

## COMPANY CLARIFICATION

In relation to the PSE Notice DN00106-2020 on October 16, 2020, and a subsequent online media article released on *October 18, 2020*, Xurpas would like to make the following clarifications:

1. In relation to the statement –

*“The Xurpas founders are selling their shares to the Wavemaker Group at 10 centavos each or way, way below the company’s much-ballyhooed initial public offering price of P3.97 per share six years ago. Xurpas will then use the P170 million raised from the deal to buy the Wavemaker group.”*

The Company hereby clarifies that the Founders (Nolledo, Racaza and Garcia) will not be selling any of their shares to Wavemaker Group. All of the Xurpas shares to be issued to the Wavemaker Group will be out of the unissued authorized capital stock of the Company. The Founders will not receive any consideration from the transaction.

2. In relation to the statement –

*“The Philippine Stock Exchange has rejected IT bust Xurpas’ bid to resume trading of its shares due to its lack of transparency in the planned exit sale of its founders – Nico Jose Nolledo, Raymond Racaza, and Fernando Jude Garcia – to an obscure American venture capital firm.”*

The Company wants to emphasize that the Exchange did not reject the transaction. The Exchange is simply requiring the Company to disclose additional information. In fact, the Company has already previously shared these information to the Exchange which it used for the evaluation of the transaction. The Company is currently preparing the Comprehensive Corporate Disclosure for Backdoor Listing and will be submitted to the Exchange once available.

Further, the Company would like to point out that the Wavemaker Group is a well-recognized and highly rated technology venture firm with a long track record of success. Founded in Los Angeles by Filipino born and raised entrepreneur turned Venture Capitalist Eric Manlunas, Wavemaker began with a modest USD 8.3 million fund in 2003. Since then, Wavemaker has invested in over 350 companies, and today has operations in both the US and Southeast Asia, with over \$400 million in assets under management. Wavemaker has historically seeded startups that have subsequently become leaders in their respective industries, including Mindbody, Viagogo and Digital Globe, all multi-billion dollars companies today. Wavemaker also has had multiple successful exits from their portfolio companies, including Texas-based Phunware which went public in 2018 and Philippine fintech firm Coins.ph, which was acquired by Go-Jek of Indonesia in 2019. Most recently, one of Wavemaker’s indirect investments, Zoom, has become one of the most iconic companies of our time and has grown to a market capitalization of over \$150 Billion.

Wavemaker benefited from the success of Zoom through its investment in an early stage fund that seeded Zoom.

Wavemaker's portfolio is focused on high technology companies making it ideal to Xurpas. We also wish to emphasize that Xurpas will be purchasing interests in Wavemaker's US entities, and the transaction does not include its Southeast Asia practice.

3. In relation to the statement -

*“The PSE said the proposed sale of 1.707 billion shares or 48 percent of Xurpas to Wavemaker Partners group, led by Frederick Manlunas, was not an ordinary stock sale as Nolledo-Racaza-Garcia presented but a backdoor listing.”*

The Company has always been transparent with the public and its investors. As early as November 2019, the Company already disclosed that it is negotiating with the Wavemaker Group for the purchase of its various entities in the US. The Company likewise immediately complied and submitted all documentary requests made by the Exchange for purposes of evaluating the transaction. Pursuant to the Disclosure Notice circulated by the Exchange on October 16, 2020, the Company undertakes to comply with the Exchange's findings to ensure that the public will have access to full, fair, timely and accurate information.

- Nothing Follows -