognized at the amount expected to be received.

Retained Earnings

Retained earnings include all current and prior period results of operations as disclosed in the statements of comprehensive income less any dividend declaration.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the sale of services will flow to the Company and the stage of completion of the transaction and amount of the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognized:

*Advertising.* Advertising revenue is recognized when the advertisements are published. Discount given for prompt payment or for volume discount are recognized as a deduction to revenue.

*Syndication.* Syndication revenue relates to revenues earned through the customers' use of the Company's articles published on the respective customers' website. Revenue is recognized when earned.

*Service fee.* Included in this account are income received by the Company from Inquirer Interactive Marketing USA, Inc. for the management fee and other services provided. Revenue is recognized when earned.

*Finance income.* Finance income is recognized as it accrues on a time proportion basis by reference to the principal outstanding and at the EIR applicable.

*Other income.* Revenue is recognized when the right to receive the payment is established or when the obligation to pay a specified liability ceases.

Cost and Expenses Recognition

Cost and expenses are recognized in profit or loss when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured. Expenses are recognized: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in profit or loss are presented using the function of expense method. Cost of services are direct cost incurred that are associated with the services rendered, internet connectivity and hosting, news and content, management fees, content and wire services and other direct costs. Operating expenses are costs attributable to administrative, selling and other business activities of the Company.

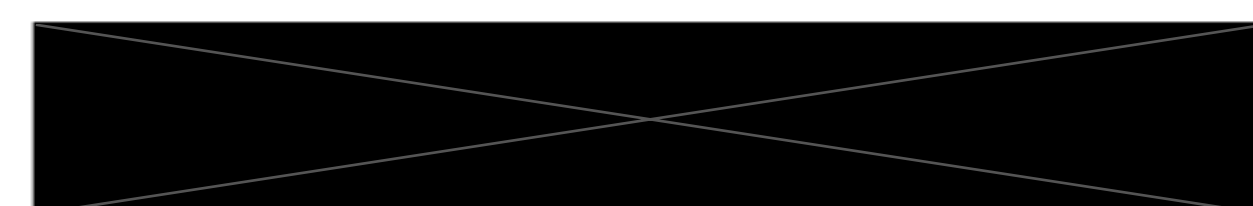
Taxes

*Current tax.* Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the reporting date.

*Deferred tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Such adjustment is recognized in the statements of comprehensive loss.





Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) in effect at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the lessee. All other leases are classified as operating lease. The Company's leases qualify as operating lease.

*The Company as a lessee.* Operating lease payments are recognized as expense in the statements of comprehensive income on a straight-line basis over the term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### Related Parties

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

A person or a close member of that person's family is related to the Company if that person:

- has control or joint control over the Company;
- has significant influence over the Company; or
- is a member of the key management personnel of the reporting entity or of a parent of the Company.

#### Foreign Currency Denominated Transactions

Transactions in foreign currencies are recorded in Philippine Peso based on the exchange rates prevailing at the date in which the transaction took place. Foreign currency denominated monetary assets and liabilities of the Company are translated at the rates prevailing at financial reporting date. Exchange gains or losses arising from these transactions and translation are credited or charged directly to current operations.

#### Provisions

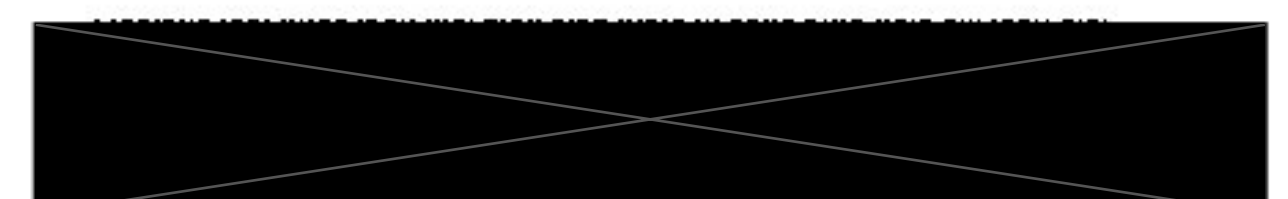
Provisions are recognized when: (a) the Company has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

#### Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be reliably estimated, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognized in the Company's financial statement but disclosed when an inflow of economic benefits is probable.





#### Events after Financial Reporting Date

The Company identifies events after the end of the financial reporting period as events that occurred after the financial reporting date but before the date the financial statements were authorized for issuance. Any subsequent events that provide additional information about the Company's financial position at the financial reporting date are reflected in the financial statements. Non-adjusting subsequent events are disclosed in the notes to the financial statements when material.

#### 4. Use of Judgments, Estimates and Assumptions

The preparation of the financial statements requires the Company to exercise judgments and make estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. The judgments and estimates used in the financial statements are based upon evaluation of relevant facts and circumstances as of statement of financial position date. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the Company's financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Judgments

In the process of applying the accounting policies, the Company has made the following judgments, apart from those involving estimations, which have an effect on the amounts recognized in the separate financial statements.

*Determination of control over the investee.* The determination of control over the investee, other than the rebuttable presumption of ownership over fifty percent (50%), requires significant judgment. In making judgment, the Company evaluates whether the investor controls an investee and identified the following factors:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

*Determination whether an arrangement contains a lease.* The determination whether an arrangement contains a lease, is based on its substance. An arrangement is, or contains a lease, when the fulfillment of the arrangement depends on a specific asset or assets and the arrangement conveys the right to use the asset.

*Operating lease commitments – the Company as a lessee.* The Company has entered into an operating lease agreement. The Company has determined that the lessor retain all significant risks and rewards of ownership of the property which is on an operating lease agreement.

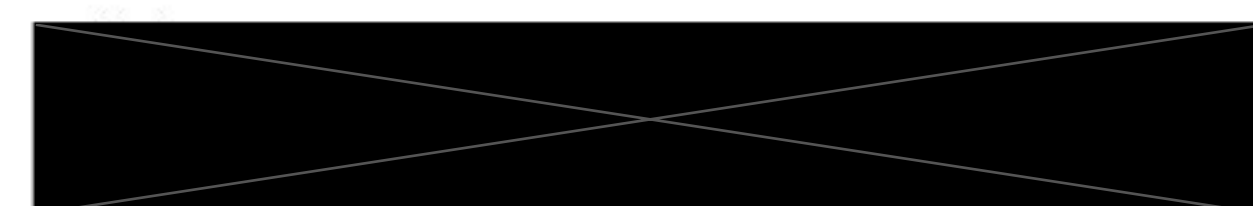
Rent expense amounted to ₱1,473,495 and ₱1,992,285 in 2020 and 2019, respectively (see Note 20).

#### Estimates and Assumptions

The key assumptions covering the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and the liabilities within the next financial year are discussed below.

*Allowance for impairment losses.* The Company estimates the allowance for impairment losses related to its trade and other receivables that are specifically identified to be doubtful of collection. The level of allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. In these cases, the Company uses judgment based on the best available facts and circumstances, including but not limited to, the length of the Company's relationship with the customer and the customer's credit status based on third party credit reports and known market factors, to record specific reserves for customers against amounts due in order to reduce the Company's receivables to amounts that it expects to collect. These specific reserves are re-evaluated and adjusted as additional information received affects the amounts estimated.

Provision for impairment losses on trade and other receivables amounted to ₱7,748,370 and ₱485,539 in 2020 and 2019, respectively (see Note 6). Allowance for impairment losses on trade and other receivables amounted to ₱16,006,602 and ₱8,258,232 as at December 31, 2020 and 2019, respectively (see Note 6).





*Useful life of property and equipment and computer software.* The Company estimates the useful life of each of the Company's item of property and equipment and computer software based on the period over which the assets are expected to be available for use. The estimated useful life of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful life of these assets are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

It is possible, however, that future results of operations could be materially affected by changes in estimates brought as at by change in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful life of property and equipment and computer software would increase recorded cost of services and operating expenses and decrease noncurrent assets.

There were no changes in the estimated useful lives of the Company's property and equipment and computer software in 2020 and 2019.

The carrying value of property and equipment amounted to ₱8,812,163 and ₱11,491,730 as at December 31, 2020 and 2019, respectively (see Note 9).

The carrying value of computer software amounted to ₱79,735 and ₱101,193 as at December 31, 2020 and 2019, respectively (see Note 10).

*Impairment of Nonfinancial Assets.* The Company assesses impairment of nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Company considered important which could trigger an impairment review include among others the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets, if it is not possible, for cash generating unit to which the asset belongs.

Recoverable amount represents the value in use, determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

No impairment loss was recognized by the Company in 2020 and 2019.

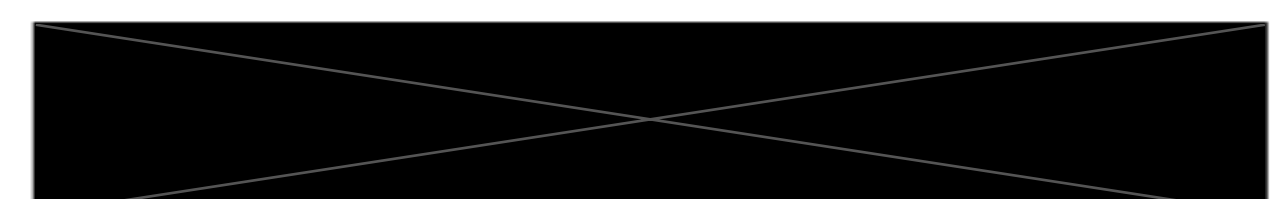
The carrying value of property and equipment amounted to ₱8,812,162 and ₱11,491,729 as at December 31, 2020 and 2019, respectively (see Note 9).

The carrying value of computer software amounted to ₱79,735 and ₱101,193 as at December 31, 2020 and 2019, respectively (see Note 10).

The carrying value of investment in a subsidiary amounted to ₱876,220 as at December 31, 2020 and 2019 (see Note 11).

*Retirement benefit obligation.* The determination of the retirement benefits obligation is dependent on the selection of certain assumptions used by the Company in calculating such amounts. Those assumptions include among others, discount rates and salary increase rates. While the Company believes that the assumptions are reasonable and appropriate, significant difference in the actual experience or significant changes in the assumptions may materially affect the retirement obligation.

The discount rate is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.





Retirement liability amounted to ₱33,015,328 and ₱22,972,203 as at December 31, 2020 and 2019, respectively (see Note 13).

*Deferred tax assets.* The carrying amount of deferred tax assets is reviewed at each financial reporting date and reduces deferred tax assets to the extent that it is probable that sufficient taxable profit will be available in the future to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets amounted to ₱16,624,752 and ₱11,555,836 as at December 31, 2020 and 2019, respectively (see Note 19).

**5. Cash and Cash Equivalents**

This account consists of:

	2020	2019
Cash on hand	₱8,800	₱14,403
Cash in banks	11,468,642	8,349,074
Cash equivalents	7,575,527	11,488,488
	<b>₱19,052,969</b>	<b>₱19,851,965</b>

Cash in banks consist of various unrestricted savings and checking accounts used in the normal operations of the Company and earn interest at the prevailing bank deposit rates.

Cash equivalents represent peso and US dollar time deposits that are pre-terminable and have maturities of less than 90 days. These placements bear annual interest rate of 0.1% to 0.625% in 2020 and 1.77% to 2.17% in 2019.

Finance income is breakdown as follows:

	<i>Note</i>	2020	2019
Cash and cash equivalents		₱116,812	₱468,011
Investment in retail treasury bond	8	196,000	196,000
		<b>₱312,812</b>	<b>₱664,011</b>

The Company has no significant non-cash transaction nor restricted cash as at December 31, 2020 and 2019.

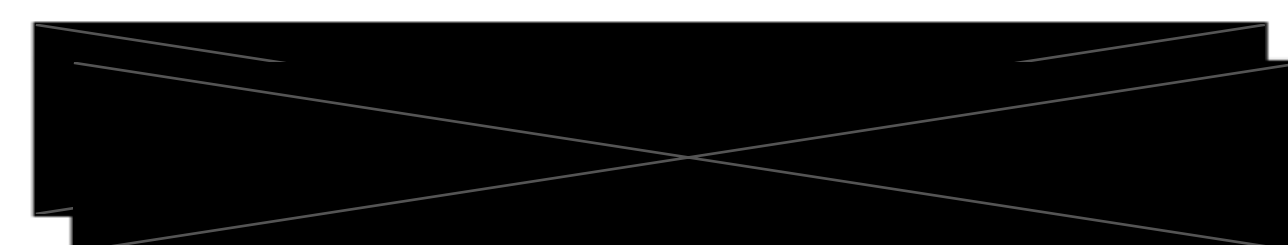
**6. Trade and Other Receivables, Net**

This account consists of:

	<i>Note</i>	2020	2019
Trade receivables			
Third parties		₱98,872,243	₱84,102,120
Related parties	21	25,333,325	18,718,005
Advances to related parties	21	35,085,489	24,060,608
Advances to employees		3,577,801	4,821,103
Others		655,251	655,251
		163,524,109	132,357,087
Less: Allowance for impairment losses		16,006,602	8,258,232
		<b>₱147,517,507</b>	<b>₱124,098,855</b>

Trade receivables have usual credit term of 90 to 120 days and do not bear interest.

Advances to employees pertain to unliquidated advances and personal loans of employees subject to liquidation or salary deduction.





Movements in allowance for impairment loss follow:

	Note	2020	2019
Balance at January 1		₱8,258,232	₱7,772,693
Provision for impairment loss	18	7,748,370	485,539
<b>Balance at December 31</b>		<b>₱16,006,602</b>	<b>₱8,258,232</b>

Provision for impairment losses is composed of the following:

	Note	2020	2019
Trade receivables from third parties		₱6,166,389	₱485,539
Trade receivables from related parties	21	1,581,981	-
		<b>₱7,748,370</b>	<b>₱485,539</b>

Management believes that the allowance for impairment losses is sufficient to cover possible uncollectible accounts.

The Company written-off trade receivables amounting to ₱6,483,622 and nil in 2020 and 2019, respectively (see Note 18).

No receivables were assigned nor used as collateral for any liabilities as at December 31, 2020 and 2019.

#### 7. Other Current Assets

This account consists of:

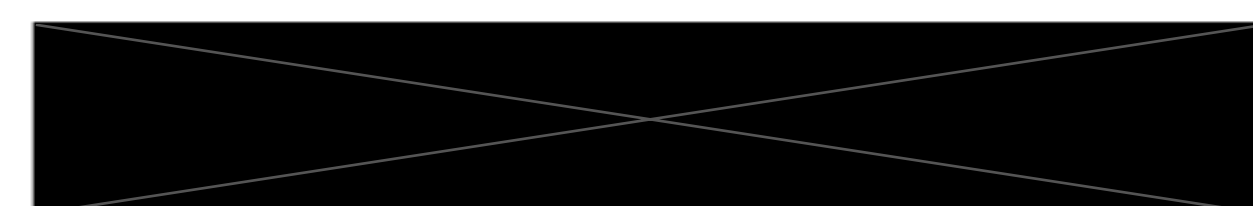
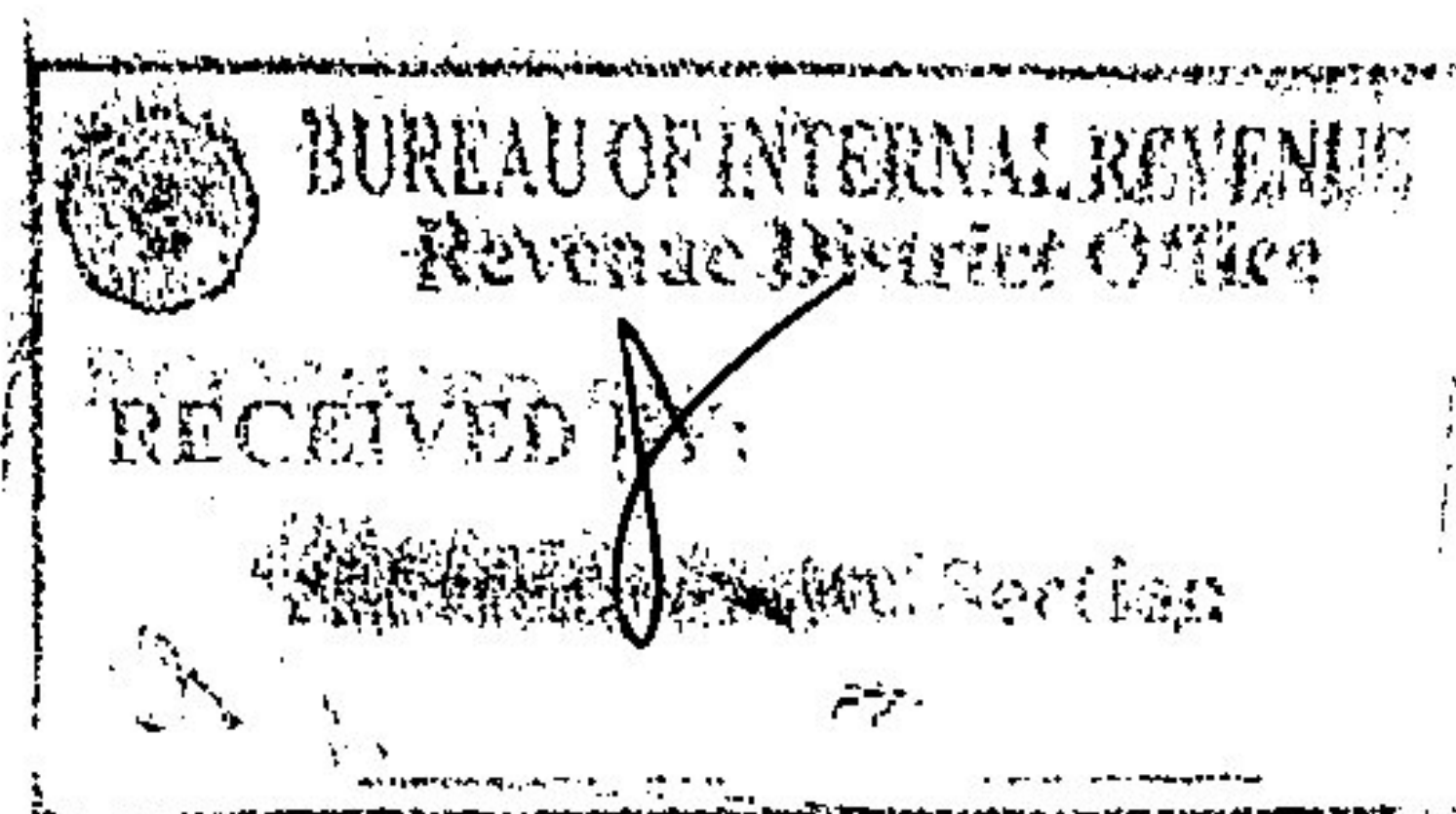
	Note	2020	2019
Input VAT		₱2,470,377	₱1,822,253
Prepaid expenses		1,462,043	3,896,208
Refundable deposit	20	296,336	184,936
Others		9,575	3,276
		<b>₱4,238,331</b>	<b>₱5,906,673</b>

Prepaid expenses include marketing premiums, insurance, membership and registrations, fringe benefits, medical benefits of the employees and maintenance fees paid in advance and will be amortized over a period of less than one year.

#### 8. Investment in Retail Treasury Bond

Investment in retail treasury bond amounting to ₱4,000,000 as at December 31, 2020 and 2019 has a fixed coupon rate of 6.125% per annum and has a maturity date of October 24, 2037.

Finance income amounted to ₱196,000 in 2020 and 2019 (see Note 5).





9. Property Equipment Net

Details and movements of this account are as follows:

	Land	Computer Equipment	Furniture, Fixtures and Office Equipment	Advertising Tools and Equipment	Leasehold Improvements	Total
<b>Cost</b>						
December 31, 2018	₱5,121,596	₱14,459,548	₱5,714,226	₱7,479,313	₱3,454,977	₱36,229,660
Additions	-	1,404,666	1,207,478	827,969	142,196	3,582,309
Disposals	-	-	(13,940)	(315,473)	-	(329,413)
December 31, 2019	5,121,596	15,864,214	6,907,764	7,991,809	3,597,173	39,482,556
Additions	-	445,524	-	-	42,661	488,185
December 31, 2020	5,121,596	16,309,738	6,907,764	7,991,809	3,639,834	39,970,741
<b>Accumulated depreciation and amortization</b>						
December 31, 2018	-	11,692,557	4,008,645	4,365,872	3,441,157	23,508,231
Depreciation and amortization	-	1,054,098	999,459	2,359,499	79,458	4,492,514
Disposals	-	(7,595)	(2,323)	-	-	(9,918)
December 31, 2019	-	12,739,060	5,005,781	6,725,371	3,520,615	27,990,827
Depreciation and amortization	-	1,146,122	1,035,207	916,222	70,200	3,167,751
December 31, 2020	-	13,885,182	6,040,988	7,641,593	3,590,815	31,158,578
<b>Net book value</b>						
December 31, 2020	₱5,121,596	₱2,424,556	₱866,776	₱350,216	₱49,019	₱8,812,163
December 31, 2019	₱5,121,596	₱3,125,154	₱1,901,983	₱1,266,438	₱76,558	₱11,491,729

Depreciation and amortization is composed of the following:

	Note	2020	2019
Property and equipment		₱3,167,751	₱4,492,514
Computer software	10	304,284	405,572
		<b>₱3,472,035</b>	<b>₱4,898,086</b>

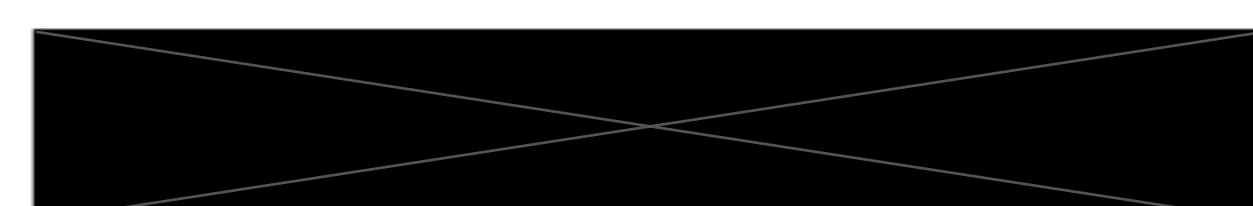
Depreciation and amortization were recognized and presented in the following accounts in the statements of comprehensive income:

	Note	2020	2019
Cost of services	16	₱918,419	₱2,345,740
Operating expenses	18	2,553,616	2,552,346
		<b>₱3,472,035</b>	<b>₱4,898,086</b>

Total costs of fully depreciated and amortized property and equipment still in use as at December 31 are as follows:

	2020	2019
Computer equipment	₱11,830,356	₱942,649
Furniture, fixtures and office equipment	7,699,204	1,946,431
Advertising tools and equipment	6,525,602	-
Leasehold improvements	3,454,977	3,456,780
	<b>₱29,510,139</b>	<b>₱6,345,860</b>

As at December 31, 2020 and 2019, there are no items of property and equipment that has restricted title or is pledged as securities for liabilities. The Company also did not have any contractual commitments for the acquisition of property and equipment in 2020 and 2019.





The Company's management, after assessment of its assets, believes that there are no indications that items of property and equipment as at December 31, 2020 and 2019 are impaired nor its carrying amounts cannot be recovered. Management also believes that the fair values of the property and equipment are not materially different from its carrying amount.

**10. Computer Software, Net**

Details and movements of this account are as follows:

	<i>Note</i>	2020	2019
<b>Cost</b>			
January 1		P3,675,971	P3,189,259
Additions		282,826	486,712
December 31		3,958,797	3,675,971
<b>Accumulated amortization</b>			
January 1		3,574,778	3,169,206
Amortization	9	304,284	405,572
December 31		3,879,062	3,574,778
<b>Net book value</b>		<b>P79,735</b>	<b>P101,193</b>

The cost of fully amortized computer software still in use amounted to P3,178,278 and P1,683,741 as at December 31, 2020 and 2019, respectively.

There is no item of computer software that has restricted title or is pledged as security for liabilities as at December 31, 2020 and 2019. The Company also did not have any contractual commitments for the acquisition of computer software in 2020 and 2019.

Management believes that there are no indications that an impairment loss should be provided during the year, considering that the Company's computer software are in good operational condition. Management also believes that the fair value of the computer software are not materially different from its carrying amount

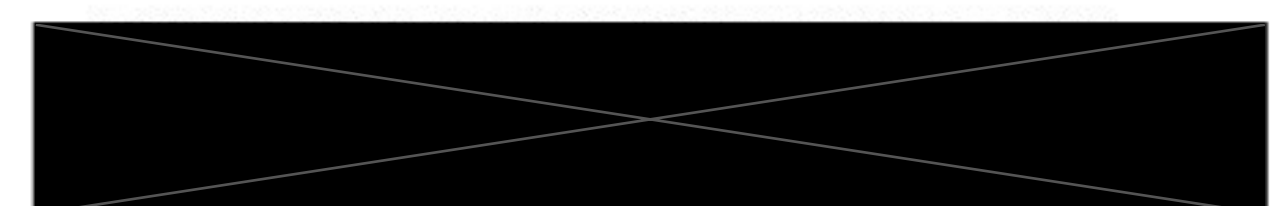
**11. Investment in a Subsidiary**

Details of investment in a subsidiary follows:

	Percentage of ownership	No. of shares	Amount
Inquirer Interactive Marketing USA, Inc. (IMU)	100%	1,000	P876,220

IMU is a marketing office that handles advertisements in USA and the greater North America region. At present, IMU handles all the advertisements placed by customers in the region to be placed in the Company's website. IMU is a company incorporated in California, USA on May 2007 and started its commercial operations in 2008.

Management believes that there is no indication that an impairment loss has occurred on its investment in a subsidiary as at December 31, 2020 and 2019.





## 12. Trade and Other Payables

This account consists of:

	Note	2020	2019
Trade payables			
Third parties		P23,718,880	P20,801,331
Related parties	21	4,814,802	11,949,556
Government liabilities		15,427,265	12,273,081
Accrued commission		4,629,518	4,629,518
Advances from customers		2,617,532	1,875,557
Accrued expenses		1,978,218	1,906,583
		<b>P53,186,215</b>	<b>P53,435,626</b>

Trade payables have usual credit term of 30 days.

Breakdown of government liabilities is as follows:

	2020	2019
Deferred output VAT	P11,947,173	P9,120,629
VAT payable	1,650,564	1,104,277
Withholding tax payable	1,473,620	1,602,838
SSS, Philhealth, EC and Pag-ibig payable	355,908	445,337
	<b>P15,427,265</b>	<b>P12,273,081</b>

Accrued commission represents various incentives given by the Company to its employees. This is normally paid once the corresponding sales are collected.

Accrued expenses consist of professional fees and other expenses incurred but not yet paid as at financial reporting date.

Advances from customers pertain to cash collected in advance but corresponding service is not yet rendered as at financial reporting date.

Trade and other payables are all current and do not bear interest.

## 13. Retirement Liability

The Company has funded, non-contributory defined benefit retirement plan covering all of its eligible employees. The benefits are based on years of service and percentage of the latest monthly basic salary in accordance with Retirement Pay Law (Republic Act 7641).

A comprehensive actuarial valuation dated February 8, 2018 was obtained by the Company to comply with the accounting requirements of Section 28 of PFRS for SMEs, *Employee Benefits*, wherein Accrued Benefit Actuarial Cost Method (Projected Unit Credit) was applied taking into account the factors of mortality, disability and salary projection rates for comprehensive valuation dates as at December 31, 2020 and 2019.

The tables below summarize the components of retirement expense recognized in the statements of comprehensive income and the amounts recognized in the statements of financial position.

The retirement liability recognized in the statements of financial position are as follows:

	2020	2019
Present value of retirement obligation (PVRO)	P39,214,097	P30,100,011
Fair value of plan assets (FVPA)	(6,198,769)	(7,127,808)
Retirement liability	<b>P33,015,328</b>	<b>P22,972,203</b>



Movements in PVRO as follows:

	2020	2019
PVRO at January 1	P30,100,011	P18,877,904
Current service cost	4,485,265	2,835,055
Interest cost	1,535,101	1,434,721
Settlement gain/loss	(1,166,274)	-
Benefits paid from the plan assets	(1,039,829)	(1,379,727)
Actuarial loss	5,299,823	8,332,058
<b>PVRO at December 31</b>	<b>P39,214,097</b>	<b>P30,100,011</b>

Movements in the FVPA are as follows:

	2020	2019
FVPA at January 1	P7,127,808	P4,631,874
Contributions to the fund	-	3,333,955
Interest income	285,112	185,275
Benefits from plan assets	(1,039,829)	(1,379,727)
Return on plan assets	(174,322)	356,431
<b>FVPA at December 31</b>	<b>P6,198,769</b>	<b>P7,127,808</b>

Movements in retirement liability recognized in the statements of financial position are as follows:

	2020	2019
Balance at January 1	P22,972,203	P14,246,030
Retirement expense	4,568,980	4,084,501
Actuarial gain	5,474,145	7,975,627
Contributions to the fund	-	(3,333,955)
<b>Balance at December 31</b>	<b>P33,015,328</b>	<b>P22,972,203</b>

The composition of retirement expense are as follows:

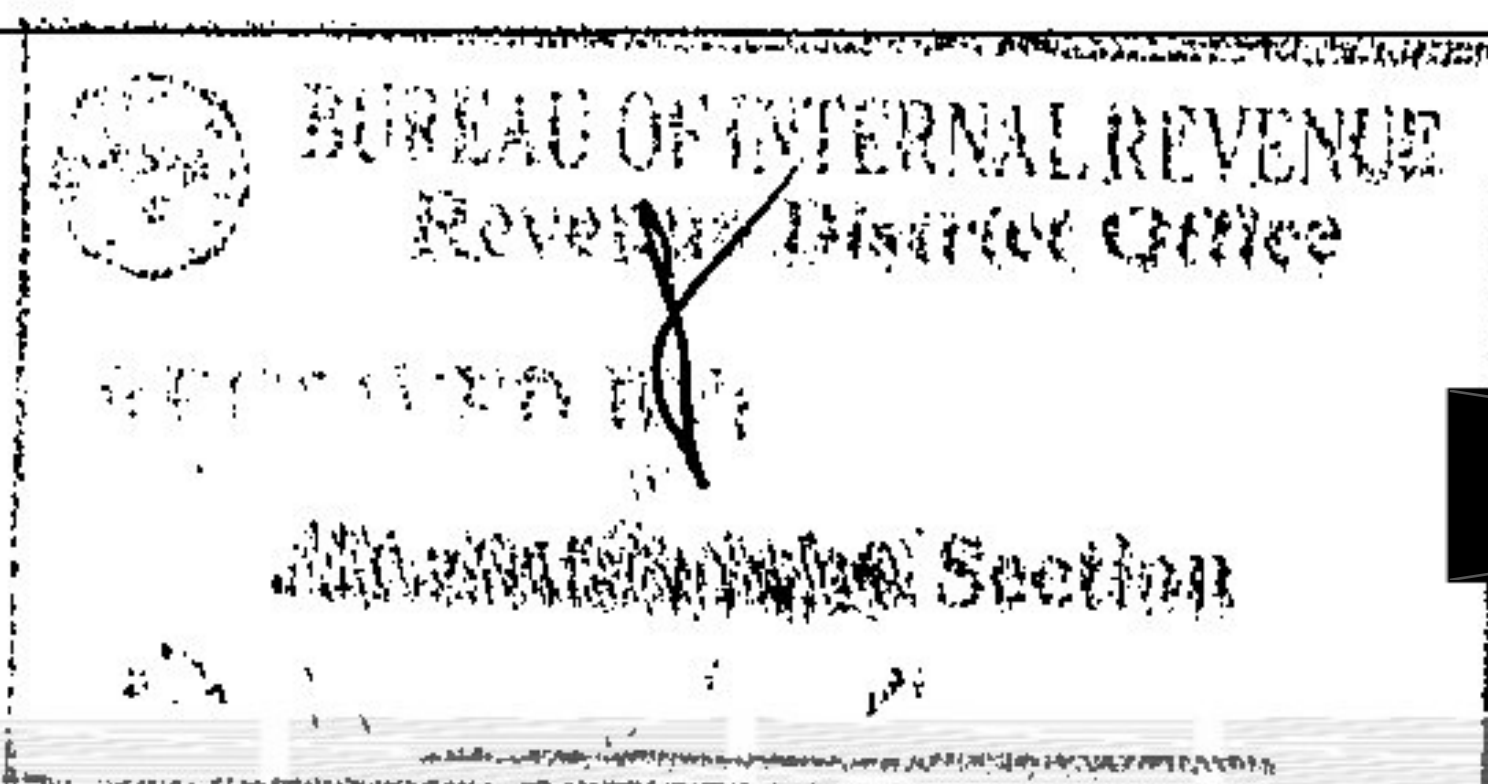
	Note	2020	2019
Current service cost		P4,485,265	P2,835,055
Interest cost		1,535,101	1,434,721
Settlement gain/loss		(1,166,274)	-
Interest income		(285,112)	(185,275)
	18	<b>P4,568,980</b>	<b>P4,084,501</b>

Movement in actuarial gain (loss) presented in OCI:

	Amount	Deferred tax asset (liability)	Net
Balance at December 31, 2018	P2,396,081	(P718,974)	P1,677,107
Remeasurement loss	(7,975,127)	2,392,688	(5,582,939)
Balance at December 31, 2019	(5,579,046)	1,673,714	(3,905,332)
Remeasurement loss	(5,474,145)	1,642,244	(3,831,901)
<b>Balance at December 31, 2020</b>	<b>(P11,053,191)</b>	<b>P3,315,958</b>	<b>(P7,737,233)</b>

The principal assumptions used to determine retirement liability as at December 31 are as follows:

	2020	2019
Discount rate	3.70%	5.10%
Salary increase rate	5.00%	5.00%





*Sensitivity analysis on defined benefit obligation*

The following table summarizes how the defined benefit obligation would have increased (decreased) as a result of a change in the actuarial assumptions by one percent:

	Changes in rates	Effect on retirement obligation	
		2020	2019
Discount rate	+ 1%	₱34,510,338	₱26,675,727
	- 1%	44,926,259	(34,230,559)
Salary increase rate	+ 1%	44,716,956	34,124,658
	- 1%	44,716,956	(26,695,191)

*Maturity analysis of defined benefit obligation*

The following table summarizes the effect of the defined benefit plan on the Company's future cash flows as a result of the expected future benefit payments:

	2020	2019
Financial Year		
Year 1	₱2,170,139	₱2,186,770
Year 2	1,220,152	1,480,874
Year 3	2,527,120	1,309,267
Year 4	1,685,795	2,836,361
Year 5	4,240,687	1,823,368
Year 6 to 10	29,939,072	19,064,419
Year 11 to 15	22,378,895	39,159,185
Year 16 to 20	32,502,672	28,087,099
Year 21 to 30	84,843,899	84,706,883
Year 31 to 40	63,490,353	89,051,912

**14. Equity**

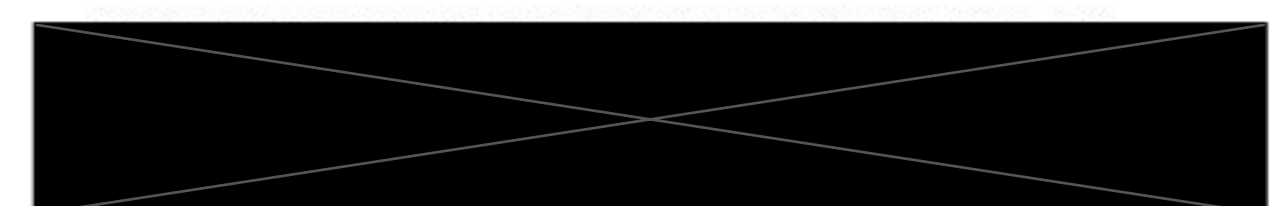
The details of the Company's share capital are as follows:

	Number of shares		Amount	
	2020	2019	2020	2019
<b>Common shares</b>				
Authorized – ₱100 par value per share	1,000,000	1,000,000	₱100,000,000	₱100,000,000
<b>Issued and outstanding</b>	<b>250,000</b>	<b>250,000</b>	<b>₱25,000,000</b>	<b>₱25,000,000</b>

On May 29, 2019, the Board of Directors authorized the declaration of cash dividends amounting to ₱7,196,037 to stockholders of record as at May 29, 2019.

On June 30, 2022, the Board of Directors approved the declaration of cash dividends equivalent to ₱41.65 per share or ₱10,412,500 to stockholders of record as at May 1, 2020.

Dividends payable amounted to ₱28,511,317 and ₱20,761,993 as at December 31, 2020 and 2019, respectively.





**15. Service Revenues, Net**

This account consists of:

	2020	2019
Advertising		
Local	P95,679,559	P84,446,870
Foreign	59,407,682	86,652,369
Syndication	841,600	922,025
Others	1,189,644	3,290,721
	<b>157,118,485</b>	<b>175,311,985</b>
Less: Sales discount	(900)	(541,686)
	<b>P157,117,585</b>	<b>P174,770,299</b>

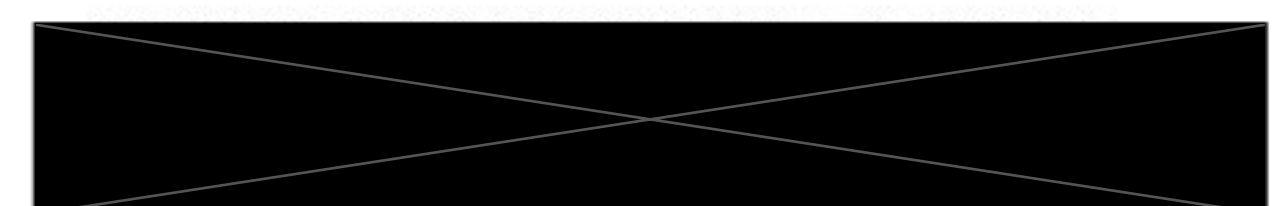
**16. Cost of Services**

This account consists of:

	Note	2020	2019
Salaries, wages and other benefits		P33,310,834	P31,908,151
News and content		11,868,298	17,662,022
Internet connectivity and hosting		10,449,740	14,108,456
Content and wire services	21	7,698,046	1,200,000
Contributor's fee		4,027,631	2,205,728
Management fees	21	1,320,000	1,320,000
Depreciation and amortization	9	918,419	2,345,740
		<b>P69,592,968</b>	<b>P70,750,097</b>

**17. Other Income, Net**

	2020	2019
Service fee	P11,318,293	P10,037,141
Unrealized foreign exchange (loss), net	(728,836)	(783,941)
Realized foreign exchange gain, net	(289,924)	(435,585)
Gain on sale of computer equipment	2,266	-
Other income	31,814	150,120
	<b>P10,333,613</b>	<b>P8,967,735</b>





**18. Operating Expenses**

This account consists of:

	Note	2020	2019
Salaries, wages and other benefits		₱32,367,141	₱34,456,111
Professional fees		11,980,749	17,355,031
Provision for impairment losses	6	7,748,370	485,539
Write-off	6	6,483,622	-
Communication, light and water		5,121,761	5,583,993
Retirement	13	4,568,980	4,084,501
Commissions		4,287,290	7,593,803
Taxes and licenses		3,958,743	4,355,485
Transportation and travel		2,687,572	4,963,832
Depreciation and amortization	9	2,553,616	2,552,346
Rent	20	1,473,495	1,992,285
Security services		786,549	1,059,978
Repairs and maintenance		702,343	1,232,217
Advertising and promotions		369,272	5,119,033
Subscriptions		351,016	381,635
Consultancy fee	21	301,000	2,160,099
Office supplies		277,068	640,191
Representation and entertainment		194,107	652,404
Penalties and bank charges		159,093	423,582
Trainings and seminars		18,290	358,115
Insurance		19,653	81,808
Others		639,503	799,675
		<b>₱87,049,233</b>	<b>₱96,331,663</b>

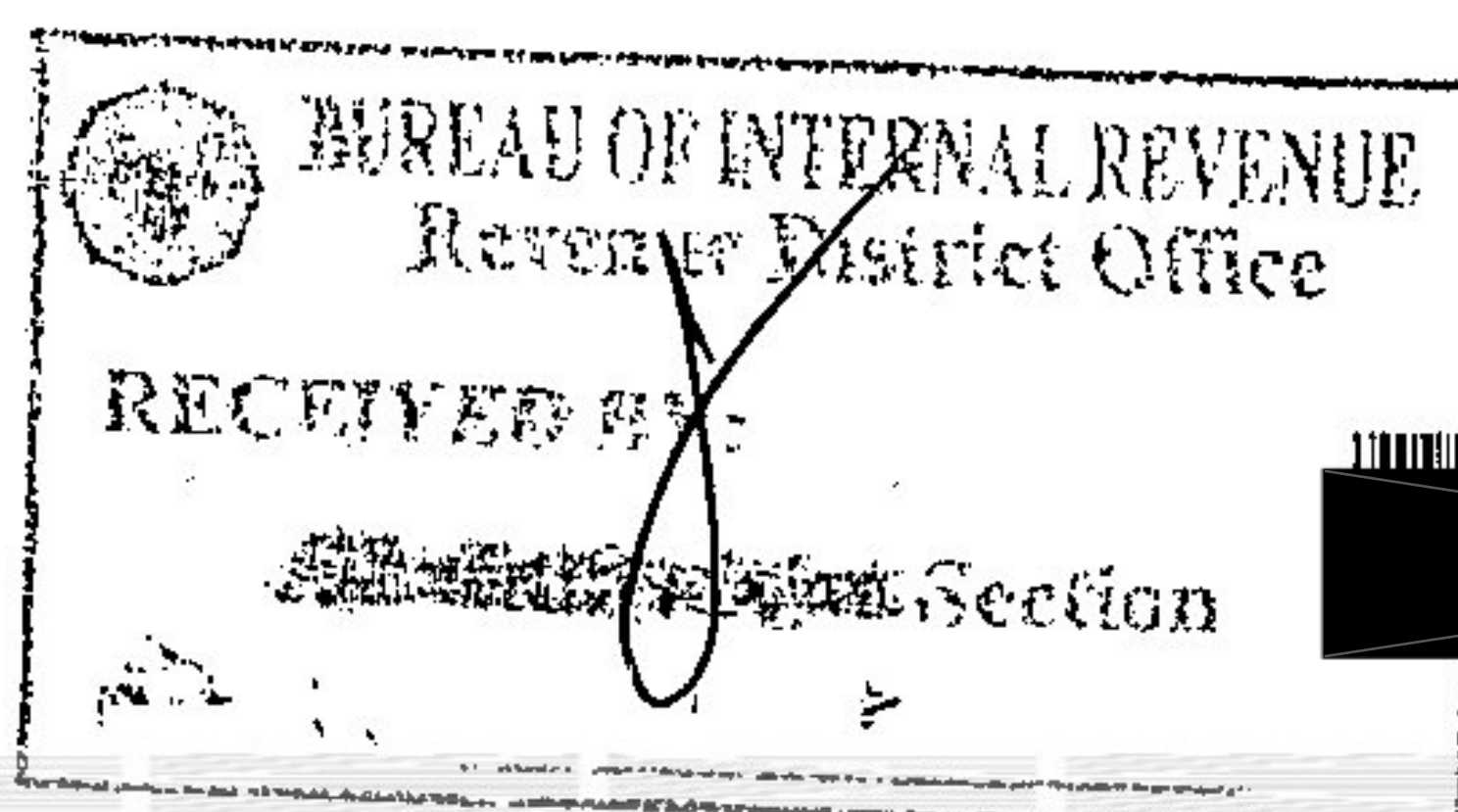
**19. Income Taxes**

The Company's provision for income tax consists of:

	2020	2019
Current income tax	₱9,687,140	₱5,272,639
Deferred income tax	(3,426,673)	1,635,455
	<b>₱6,260,467</b>	<b>₱6,908,094</b>

The reconciliation between the provision for income tax on pre-tax profit computed by applying the statutory tax rate of 30% and the provision for income tax as shown in the statements of comprehensive income is as follows:

	2020	2019
Profit before provision for tax	₱11,121,809	₱17,320,285
Profit before tax at statutory rate	₱3,336,543	₱5,196,086
Tax effects of:		
Non-deductible expenses	2,543,174	1,911,211
Provision for ELC on receivables from related parties	474,594	-
Finance income subjected to final tax	(93,844)	(199,203)
Provision for income tax	<b>₱6,260,467</b>	<b>₱6,908,094</b>





Details of the Company's deferred tax assets, net recognized in the statements of financial position are as follows:

	2020	2019
Accrued retirement liability	P9,904,599	P6,891,661
Allowance for impairment losses	4,327,387	2,477,470
Accrued commission	1,388,855	1,388,855
Unrealized foreign exchange loss	218,651	235,183
Advances from customers	785,260	562,667
	<b>P16,624,752</b>	<b>P11,555,836</b>

Presentation of deferred tax assets follow:

	2020	2019
Through profit or loss	P13,308,795	P9,882,122
Through other comprehensive income	3,315,957	1,673,714
	<b>P16,624,752</b>	<b>P11,555,836</b>

## 20. Lease Agreements

The Company has an existing lease agreement with Lexmedia Realty, Inc. (LRI), a related party, for the use of office and parking space for two years and renewable for another two years based on mutual agreement.

The related refundable deposit per lease contract amounted to P296,336 and P184,936 as at December 31, 2020 and 2019 (see Note 7).

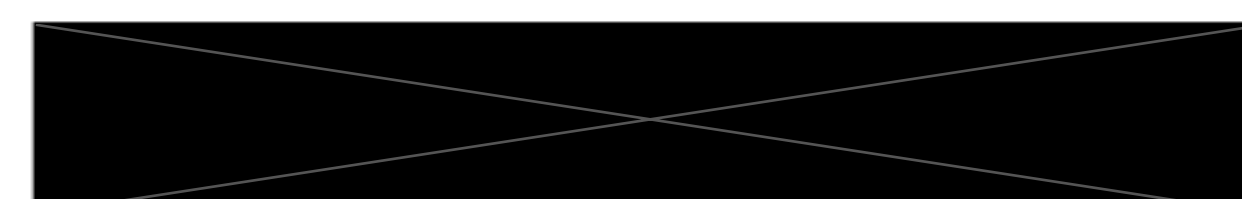
Rent expense amounted to P1,473,495 and P1,992,285 in 2020 and 2019, respectively (see Notes 18 and 21).

## 21. Related Party Transactions

Details of the Company's related party transactions follow:

Related Party	Nature of Transactions	Year	Transactions during the Year	Trade Receivables (See Note 6)	Advances to related parties
<b>Immediate parent</b>					
Inquirer Holdings Inc. (IHI)	Advances	2020	(P3,836,000)	P-	P124,466
		2019	P3,836,000	P3,836,000	P124,466
<b>Affiliates</b>					
Philippine Daily Inquirer (PDI)	Sale of goods and services	2020	11,729,751	21,371,289	-
		2019	12,794,582	9,641,538	-
<b>Subsidiary</b>					
Inquirer Marketing USA (IMU)	Sale of services	2020	9,198,508	33,139,858	-
		2019	9,360,252	23,941,350	-
<b>Entitles under Common Control</b>					
Print Town Group (PTG)	Advances	2020	-	-	2,040,313
		2019	-	-	2,040,313
Megamobile, Inc. (MMI)	Advances	2020	(286,407)	-	1,820,978
		2019	32,012	-	2,107,385
Inquirer Publication Inc. (IPI)	Advances	2020	622	-	591,617
		2019	61,324	-	590,995
DAG Xpress Courier, Inc. (DAG)	Advances	2020	-	-	36,236
		2019	-	-	36,236
Hinge Inquirer Publications, Inc. (HIP)	Sale of goods and services	2020	593,600	593,600	-
		2019	-	-	10,857
Trans Radio Broadcasting Corporation (TRBC)	Advances	2020	4,084	-	110,870
		2019	-	-	106,786

Forward





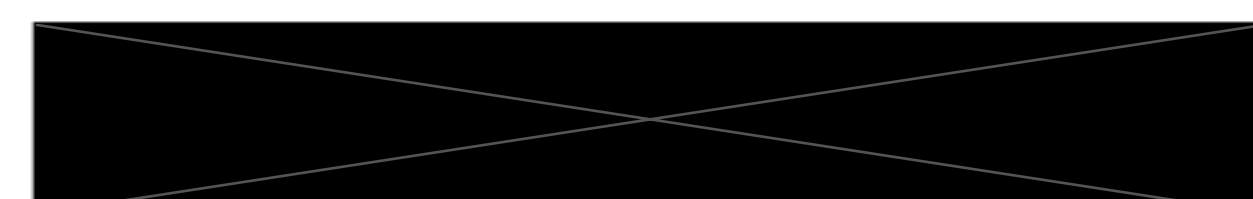
Related Party	Nature of Transactions	Year	Transactions during the Year	Trade Receivables (See Note 6)	Advances to related parties
Inquirer Catalyst Media Inc. (ICMI)	Advances	2020	P45,658	P-	P2,795,952
		2019	P-	P45,658	P2,750,294
Cebu Daily News (CDN-D)	Advances	2020	-	5,314,067	-
		2019	5,314,067	5,314,067	420,384
INQ7 Interactive Inc. (INQ7)	Advances	2020	1,776	-	6,398,235
		2019	-	-	6,396,459
<b>Subtotal</b>		2020	17,451,592	60,418,814	13,918,667
		2019	31,398,237	42,778,613	14,584,175
Allowance in impairment		2020	-	(1,581,981)	(215,956)
		2019	-	-	(215,956)
		2020	P17,451,592	P58,836,833	P13,702,711
		2019	P31,398,237	P42,778,613	P14,368,219

Movements in allowance for impairment loss follow:

	Note	Trade Receivables	Advances to Related Parties
Balance at January 1, 2019 and 2020		P-	P215,956
Provision for impairment loss	6	1,581,981	-
<b>Balance at December 31, 2020</b>		<b>P1,581,981</b>	<b>P215,956</b>

Related Party	Nature of Transactions	Year	Transactions during the Year	Trade Payables (See Note 12)	Advances from related party
<b>Shareholders</b>					
Various shareholders	Advances	2020	(P1,000,000)	P-	P3,000,000
		2019	P-	P-	P4,000,000
<b>Immediate parent</b>					
Inquirer Holdings Inc. (IHI)	Advances	2020	-	-	3,384,576
		2019	68,229	-	3,384,576
<b>Subsidiary</b>					
Inquirer Marketing USA (IMU)	Advances	2020	524,058	-	14,878,577
		2019	-	-	14,354,519
<b>Affiliate</b>					
Philippine Daily Inquirer (PDI)	Purchase of goods and services and advances	2020	4,203,920	3,389,345	17,066,963
		2019	8,360,390	10,547,688	5,704,700
<b>Entities under Common Control</b>					
Inquirer Catalyst Media Inc. (ICMI)	Purchase of goods and services	2020	-	-	3,242,811
		2019	-	-	3,242,811
Hinge Inquirer Publications, Inc. (HIP)	Purchase of goods and services	2020	53,278	793,290	-
		2019	3,311,374	740,013	-
Megamobile Inc. (MMI)	Purchase of goods and services	2020	(29,688)	586,312	-
		2019	2,449,403	616,000	-
Trans Radio Broadcasting Corporation (TRBC)	Advances	2020	(263,596)	-	42,154
		2019	-	-	305,750
Cebu Daily News (CDN-D)	Advances	2020	(624,024)	-	68,905
		2019	-	-	692,929
Inquirer Publication Inc. (IPI)	Purchases of goods and services	2020	29,352	45,855	62,227
		2019	-	45,855	32,875
Medicard Phils.	Advances	2020	-	-	54,449
		2019	-	-	54,449

Forward





Related Party	Nature of Transactions	Year	Transactions during the Year	Trade Payables (See Note 12)	Advances from related party
INQ7 Interactive Inc. (INQ7)	Advances	2020	P-	P-	P6,180,503
		2019	P-	P-	P6,180,503
Others	Advances	2020	-	-	620,899
		2019	-	-	620,899
		2020	P2,893,300	P4,814,802	P48,602,064
		2019	P14,189,396	P11,949,556	P38,574,011

Transactions with related parties include:

- Cash advances. Cash advances to and from related parties are non-interest bearing, unsecured, immediately demandable and payable in cash.
- Service fee. The Company has a Service Agreement with IMU which is effective until terminated upon mutual consent of both parties. Based on the agreement, the Company will provide (a) management services for accounting, treasury, payable administration and uploading, (b) information technology support including but not limited to providing accurate and fast on-line news feed to support IMU on its marketing and operational functions, (c) editorial support by providing editorial materials to support IMU marketing campaigns; and (d) content and wire that provide current on-line news and videos. Service fee amounted to P11,318,293 and P10,224,846 in 2020 and 2019, respectively (see Note 17).
- Management fee. By virtue of a management agreement entered into by and between the Company and PDI, the latter is entitled to a monthly management fee of P110,000 for the use of PDI's editorial and materials. Management fee incurred amounted to P1,320,000 in 2020 and 2019 (see Note 16).
- Content and wire services. Content license agreement was entered into by the Company and PDI, whereby the latter grants the Company a non-exclusive, non-transferable, limited license to publicly display components of the Service. Content and wire services amounted to P7,698,046 and P1,200,000 in 2020 and 2019, respectively (see Note 16).
- Consultancy fee. Consultancy fee for the use of PDI's facilities, human resources and finance and accounting and IHI's consultancy services. Consultancy fees amounted to P301,000 in 2020 and P2,160,099 in 2019 (see Note 18).
- Rent expense. The company has an existing lease agreement with LRI (see Note 20).
- Key Management Compensation. Details of key management personnel compensation are as follows:

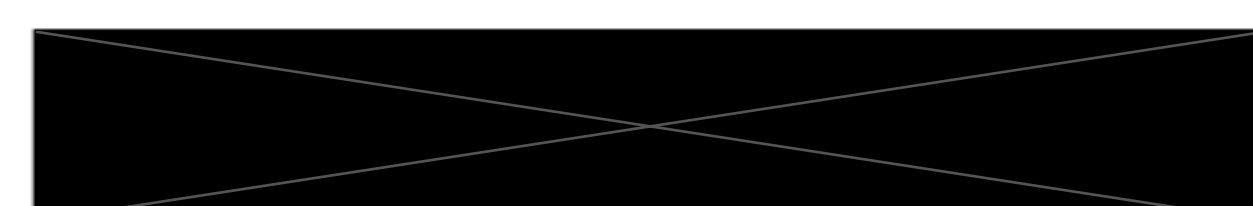
	2020	2019
Short term employee benefits	P900,603	P14,596,831

The Company considers key management personnel as those having authority and responsibility for planning, directing and controlling the activities of the Company.

## 22. Subsequent Events

On March 11, 2020, the World Health Organization assessed that the novel coronavirus of 2019 (COVID-19) has become a pandemic. In an effort to contain the spread of COVID-19 in the Philippines, the Government issued Presidential Proclamation No. 929 on March 16, 2020. The Proclamation declared a State of Calamity throughout the Philippines for a period of six months and imposed enhanced community quarantine, among others. These measures affected economic activities and business operations in an unprecedented manner as the effects continue to evolve.

The effects of the pandemic are considered by the Company as a non-adjusting subsequent event because these have no impact to the financial statements as at and for the year ended December 31, 2019. The Company, however, is still determining the impact of the pandemic to its 2020 financial statements. Management believes that the Company will continue as a going concern despite the effects of the pandemic.





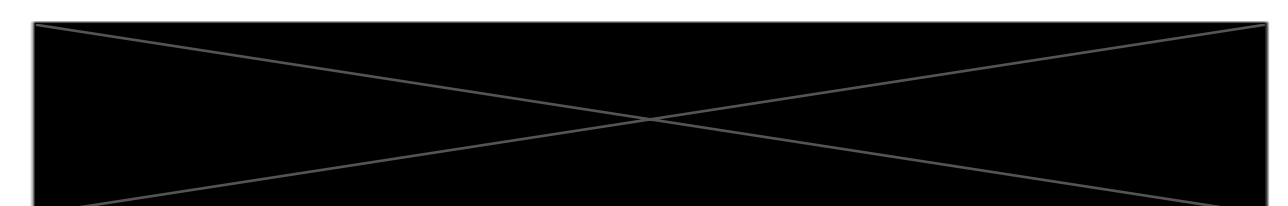
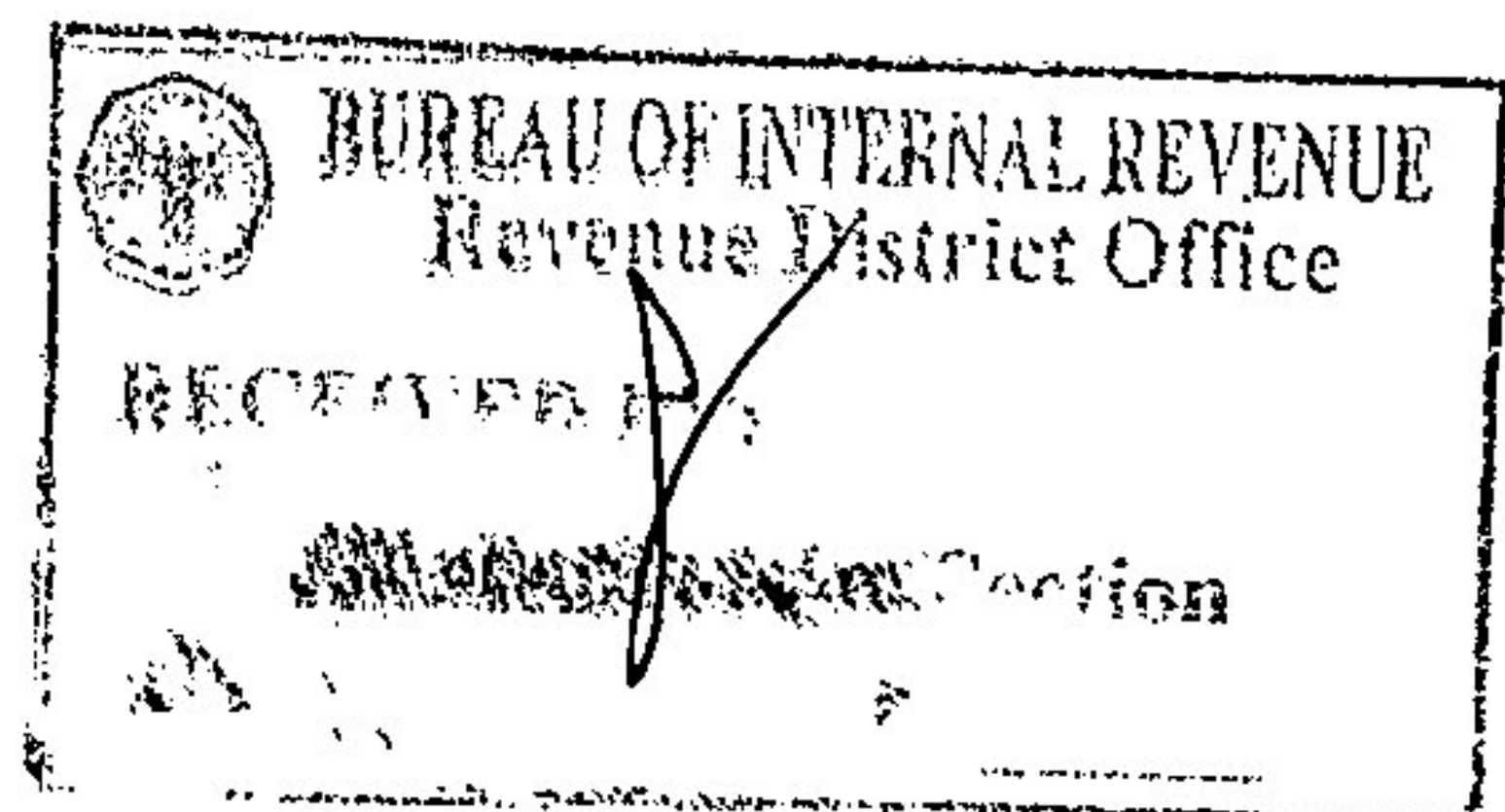
Corporate Recovery and Tax Incentives for Enterprises or "CREATE" Act

On February 1, 2021, the Bicameral Conference Committee, under the 18th Congress of the Philippines, ratified the Corporate Recovery and Tax Incentives for Enterprises (the CREATE bill). The CREATE bill seeks to reform corporate income taxes and rationalize fiscal incentives in the country by implementing certain changes to the current tax regulations. Under the bill, some changes will be implemented for periods beginning July 1, 2020.

On February 24, 2021, the final version of the CREATE bill was transmitted to the Office of the President for signing or approval into law. On March 26, 2021, the Office of the President approved the bill, now called Republic Act No. 11534 or CREATE Act. The CREATE Act will become effective 15 days after complete publication in the Official Gazette or any newspaper of general circulation in the Philippines.

The CREATE Act resulted to the reduction of the Company's tax rate from 30% to 27.50% effective July 1, 2021. The impact is as follows:

	Previous Rate	CREATE Rate	Difference
Recognized deferred tax asset	₱16,624,752	₱15,239,355	₱1,385,397
Income tax payable (overpayment)	4,465,666	3,658,404	(807,262)
Provision for income tax – current	9,687,140	8,879,878	807,262
Provision for income tax – deferred	(3,426,673)	(2,317,606)	(1,109,067)





**23. Supplementary Information Required by the Bureau of Internal Revenue (BIR)**

The following supplementary information are presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

**Revenue Regulations No. 15-2010**

Output VAT

The Company declared output VAT for the year ended December 31, 2020 as shown below:

	Gross amount	Output VAT
Taxable sales	₱72,661,626	₱8,719,395
Sales to government	175,446	21,054
Zero-rated & exempt sales	60,049,288	-
	<b>₱132,886,360</b>	<b>₱8,740,449</b>

Input VAT

The amount of VAT input taxes claimed are broken down as follows:

a. Beginning of the year	₱1,822,253
b. Current year's domestic purchases:	
i. Goods other than for resale/manufacture	2,679,218
ii. Services lodged under other accounts	946,133
c. Claims for tax credit/refund and other adjustments	(2,977,227)
d. Balance at the end of year	<b>₱2,470,377</b>

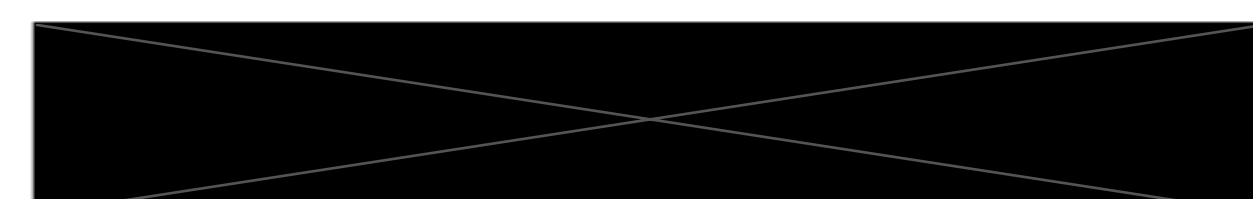
Taxes and Licenses

a. Local	
Municipal tax	₱1,406,469
Community tax certificate	10,500
b. National	
Penalties	2,445,607
BIR annual registration	500
c. Others	95,667
	<b>₱3,958,743</b>

Withholding Taxes

The amount of withholding taxes paid/accrued for the year amounted to:

a. Withholding tax on compensation and benefits	₱5,596,886
b. Expanded withholding taxes	2,161,768
c. Final income taxes	663,826
	<b>₱8,422,480</b>







Deficiency Tax Assessments and Tax Cases

A letter of authority (LOA) from the Regional District Office No. 047 was received by the Company dated June 7, 2016 for the authorization to examine the books of accounts and other accounting records for all internal revenue taxes for the taxable year 2014. This was settled and paid during the year.

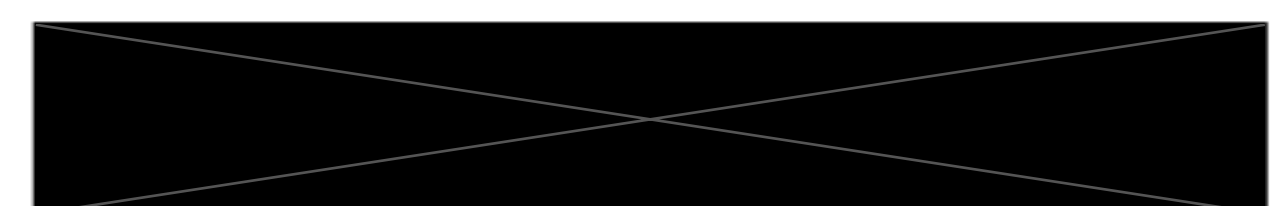
A letter of authority (LOA) from the Regional District Office No. 047 was received by the Company with LOA No. eLA201500049546 dated August 09, 2017 for the authorization to examine the books of accounts and other accounting records for all internal revenue taxes for the taxable year 2016. As at December 31, 2017, this is still on-going and no final assessment and payment has been made yet.

A letter of authority (LOA) from the Regional District Office No. 047 was received by the Company with LOA No. eLA201600032437 dated October 2, 2018 for the authorization to examine the books of accounts and other accounting records for all internal revenue taxes for the taxable year 2017. As at December 31, 2018, this is still on-going and no final assessment and payment has been made yet.

Revenue Regulation (RR) No. 34-2020

BIR issued Revenue Regulations (RR) No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending for this Purpose the Pertinent Provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010, to streamline the guidelines and procedures for the submission of BIR Form No. 1709, TPD and other supporting documents. Section 2 of the RR enumerated the taxpayers required to file and submit the RPT Form, together with the Annual Income Tax Return.

The Company is not covered under Section 2 of the RR 34-2020, hence the requirements and procedures for related party transactions provided under the said RR is not applicable.







**MOORE** Roxas Cruz Tagle and Co.



**Securities and Exchange Commission**  
PHILIPPINES

Roxas Cruz Tagle and Co.

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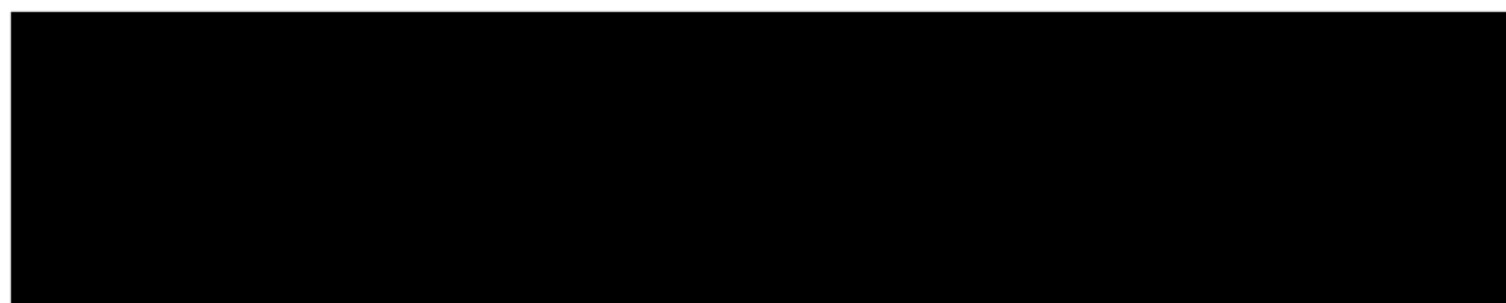
**INDEPENDENT AUDITOR'S SUPPLEMENTAL WRITTEN STATEMENT**

The Board of Directors and Shareholders  
**Inquirer Interactive, Inc.**  
*(A subsidiary of Inquirer Holdings, Inc.)*  
3/F Media Resource Plaza Bldg.  
Mola St. Corner Pasong Tirad St.  
Makati City

We have audited the financial statements of **Inquirer Interactive, Inc.** (the "Company"), as at and for the year ended December 31, 2020, on which we have rendered the attached report dated November 23, 2022.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the Company has a total number of two (2) shareholders owning one hundred (100) or more shares each.

**ROXAS CRUZ TAGLE AND CO.**



**Warren M. Urriza**  
Partner

CPA Certificate No. [Redacted]  
Tax Identification No. [Redacted]

SEC Accreditation No. [Redacted] Group A, issued on March 24, 2020,  
effective for the 2020-2022 financial statements of SEC covered institutions

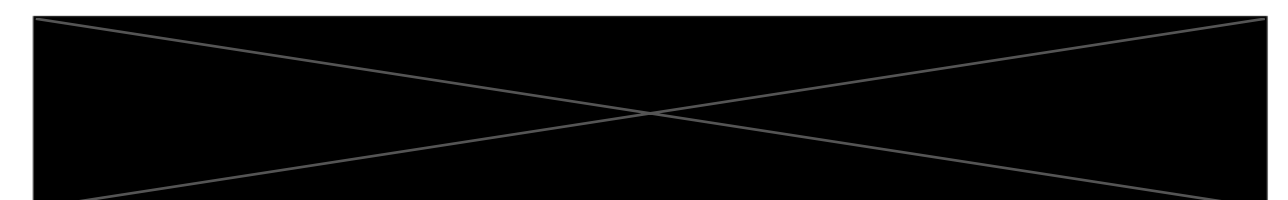
BIR Accreditation No. [Redacted] issued on January 5, 2022,  
effective until January 4, 2025

PTR No. [Redacted] issued on January 24, 2022, Makati City

November 23, 2022  
Makati City

Roxas Cruz Tagle and Co. is a member firm of Moore Global Network Limited

BOA/PRC Reg. No. 0005 valid until March 17, 2024  
SEC Accreditation No. 0005 valid until 2024



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SIGNATURE NOT REQUIRED