



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

**To: All Stockholders of
Converge Information and
Communications Technology
Solutions, Inc.**

Please take notice that the Annual Meeting of the Stockholders of **Converge Information and Communications Technology Solutions, Inc.** will be held virtually or conducted through remote communication via https://conveneagm.com/ph/convergeict_asm2026 on May 29, 2026, Friday at 2:00 p.m., to discuss the following:

AGENDA

1. Call to Order
2. Proof of Service of Notice
3. Certification of Presence of Quorum
4. Approval of the Minutes of the Previous Meeting
5. Report of Management
6. Presentation of the Management Report and Ratification of the Audited Financial Statements as of 31 December 2025
7. Ratification of all acts of the Board of Directors and Management for the period of January 1, 2025, to December 31, 2025, adopted in the ordinary course of business
8. Election of Directors, including Independent Directors, for the year 2026
9. Appointment of External Auditors
10. Consideration of such other matters as may properly come before the meeting
11. Adjournment

For purposes of the meeting, only stockholders of record as of May 9, 2026 (the "Record Date") are entitled to attend and vote in the said meeting.

The Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance at the meeting only by remote communication. Voting shall be done by electronic means, or *in absentia*, or by appointing the Chairman of the meeting as proxy.

Online participation and voting by remote communication will be available for all qualified stockholders as of Record Date. Stockholders who wish to participate and vote online by remote communication should register at https://conveneagm.com/ph/convergeict_asm2026 starting May 9, 2026, and until May 29, 2026, during the ASM. The **Registration and Validation Procedures for the 2026 Annual Stockholders Meeting (Virtual)** are set out in **Annex "A"** in the Notice and Agenda attached to the Information Statement.

In accordance with the Company's By-Laws, all stockholders who will not, are unable, or do not expect to attend the virtual meeting in person may choose to execute and send a valid proxy in writing to the Office of the Corporate Secretary, by email at asm2026@convergeict.com or in digital/electronic form at https://conveneagm.com/ph/convergeict_asm2026 on or before May 22, 2026. Proxies shall be validated beginning on May 23, 2026.

Pursuant to SEC Notice dated March 11, 2026, copies of this Notice, Information Statement, and Other Documents related to the Annual Stockholders' Meeting, shall be published through Manila Times and Manila Standard.

Electronic copies of the Corporation's Information Statement, Management Report, SEC 17-A and other pertinent documents are available at its website at <https://corporate.convergeict.com/investor-relations/> and uploaded at the PSE's EDGE disclosure system.

A visual/audio recording of the meeting shall be made.

April 21, 2026,

By order of the Board of Directors:

ORIGINAL SIGNED

ELVIRA C. OQUENDO
Corporate Secretary

Annex “A”

Registration and Validation Procedures for the 2026 Annual Stockholders Meeting (Virtual)

Annex A: Registration and Validation Procedures for the Virtual ASM:

**Note: All communications thru the online and designated email address provided.
Please be guided accordingly.**

1. Registration and validation of stockholders as of Record Date will be from 8:00 a.m. of May 9, 2026, until during the day of ASM on May 29, 2026.
2. Stockholders who will execute a proxy must submit their duly executed proxy thru this link https://conveneagm.com/ph/convergeict_asm2026 on or before May 22, 2026, validation of proxies is scheduled on May 23, 2026.

Note: For corporate stockholders, a secretary's certificate on the authorized signatory to execute the proxy is required to be submitted. Scanned copies of the secretary's certificate may be uploaded, but the Corporation reserves the right to require the submission of the originals for authentication.

3. Stockholders who intend to participate in the virtual ASM must register thru this link https://conveneagm.com/ph/convergeict_asm2026 for validation starting on May 9, 2026 until during the day of ASM on May 29, 2026 and submit the following documents:

For certificated stockholders:

- a. Full Name
- b. Address
- c. Email address
- d. Contact number
- e. Scanned copies of valid/unexpired government issued IDs

For stockholders whose shares are lodged with brokers:

- a. Full Name
- b. Certification from broker stating the name and number of shares of the beneficial owner and that they are beneficial owner as of the Record Date (must be complete)
- c. Address
- d. Email address
- e. Contact number
- f. Scanned copies of valid/unexpired government issued IDs

Note: the above documents will be subject to review for purposes of validation, and we may require additional documents as needed.

4. Validated stockholders will get confirmation through email and will be provided with a link to virtual ASM and the link to cast their vote on or before May 29, 2026.
5. Validated proxies will get confirmation through email and will be provided with a link to virtual ASM and the link to cast their vote on or before May 22, 2026.
6. Validated stockholders may cast their vote through the designated link real-time, during the day of the ASM of May 29, 2026. Real-time tabulation of votes will also be done during the ASM.
7. Validated proxies may cast their vote through the designated link until May 22, 2026.
8. For the determination of the quorum, all shares represented by duly validated proxies will be counted as "shares represented by proxies" and shares of validated stockholders present at the virtual ASM will be counted as "shares present in person". The Corporate Secretary shall announce all the results during the meeting proper subject to final tabulation and validation.

9. For the tabulation of votes, all validated ballots submitted during, on or before the ASM of May 29, 2026, and of all validated proxies submitted on or before May 22, 2026, will be tabulated by the Office of the Corporate Secretary and validated by SyCip Gorres Velayo & Co., as third party and independent validator.
10. Questions and comments may be submitted during registration and real-time during the ASM on May 29, 2026 either via https://conveneagm.com/ph/convergeict_asm2026 or via email at asm2026@convergeict.com.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION
17.1(b) OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

☐ Preliminary Information Statement

☒ Definitive Information Statement

2. Name of registrant as specified in its charter:

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC.

3. Province, Country or other jurisdiction of incorporation or organization

METRO MANILA, PHILIPPINES

4. SEC Identification Number: CS200716094

5. BIR Tax Identification Number: 006-895-049

6. Address of Principal Office

New Street Bldg., Mc Arthur Highway, Balibago, Angeles City, Pampanga 2009

7. Registrant's telephone no. and area code: (02)-8667-0888

8. Date, time and place of the meeting of security holders

Date : May 29, 2026

Time : 2:00 P.M.

Place : https://conveneagm.com/ph/convergeict_asm2026 via remote communication

9. Approximate date of which the Information Statement is first to be sent or given to security holders

April 22, 2026

10. Securities registered pursuant to Sections 8 & 12 of the Code or Section 4 and 8 of the Revised Securities Act:

Common Shares - 7,526,294,461 shares with a par value of Php0.25 per share and a total amount of Php1,881,573,615.25

Fixed Rate Bonds - 10,000,000,000

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes ☐ No ☐

As of March 31, 2026, there are 7,526,294,461 of the Company's common shares listed on the Philippine Stock Exchange.

EXPLANATION OF AGENDA ITEMS

1. Call to Order

The Presiding Officer will call to order the Annual Stockholders' Meeting at the principal office of the Company as provided in its articles of incorporation, or, if not practicable, in the city or municipality where the principal office of the corporation is located.

2. Proof of Service of Notice

The Corporate Secretary will be asked to certify that copies of the Notice and Agenda of the meeting, among others, were served upon the stockholders entitled to the same through publication in two (2) newspapers of general circulation, Manila Times and Manila Standard, in print and online.

3. Certification of Presence of Quorum

The Corporate Secretary will then certify whether, based on the number of shares present, through remote communication, *voting in absentia* or by proxy, a quorum exists for a valid meeting.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Corporation has set up https://conveneagm.com/ph/convergeict_asm2026 as the designated online web address which may be accessed by the stockholders to register and vote, real-time or *in absentia* on the matters presented for resolution at the meeting. A stockholder who votes *in absentia* as well as a stockholder participating via remote communication shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting:

- (i) Stockholders may attend the meeting via remote communication through https://conveneagm.com/ph/convergeict_asm2026. Questions and comments may be sent by email on or before the ASM on May 29, 2026, at asm2026@convergeict.com and shall be limited to the Items in the Agenda.
- (ii) Each of the proposed resolutions will be shown on the screen in the venue and during the livestreaming as the same is taken up at the meeting.
- (iii) Stockholders must notify the Company of their intention to participate in the Meeting by remote communication to be included in determining quorum, together with the stockholders who voted *in absentia* and by proxy.
- (iv) Voting shall only be allowed for Stockholders registered in the online system through https://conveneagm.com/ph/convergeict_asm2026 or through the Chairman of the meeting as proxy.
- (v) Stockholders voting *in absentia*, who have previously registered through https://conveneagm.com/ph/convergeict_asm2026 may cast their votes electronically at any time using such online web address and which votes will be accepted real-time until during the ASM.
- (vi) All the items on the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting.
- (vii) Election of directors will be by plurality of votes and every stockholder will be entitled to

cumulate his/her votes.

(viii) The Company's stock transfer agent and the Office of the Corporate Secretary will tabulate all votes received and SyCip Gorres Velayo & Co., as independent third party, will validate the results. The Corporate Secretary shall report the results of voting during the meeting.

(ix) The proceedings of the meeting shall be recorded.

4. Approval of the Minutes of the Previous Meeting

The minutes of the previous stockholders' meeting is attached here as Annex "B" or may be accessed here at <https://corporate.convergeict.com/wp-content/uploads/2025/06/Converge-Information-and-Communications-Technology-Solutions-Inc.-2025-Minutes-of-the-ASM>. A resolution on this item requires the approval of a majority of the votes of the stockholders present and eligible to vote. The minutes of the stockholders' meeting held on 30 May 2025 contain discussions of the following items:

1. Ratification of the Audited Financial Statements as of 31 December 2024
2. Ratification of all acts of the Board of Directors and Management for the period starting from January 1, 2024, up to December 31, 2024, adopted in the ordinary course of business
3. Election of Directors, including Independent Directors, for the year 2025
4. Appointment of External Auditors

5. Presentation of Management Report

The Chief Executive Officer and the President will present the Management Report on the Company's performance in 2025. The Audited Financial Statements ("AFS") of the Company as of and for the year ended December 31, 2025 (as audited by Isla Lipana & Co.) will also be presented for approval by the stockholders. The corresponding Management Report, with the Management Discussion and Analysis (MD&A), attached as Annex "C", and The 17-A (Annual Report) with AFS, attached as Annex "D" is incorporated in this Definitive Information Statement for this meeting.

In keeping with the Company's thrust to observe best corporate governance practices, the results of operations and financial condition of the Company will be presented and explained to the shareholders. Any comment from the shareholders will provide guidance in running the business and affairs of the Company.

6. Ratification of the Audited Financial Statements

The stockholders will be requested to ratify the Board's approval of the Company's audited financial statements as of December 31, 2025. The audited financial statements are attached to the Information Statement and distributed to eligible stockholders pursuant to the requirements of the Securities Regulation Code.

A resolution on the ratification of the approval of the audited financial statements requires the approval of a majority of the votes of stockholders present and eligible to vote.

7. Ratification of the Acts of the Board and of Management

Ratification by the stockholders will be sought for all the acts and resolutions of the Board of Directors and all the acts of Management taken or adopted from January 1, 2025, to December 31, 2025. A summary of these resolutions and actions is set forth below. Copies of the minutes of the meetings of the Board of Directors are available for inspection by any shareholder at the offices of the Company during business hours.

A resolution on this agenda item requires the ratification of a majority of the votes of stockholders

present and eligible to vote.

Consistent with the Company's commitment to observing the best corporate governance practices, the ratification of the Board and Management's acts and resolutions will be requested from the shareholders at this annual meeting. Such ratification will be confirmation that the shareholders approve the manner that the Board and Management run the business and affairs of the Company.

8. Election of Directors for the Ensuing Year

Pursuant to the Company's By-Laws, and applicable rules of the Securities and Exchange Commission, and the Corporation's Nomination and Election Policy, any stockholder, including minority stockholders, may submit nominations for the election of directors not later than April 30, 2025. The Corporate Secretary will present the names of the persons who have been duly nominated for election as directors of the Company in accordance with the By-Laws and Manual on Corporate Governance of the Company and applicable laws and regulations.

9. Appointment of External Auditors

The Audit Committee has recommended the re-appointment of Isla Lipana & Co. as external auditors for the ensuing year. The profile of the firm is duly indicated in the Information Statement. A resolution on this agenda item requires the approval of a majority of the votes of stockholders present and eligible to vote.

10. Consideration of such other business as may properly come before the meeting

The Chairman will open the floor for comments and questions by the stockholders submitted beforehand in accordance with the rules.

This covers consideration of other business that may properly come before the meeting.

Under SEC Memorandum Circular No. 14, series of 2020, stockholders who alone, or together with other shareholders, hold at least five percent (5%) of the outstanding capital stock of the Company, shall have the right to include items on the agenda prior to the annual stockholders meeting. Items added on the agenda pursuant to the Memorandum Circular after the filing of the Definitive Information Statement shall be filed under Other Business.

PROXY FORM

Date:

Item 1. Identification

This proxy will serve to nominate, constitute and appoint _____, as my attorney and proxy, to represent me at the Annual Meeting of the Stockholders of the Corporation scheduled on May 29, 2026 at 2:00 p.m. at https://conveneagm.com/ph/convergeict_asm2026 and any adjournment(s) thereof, as fully and to all intents and purposes as I might or could if present and voting in person, hereby ratifying and confirming any and all action taken on matters which may properly come before such meeting or adjournment(s) thereof.

Item 2. Instruction

By affixing his/her signature on the space provided below, the undersigned stockholder hereby directs the said proxy to vote on the agenda items set forth below as he/she has expressly indicated by marking the same with an "X", failing which, his/her said proxy shall exercise full discretion in acting thereon. **If the undersigned stockholder fails to indicate his/her vote on the items specified below, this shall serve to authorize his/her proxy to exercise full discretion to act on behalf of the undersigned stockholder.**

Please be advised that proxies are validated by the Company's stock and transfer agent, PNB. The record date for the stockholders entitled to attend and to vote in the said meeting is **May 9, 2026**.

Item 3. Revocability of Proxy

This proxy shall be valid for the Annual Stockholders Meeting scheduled on May 29, 2026, or any adjournment thereof. This proxy shall not be valid where the undersigned stockholder personally appears and registers in the stockholders' meeting. The proxy may not be withdrawn if coupled with an interest.

1. Approval of the Minutes of the Previous Meeting

YES		NO		ABSTAIN	
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2. Ratification of the Audited Financial Statements for the Year Ended December 31, 2025

YES		NO		ABSTAIN	
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3. Ratification of the Acts of the Board and of Management from January 1, 2025 until December 31, 2025

YES		NO		ABSTAIN	
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4. Election of Directors

	No. of Votes
Jose P. de Jesus (Independent Director)	
Dennis Anthony H. Uy	
Maria Grace Y. Uy	
Amando M. Tetangco, Jr. (Independent Director)	
Roman Felipe S. Reyes (Independent Director)	
Estela Perlas-Bernabe (Independent Director)	
Park Weongi	

5. Appointment of Isla Lipana & Co. as External Auditors

YES		NO		ABSTAIN	
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IN WITNESS WHEREOF, I have hereunto set my hand at _____, this _____, 2026.

(Printed Name of Stockholder & Signature)

(Witness)

NOTE: Accomplished proxy form, together with copies of valid identification cards, should be sent to asm2026@convergeict.com on or before May 22, 2026.

THIS PROXY FORM IS BEING PROVIDED AS A SAMPLE FOR USE BY THE STOCKHOLDERS SHOULD THEY WISH TO ACCOMPLISH THE SAME. IT IS NOT BEING SOLICITED ON BEHALF OF THE CORPORATION OR ITS MANAGEMENT. THE CORPORATION OR ITS MANAGEMENT IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND MANAGEMENT A PROXY.



**CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC.
INFORMATION STATEMENT**

This information statement is dated April 20, 2026, and is to be furnished to stockholders of record of Converge Information and Communications Technology Solutions, Inc. ("CNVRG" or the "Company") as of May 9, 2026, in connection with the Annual Stockholders' Meeting.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

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A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

Date - May 29, 2026, Friday
Time - 2:00 P.M.
Place - https://conveneagm.com/ph/convergeict_asm2026 via remote communication

Principal Office - New Street Bldg., Mc Arthur Highway, Balibago, Angeles City, Pampanga 2009

The Presiding Officer shall call and preside over the stockholders' meeting at the principal office of the Company as provided in its articles of incorporation, or, if not practicable, in the city or municipality where the principal office of the corporation is located.

Approximate date of which the Information Statement is first to be sent to security holders

April 22, 2026

Item 2. Dissenters' Right of Appraisal

A stockholder has a right to dissent and demand payment of the fair value of his share: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares or of authorizing preferences over the outstanding shares or of extending or shortening the term of corporate existence; (ii) in case any sale, lease, mortgage or disposition of all or substantially all the corporate property or assets; (iii) in case of merger or consolidation and (iv) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The appraisal right may be exercised by a stockholder who has voted against the proposed corporate action, by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for the payment of the fair market value of his shares; provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder upon surrender of his certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

There are no matters or proposed corporate actions, which may give rise to a possible exercise by stockholders

of their appraisal rights under Title X of the Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in Matters to be acted upon

- (a) No Director or Executive Officer of the Company has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon.
- (b) No Director has informed the Company of his opposition to any matter to be taken upon at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) The Company has 7,526,294,461 common shares issued, 284,914,400 treasury shares, and 7,241,380,061 outstanding common shares as of March 31, 2026. Every stockholder shall be entitled to one vote for each share of common stock held as of the established record date.
- (b) All stockholders of record as of May 9, 2026, are entitled to notice of and to vote at the Company's Stockholders' Meeting.
- (c) With respect to the election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate said shares and give one candidate as many votes as the number of directors to be elected or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the total number of shares owned by him multiplied by the whole number of directors to be elected.
- (d) Security ownership of certain Record and Beneficial Owners and Management:

Security Ownership of Certain Records and Beneficial Owners as of March 31, 2026:

The following table sets forth the record owners and, to the best knowledge of the Board of Directors and Management of the Company, the beneficial owners of more than five percent (5%) of the Company's outstanding shares of Common Stock, the number of shares owned by, and percentage of shareholdings of, each of them, as of March 31, 2026.

Title of Class	Name of Record Owner	Name of Beneficial Owner	Citizenship	Number of Shares held	Percentage of Ownership
Common Shares	Comclark Network and Technology Corp.	Dennis Anthony H. Uy and Maria Grace Y. Uy	Filipino	4,515,776,677	62.36%
Common Shares	PCD Nominee Corporation *	Comclark Network and Technology Corp. **	Filipino	281,640,597	3.89%
Common Shares	PCD Nominee - Filipino***	Public Ownership	Filipino	1,356,979,337	18.74%
Common Shares	PCD Nominee – Non-Filipino	Public Ownership	Foreign	1,086,140,543	15.00%

*PCD Nominee Corporation is not related to the Company

**These shares of Comclark Network and Technology Corp. in the amount of 281,640,597 are scripless shares. The ultimate Beneficial Owners are Dennis Anthony H. Uy and Maria Grace Y. Uy

*** PCD Nominee Filipino excludes the shares of Comclark Network and Technology Corp.

Comclark Network and Technology Corp. is the majority shareholder of CNVRG, owning 66.25% of the total issued and outstanding capital stock. It is ultimately and beneficially owned by Mr. Dennis Anthony H. Uy and Ms. Maria Grace Y. Uy.

PCD Nominee Corporation, whose beneficial owner is Cloud Gateway Limited, is the owner of 3.08% of CNVRG. It is ultimately and beneficially owned by Mr. Dennis Anthony H. Uy and Ms. Maria Grace Y. Uy.

Dennis Anthony H. Uy, or in his absence, Maria Grace Y. Uy, has been named and appointed to exercise the voting power of Comclark Network and Technology Corp.'s and PCD Nominee Corporation shares in CNVRG.

PCD Nominee Corporation is the registered owner of shares beneficially owned by participants in the Philippine Depository & Trust Corporation, a private company organized to implement an automated book entry system of handling securities transactions in the Philippines (PCD). Under the PCD procedures, when an issuer of a PCD-eligible issue will hold a stockholders' meeting, the PCD shall execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients. Other than the stockholders identified above, as of March 31, 2026, the Company is not aware of any shareholder beneficially owning shares lodged with the PCD which comprise more than 5% of the Company's total outstanding capital stock.

Equity Ownership of Foreign and Local Shareholders as of March 31, 2026:

Shareholders	No. of Shares	% Ownership
Filipino	6,155,086,216	85.00%
Foreign	1,086,293,845	15.00%
TOTAL Outstanding Shares	7,241,380,061	100%

Security Ownership of Management as of March 31, 2026:

As of March 31, 2026, the following is the share ownership of the Company's directors and senior officers:

Title of Class	Name of Record Owner	Position	Citizenship	Amount and Nature of Beneficial Ownership (Direct or Indirect*)	Percentage of Total Outstanding Shares
Common	Jose P. de Jesus	Chairman of the Board	Filipino	1 common share (Direct)	0.0%
Common	Dennis Anthony H. Uy***	Chief Executive Officer	Filipino	1 common share (Indirect) 111,378,869** (Indirect)	1.54%
Common	Maria Grace Y. Uy***	President and Chief Resource Officer	Filipino	1 common share (Indirect) 111,378,870** (Indirect) 2,000,000 (Indirect)	1.57%
Common	Amando M. Tetangco, Jr.	Independent Director	Filipino	1 common share (Direct)	0.0%
Common	Roman Felipe S. Reyes	Independent Director	Filipino	1 common share (Direct)	0.0%
Common	Estela M. Perlas-Bernabe	Independent Director	Filipino	3,000 common shares (Indirect)	0.0%
Common	Park Weongi	Non-Executive Director	Canadian	1 common share (Direct)	0.0%

Title of Class	Name of Record Owner	Position	Citizenship	Amount and Nature of Beneficial Ownership (Direct or Indirect*)	Percentage of Total Outstanding Shares
Common	Benjamin Rex Emilio B. Azada	Chief Operations Officer	Filipino	25,100 common shares (Indirect)	0.0%
Common	Paolo Martin G. Santos	Chief Technology Officer	Filipino	0	0.0%
Common	Robert Leo A. Yu	Chief Finance Officer	Filipino	104,000 common shares (Indirect)	0.0%
Common	Arlene G. San Juan	Treasurer	Filipino	0	0.0%
Common	Christine Renee R. Blabagno	Chief Risk Officer	Filipino	30,000 common shares (Indirect)	0.0%
Common	Elvira C. Oquendo	Corporate Secretary	Filipino	0	0.0%
Common	Ia Laurienne S. Ramiro-Castro	Assistant Corporate Secretary	Filipino	10,000 common shares (Indirect))	0.0%
Common	Laurice P. Esteban-Tuason	Compliance Officer	Filipino	0	0.0%
Common	Owen Kieffer D. Ocampo	VP and Head of Investor Relations Officer	Filipino	3,200 common shares (Indirect)	0.0%
Common	Anthony Vergel B. Velasco	SVP and Head of Internal Audit	Filipino	0	0.0%

* Pursuant to PSE Guidelines, direct shares are those shares under the registered name of the shareholders; Indirect shares are lodged with PCD Nominee Corporation, but whose beneficial owners are the directors and/or officers.

** Dennis Anthony H. Uy and Maria Grace Y. Uy are the ultimate beneficial owners of 222,757,739 shares registered under Cloud Gateway Limited as disclosed in SEC Form 23-B.

*** The shares of Comclark Network and Technology Corp., which are beneficially owned by Dennis Anthony H. Uy and Maria Grace Y. Uy, are reflected in the table above on Security Ownership of Certain Records and Beneficial Owners.

The directors and senior officers have no beneficial ownership of the Company except as previously disclosed.

- The Company is not aware of any person holding more than 5% of the total issued and outstanding capital stock of the Company under a voting trust or similar agreement.
- The Company is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Company. No change of control in the Company has occurred since the beginning of its last fiscal year.

Item 5. Directors and Executive Officers Board of Directors

Term of Office

Each director holds office until the annual meeting of stockholders held next after his election and his successor shall have been elected and qualified, except in case of death, resignation, disqualification, or

removal from office. The term of office of the officers is coterminous with that of directors that elected or appointed them.

The following are the incumbent directors and independent directors of the Company:

Name	Position	Citizenship
Dennis Anthony H. Uy	Executive Director	Filipino
Maria Grace Y. Uy	Executive Director	Filipino
Jose P. de Jesus	Chairman, Independent Non-Executive Director	Filipino
Amando M. Tetangco, Jr.	Independent Non-Executive Director	Filipino
Roman Felipe S. Reyes	Independent Non-Executive Director	Filipino
Estela M. Perlas-Bernabe	Independent Non-Executive Director	Filipino
Park Weongi	Non-Executive Director	Canadian

All of the incumbent Directors named above have a one-year term of office. All have been nominated for re-election to the Board of Directors.

The nominees for directors for the year 2026 are as follows:

Name	Position	Citizenship
Jose P. de Jesus	Independent Non-Executive Director	Filipino
Dennis Anthony H. Uy	Executive Director	Filipino
Maria Grace Y. Uy	Executive Director	Filipino
Amando M. Tetangco, Jr.	Independent Non-Executive Director	Filipino
Roman Felipe S. Reyes	Independent Non-Executive Director	Filipino
Estela M. Perlas-Bernabe	Independent Non-Executive Director	Filipino
Park Weongi	Non-Executive Director	Canadian

The Filipino executive and non-executive directors were formally nominated by Comclark Network and Technology Corp., and independent stockholders, Marrie Anne Asuncion and Aileen Dizon.

The following were nominated as independent non-executive directors for board seats: Messrs. De Jesus, Tetangco, Reyes and (Ret.) Justice Perlas-Bernabe as independent non-executive directors. The nominating stockholders are not related in any way to the nominees for independent directors.

The nominees will serve as directors of the Company for one year from the date of election.

The Corporate Governance and Nominations Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval and assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors. The Corporate Governance and Nominations Committee is composed of Jose P. de Jesus, Amando M. Tetangco, Jr., Roman Felipe S. Reyes, Estela M. Perlas-Bernabe. The Company has adopted SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and has complied therewith.

Directors elected during the annual meeting of stockholders will hold office for one year until their successors are duly elected and qualified. A director who was elected to fill any vacancy holds office only for the unexpired term of his predecessor.

No Director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting due to disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Below is a summary of the nominees' qualifications:

The Board is composed of experienced individuals with different and complementing knowledge, skills, experiences, perspectives, and backgrounds. The following states the business experience of our incumbent directors for the last five years:

Mr. Jose P. de Jesus, aged 91, Filipino

Independent Non-Executive Director

Director since June 8, 2020

Directorship in other Publicly Listed Companies: None

Mr. de Jesus was elected as Chairman and an Independent Director on June 8, 2020. He was the Chairman of Clark Development Corporation (March 2017 – November 2020), the President and Chief Executive Officer of Nationwide Development Corporation (September 2011 - June 2015), the Secretary of the Department of Transportation and Communication (July 2010 - June 2011), the President and Chief Operating Officer of Meralco (February 2009 - June 2010), the President and Chief Executive Officer of Manila North Tollways Corporation (January 2000 - December 2008), Executive Vice President of the Philippine Long Distance Telephone Company (1993 - December 1999), Chairman of the Manila Waterworks & Sewerage System (1992 - 1993), the Secretary of the Department of Public Works and Highways (January 1991 - February 1993), and the President of the Development Academy of the Philippines (December 1987-Jan 1991).

Mr. de Jesus was awarded the Philippine Legion of Honor, Rank of Commander in June 1992 by then President Corazon C. Aquino. He was Lux in Domino Awardee (Most Outstanding Alumnus) of the Ateneo de Manila University in July 2012.

He is also a Director of AirAsia, Inc., Philippines AirAsia, Inc., SMC Skyway Corporation, SMC TPLEX Corporation, SMC SLEX, Inc., Comstech Integration Alliance, Inc. He is a Trustee of the Kapampangan Development Foundation and Holy Angel University, a Chairman of the Board of Trustees of *Bantayog ng mga Bayani* Foundation, an Eisenhower Exchange Fellow since 1977, and a member of the Management Association of the Philippines.

Mr. de Jesus earned his Bachelor of Arts degree in Economics and holds a Master of Arts in Social Psychology from the Ateneo de Manila University. He also finished Graduate Studies in Human Development from the University of Chicago under university scholarship and Fulbright grant.

Expertise: General Management, Technology, Media and Telecommunications Industries, Corporate Governance, Risk Management, Regulatory, Human Resource Management

Mr. Dennis Anthony H. Uy, aged 59, Filipino

Executive Director

Director since July 18, 2012

Committee Membership/s: None

Directorship in other Publicly Listed Companies: None

Mr. Uy co-founded Converge with Ms. Maria Grace Y. Uy in 2007 and currently serves as CEO and Executive Director. A self-made industrialist, Mr. Uy started doing business in his teens with a Betamax and VHS rental shop with his family in Angeles City that eventually evolved into cable television which he founded right after the Mount Pinatubo eruption in his home province Pampanga. He founded Comclark Network and Technology Corp., the controlling shareholder of Converge, in Pampanga in 1997 and remains the CEO and President of Comclark. Mr. Uy also serves on the boards of several companies in the technology, media, power, and real estate sectors.

Recognized as a game-changer and a futurist in his field, Mr. Uy was named as the Entrepreneur of the Year and Master Entrepreneur at the prestigious Entrepreneur of the Year Philippines 2022 Awards organized by EY Philippines through the SGV Foundation. He represented the country during the June 2023 World Entrepreneur Awards held in Monaco.

Mr. Uy holds a Bachelor of Science degree in Electrical Engineering from Holy Angel University, Pampanga.

Expertise: General Management, Economics, Technology, Media and Telecommunications Industries, Information Technology, Risk Management, Regulatory, Strategy

Ms. Maria Grace Y. Uy, aged 58, Filipino

Executive Director

Director since January 1, 2014

Committee Membership/s: None

Directorship in other Publicly Listed Companies: None

Ms. Uy co-founded Converge with Mr. Dennis Anthony H. Uy in 2007 and currently serves as our President, Chief Resources Officer, and Executive Director. Prior to that, Ms. Uy secured a management role at IBM Philippines. Following seven years under her belt at IBM, Ms. Uy served as CFO and VP at Savers Mall in Pampanga. Already with a foot in the IT industry, Ms. Uy founded Comclark Network and Technology Corp. with Dennis Anthony Uy. Currently she is also the Chief Financial Officer and Executive Vice President of Comclark Network and Technology Corp. and the Angeles City Cable Television Network.

In 2022, Ms. Uy garnered the Woman in Telecoms award from the World Communication Awards for her outstanding leadership in the field of telecommunications. She is the only Filipina leader to receive the award. In that same year, she landed a spot in Forbes Asia's 50 Over 50 Asia edition. In 2023, she gained further renown as she won the Stevie Awards for Women in Business, winning the Gold Stevie for Woman of the Year – Technology category.

Ms. Uy graduated from De La Salle University in 1988 where she obtained her Bachelor of Science in Accountancy and notched 16th place in the Certified Public Accountant (CPA) Licensure Board Examination in 1989.

Expertise: General Management, Technology, Media and Telecommunications Industries, Accounting and Financial Reporting, Corporate Finance, Risk Management, Human Resource Management, Strategy

Mr. Amando M. Tetangco, Jr., aged 73, Filipino

Independent Non-Executive Director

Director since June 8, 2020

Committee Chairman: Board Risk Oversight Committee

Committee Membership/s: Corporate Governance and Nominations Committee, Audit and Related Party Transactions Committee

Directorship in other Publicly Listed Companies:

SM Investments Corporation (PSE:SM), SM Prime Holdings, Inc. (PSE:SMPH), Shell Pilipinas Corporation (PSE:SHLP)

Mr. Tetangco was elected as an Independent Non-Executive Director on June 8, 2020.

He is an Independent Director and Chairman of the Board of SM Investments Corporation since June 16, 2023. Concurrently, he is Independent Director and Vice Chairman of SM Prime Holdings, Inc. and Independent Director of Shell Pilipinas Corporation. He also sits on the boards of Toyota Motor Philippines, and The Manila Hotel. Additionally, Mr. Tetangco is a Trustee of St. Luke's Medical Center, Tan Yan Kee Foundation, Inc., and Foundation for Liberty and Prosperity. He also sits as member of international advisory boards of the Graduate Institute for Policy Studies in Tokyo, Japan and of the Asia School of Business in Kuala Lumpur, Malaysia.

Mr. Tetangco's banking career includes serving as Governor of the Bangko Sentral ng Pilipinas and Chairman of the Monetary Board for two consecutive terms from July 2005 to July 2017, where he also held various official positions and chaired international groups. He was conferred the Order of Lakandula with the rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019. He was voted MAP Management Man of the Year in 2015. Mr. Tetangco also received multiple recognition from global organizations as one of the world's best central bank governors.

He holds an AB Economics degree from the Ateneo de Manila University and a Master's in Public Policy and Administration (Development Economics) from the University of Wisconsin-Madison. Mr. Tetangco was conferred the Honorary Doctorate in Management by the Asian Institute of Management in 2023. He has attended various training programs at prestigious institutions like Harvard Business School and the New York Institute of Finance.

Expertise: Corporate Finance, Economics, Risk Management, Regulatory, Corporate Governance

Mr. Roman Felipe S. Reyes, aged 73, Filipino

Independent Non-Executive Director

Director since June 8, 2020

Committee Chairman: Audit and Related Party Transactions Committee

Committee Membership/s: Corporate Governance and Nominations Committee, Board Risk Oversight Committee

Directorship in other Publicly Listed Companies: None

Mr. Reyes was elected as an Independent Non-Executive Director on June 8, 2020.

Mr. Reyes is the Founding Partner & Chairman of Reyes Tacandong & Co. Prior to founding Reyes Tacandong & Co., he was with Sycip Gorres Velayo & Co, the Philippine practice of Ernst & Young Global Limited (E&Y Philippines), for 35 years, 25 of which as the Senior Partner of the firm. He was also Vice Chairman for Client Services and Accounts, Head of the Japan Business Services, Head of E&Y Philippines' highest revenue generating business unit, and member of the Management and Operations Committees of E&Y Philippines. He served as a Director of the Bank of Commerce, and the National Reinsurance Corporation of the Philippines, and Pakistan International Container Terminal Ltd., and Premium Leisure Corporation. He likewise served as a Trustee of the Government Service Insurance System. In 2024, Mr. Reyes was appointed as Independent Director of the Maharlika Investment Corporation. He is also currently a member of the board of directors of the Philippine Geothermal Production Company, RPN 9, Pasudeco, and All-Asian Countertrade. He is a member of the board of trustees in San Beda University, Manila, and the San Beda College Alumni Association Foundation. He is currently the Chairman of the Board of San Beda College Alabang, and the Nicanor Reyes Memorial Foundation. He is also a Board Advisor of Rockwell Club.

Mr. Reyes is a Certified Public Accountant. He graduated from San Beda College in 1972, where he obtained his Bachelor's degree in Commerce, major in Accounting. He received his Master's degree in Business Administration, concentration in Finance from the University of Detroit, Michigan, USA in 1975.

Expertise: Accounting and Financial Reporting, Risk Management, Corporate Governance

Ms. Estela M. Perlas-Bernabe, aged 73, Filipino

Independent Non-Executive Director

Director since May 26, 2023

Committee Chairman: Remuneration Committee

Committee Membership/s: Corporate Governance and Nominations Committee, Audit and Related Party Transactions Committee

Directorship in other Publicly Listed Companies: BDO Unibank, Inc.(PSE:BDO), San Miguel Food & Beverage (PSE:FB), Inc., Aboitiz Power Corporation(PSE:AP), SM Prime Holdings, Inc. (PSE:SMPH)

Ms. Perlas-Bernabe was elected as an Independent Non-Executive Director on May 26, 2023

Justice Estela M. Perlas-Bernabe is an independent director of BDO Unibank, Inc., San Miguel Food & Beverage, Inc., Aboitiz Power Corporation, SM Prime Holdings, Inc., BDO Private Bank, and Petrogen Insurance Corporation. She has been a member of the Panel of Arbitrators of the Singapore International Arbitration Centre since February 2025. She is also a director of PHILJA (Philippine Judicial Academy) Development Center, Inc. and a trustee of the Foundation for Liberty and Prosperity.

Justice Perlas-Bernabe was Senior Associate Justice of the Supreme Court of the Philippines and served the Philippine Judiciary in various capacities. She was appointed as associate justice of the Supreme Court in 2011

and was Division Chairperson of the Second Division from 2019 until her retirement in 2022. Prior to her appointment to the Supreme Court, she was associate justice of the Court of Appeals from 2004 to 2011; Regional Trial Court Judge of Makati City from 2000 to 2004; and Metropolitan Trial Court Judge of the same city from 1996 to 2000. In addition to her solid background in the Philippine Judiciary, she was also a law professor at the Ateneo Law School from 2009 to 2011 and engaged in private legal practice under Bernabe Perlas Morte & Associates as Senior Partner from 1993 to 1996. She also worked in various private offices from 1978 to 1993 namely, China Banking Corporation, Paramount Finance Corporation, and National Home Mortgage Finance Corporation.

Justice Perlas-Bernabe completed her Bachelor of Science in Commerce Banking and Finance at St. Paul College of Manila and graduated *Magna Cum Laude* in 1972. She earned her law degree in Ateneo College of Law, graduating as Class Salutatorian in 1976 and passed the bar in 1977 with a rating of 85.15%.

The Supreme Court established an award called “The Senior Associate Justice Estela Perlas-Bernabe Exemplary Career Jurist Award” to recognize Supreme Court justices who serve at every court level with a consistent record of zero case backlogs. Throughout her career, she has received numerous prestigious accolades, including the Judicial Medal of Distinction and various awards for her exemplary case disposition and dedicated public service.

Expertise: Accounting and Financial Reporting, Legal, Regulatory, Corporate Governance, Human Resource Management

Mr. Park Weongi, aged 61, Canadian

Non-Executive Director

Director since July 8, 2025

Committee Membership/s: Board Risk Oversight Committee, Remuneration Committee

Directorship in other Publicly Listed Companies: None

Mr. Weongi was elected as a Non-Executive Director on July 8, 2025 following the resignation of Atty. Francis Ed. Lim on June 9, 2025.

Mr. Park Weongi is a veteran technology leader with over three decades of experience in global IT and cloud infrastructure. After serving as CEO of NAVER Cloud and later as CEO of NAVER Cloud APAC, he now holds the position of Executive Advisor, where he provides strategic counsel and executive guidance to support NAVER Cloud’s continued growth and innovation.

Park spearheaded the transformation of NAVER’s IT infrastructure to meet the demands of a fast-evolving digital landscape. He established robust, efficient IT systems and oversaw the design of advanced data centers that could accommodate NAVER’s rapidly expanding user base—all while embedding sustainability into the core of infrastructure development. His commitment to green technology earned NAVER a Platinum certification from LEED (Leadership in Energy and Environmental Design), a rare achievement in the data center industry.

As CEO of NAVER Cloud from 2014 to 2022, Park oversaw a period of remarkable growth, expanding the company’s product portfolio from 22 to over 200 services across IaaS, PaaS, and SaaS.

From 2023 to 2025, as CEO of NAVER Cloud APAC, he led the company’s entrance into 10 overseas markets, built strategic alliances in Southeast Asia, and helped position NAVER Cloud as a competitive player in the region’s digital infrastructure landscape.

Prior to joining NAVER, Park built a solid international career with IBM, where he served as an executive overseeing global IT service delivery, and with TELUS Canada, where he gained valuable experience in North American telecom and enterprise services between 1989 and 2009.

Park Weongi holds a Master’s Degree of Public Administration at Yonsei University.

Expertise: Information Technology, IT Service Delivery, Network Infrastructure, Network Sustainability, Consulting

Independent Directors of the Board

The nominees for Independent Directors, Mr. de Jesus, Mr. Tetangco, Mr. Reyes, and (Ret.) Justice Perlas-Bernabe are independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company.

Specifically, Mr. de Jesus, Mr. Tetangco, Mr. Reyes, and (Ret.) Justice Perlas-Bernabe: (i) are not directors or officers or substantial stockholders of the Company or its related companies or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two (2) years; (v) are not retained as professional advisers by the Company or with any of its related companies or with any of its substantial shareholders within the last two (2) years, either personally or through their firms; (vi) have not engaged and do not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arm's length and are immaterial; (vii) do not own more than two percent of the shares of the Company and/or its related companies or any of its substantial shareholders; (viii) are not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and (ix) are not employed as executive officers of another company where any of the Company's executives serve as directors.

The certifications of the independent directors are attached hereto as Annexes "E-1", "E-2", "E-3", and "E-4". Likewise, our Corporate Secretary has certified that no directors or officers are employed or working for any government agencies or its instrumentalities, attached herewith as Annex "E-5".

List of Executive and Corporate Officers

The following officers are the incumbent senior officers and corporate officers of the Company:

Name	Position	Citizenship
Dennis Anthony H. Uy	Chief Executive Officer, Founder & Executive Director	Filipino
Maria Grace Y. Uy	President, Chief Resources Officer, Chief Risk Officer, Founder and Executive Director	Filipino
Benjamin Rex Emilio B. Azada	Executive Vice President, Chief Operations Officer	Filipino
Robert Leo A. Yu	Executive Vice President, Chief Finance Officer	Filipino
Paolo Martin G. Santos	Executive Vice President, Chief Technology Officer	Filipino
Christine Renee R. Blabagno	Senior Vice President and Chief Risk Officer	Filipino
Arlene G. San Juan	Treasurer, Vice President and Financial Controller	
Elvira C. Oquendo	Senior Vice President, Corporate Secretary, Head of Legal Services	Filipino
Ia Laurienne S. Ramiro-Castro	Assistant Vice President, Assistant Corporate Secretary	Filipino
Laurice P. Esteban-Tuason	Senior Vice President, Corporate Compliance Officer and Data Protection Officer, Corporate Sustainability Officer	Filipino
Anthony Vergel B. Velasco	Senior Vice President and Head of Internal Audit	Filipino
Owen Kieffer D. Ocampo	Vice President, Head of Investor Relations	Filipino

Mr. Dennis Anthony H. Uy, aged 59, co-founded Converge with Ms. Maria Grace Y. Uy in 2007 and currently serves as CEO and Executive Director. A self-made industrialist, Mr. Uy started doing business in his teens with a Betamax and VHS rental shop with his family in Angeles City that eventually evolved into cable television which he founded right after the Mount Pinatubo eruption in his home province Pampanga. He founded Comclark Network and Technology Corp., the controlling shareholder of Converge, in Pampanga in 1997 and

remains the CEO and President of Comclark. Mr. Uy also serves on the boards of several companies in the technology, media, power, and real estate sectors.

Recognized as a game-changer and a futurist in his field, Mr. Uy was named as the Entrepreneur of the Year and Master Entrepreneur at the prestigious Entrepreneur of the Year Philippines 2022 Awards organized by EY Philippines through the SGV Foundation. He represented the country during the June 2023 World Entrepreneur Awards held in Monaco.

Mr. Uy holds a Bachelor of Science degree in Electrical Engineering from Holy Angel University, Pampanga.

Ms. Maria Grace Y. Uy, aged 58, co-founded Converge with Mr. Dennis Anthony H. Uy in 2007 and currently serves as our President, Chief Resources Officer, Chief Risk Officer and Executive Director. Prior to that, Ms. Uy secured a management role at IBM Philippines. Following seven years under her belt at IBM, Ms. Uy served as CFO and VP at Savers Mall in Pampanga. Already with a foot in the IT industry, Ms. Uy founded Comclark Network and Technology Corp. with Dennis Anthony Uy. Currently she is also the Chief Financial Officer and Executive Vice President of Comclark Network and Technology Corp. and the Angeles City Cable Television Network.

In 2022, Ms. Uy garnered the Woman in Telecoms award from the World Communication Awards for her outstanding leadership in the field of telecommunications. She is the only Filipina leader to receive the award. In that same year, she landed a spot in Forbes Asia's 50 Over 50 Asia edition. In 2023, she gained further renown as she won the Stevie Awards for Women in Business, winning the Gold Stevie for Woman of the Year – Technology category.

Ms. Uy graduated from De La Salle University in 1988 where she obtained her Bachelor of Science in Accountancy and notched 16th place in the Certified Public Accountant (CPA) Licensure Board Examination in 1989.

Mr. Benjamin Rex Emilio B. Azada, aged 52, was appointed as Chief Operations Officer (COO) effective July 1, 2025, following the retirement of the previous COO, Jesus C. Romero on June 30, 2025. Prior to his appointment, Mr. Azada held the roles of Chief Commercial Officer and Chief Sustainability Officer from 2023 until July 1, 2025 and the Chief Strategy Officer from April 2020 until 2023. Before joining Converge, Mr. Azada was a Partner with PwC's Southeast Asia Consulting practice, with P&L responsibility for operations in the Philippines. His clients included top enterprises in the telecommunications, media, technology and financial services sectors. He spent over a decade of his career with PwC Hong Kong, where he helped clients in Hong Kong and China transform their operations, comply with new regulations, and enter new markets. He has over 25 years of industry experience to date.

Mr. Azada holds a Bachelor of Science degree in Industrial Engineering from the University of the Philippines Diliman, a PgDip in Business Administration (with Merit) from the University of Durham, and an MSc in Sustainable Development (with Merit) from the University of Sussex. He has attended executive education courses at INSEAD and Cambridge University. He is a Global Reporting Initiative (GRI) Certified Sustainability Professional, and an IFRS Fundamentals of Sustainability Accounting (FSA) credential holder.

Mr. Robert Leo A. Yu, aged 41, was appointed as the Chief Finance Officer in May 2024. Mr. Yu is a seasoned corporate finance professional with over 15 years of experience in investments and valuation. Prior to joining Converge as CFO, Robert was part of Malaysia-headquartered private equity firm Creador which handles \$2.3 billion in funds across South and Southeast Asia. He also served as a consultant at Converge from 2018 - 2019, putting in place a strategic and efficient capital structure plan for the company based on its performance and projected growth

Previously, Robert was an Investment Principal at Sierra Madre Advisers Inc., which makes equity investments in ambitious companies in the Philippines spanning a diverse range of sectors. Prior to that, he rose through the ranks at Morgan Stanley (Southeast Asia and Consumer Coverage), starting as an associate in 2015, and becoming a Vice President in 2017. Robert started his career in New York, focused on mergers, acquisitions and capital raising for Citigroup's consumer-sector clients. Robert holds a Bachelor's degree in Accountancy, Concentration in Finance from the University of Illinois at Urbana-Champaign, and a Master's Degree in

Business Administration from the University of Chicago's Booth School of Business.

Mr. Paulo Martin G. Santos, aged 36, was appointed as the Chief Technology Officer effective on September 9, 2025. Prior to his appointment, he held the position of Chief Network Transformation Officer since May 2022. He brings to Converge a wealth of experience from the Government, Telecom & Network, and Banking industries, specializing and leading organizations in Digital Transformation, Information Technology, and Network Innovation.

He held various key leadership roles in Globe Telecom, Wifi Nation, Smart Communications Inc., and PLDT. In 2017, he also led the overall digital transformation of the Food and Drug Administration (FDA). Prior to joining Converge, Mr. Santos was part of Unionbank of the Philippines as Vice President and Head of Enterprise Communications, Collaboration and Security, where he steered the transformation of Unionbank's IT arm and built its capabilities that helped transform the bank's network infrastructure to a cloud ready Software Defined Network (SDN).

Mr. Santos earned his bachelor's degree in Materials Engineering from the University of the Philippines Diliman.

Ms. Christine Renee R. Blabagno, aged 52, was appointed as Treasurer in March 2021 and was subsequently appointed as the Chief Risk Officer on May 30, 2025. Prior to joining Converge, Ms. Blabagno was the Vice President for Consolidated Core Business Controllershship of Globe Telecom and most recently held the position as CFO of the Philippine Business for Social Progress, a corporate membership non-profit organization. She also worked for 10 years with SGV's assurance practice and has over 30 years of experience to date.

Ms. Blabagno graduated from the Notre Dame University, Cotabato City with a degree of Bachelor of Science in Commerce, Major in Accounting. She is a Certified Public Accountant, a Certified Management Accountant and a Certified Enterprise Risk Manager. She completed her Master of Business Management Major in Finance at the Asian Institute of Management.

Ms. Arlene G. San Juan, aged 49, is the Vice President and Financial Controller of Converge ICT Solutions Inc. and appointed as Treasurer in July 2025. She has over 25 years of experience in controllership, financial planning, treasury, compliance, taxation, and financial reporting across various industries, including real estate, hospitality, retail, and food and beverage. She started her career as an Audit Senior at a reputable audit firm and has since held key finance leadership roles at DM Consunji Group, Bistro Group, Hard Rock Café Guam, Robinsons Retail Group, and Robinsons Land Corporation.

Prior to joining Converge, she served as Senior Assistant Vice President and Head of Finance and Accounting at Filinvest Development Corporation, and concurrently as Treasurer for some of its subsidiaries.

Ms. San Juan is a Certified Public Accountant and a *cum laude* graduate of the Polytechnic University of the Philippines with a Bachelor of Science degree in Accountancy.

Ms. Elvira C. Oquendo, aged 59, was appointed as Corporate Secretary in June 2020 and is our Senior Vice President & Head of Legal Services. After graduating from law school in 1992, she joined Carpio Villaraza & Cruz Law Office where she specialized in Litigation, Commercial and Banking Law, Intellectual Property Law, Telecommunications Law, and Labor Law. In 2001, she joined the government as Solicitor III in the Office of the Solicitor General, and in 2002, she became the Chief of Staff/Head Executive Assistant of the Office of the Ombudsman. Prior to joining Converge, Ms. Oquendo served as Legal Director and Corporate Secretary of various corporations under the Cemex Philippines Group of Companies and was also a Board member of the CEMEX Philippines Foundation. Ms. Oquendo also participated in the Management Development Program of the Asian Institute of Management.

Ms. Oquendo holds a double degree in Physics and Computer Engineering from the Ateneo de Manila University, where she also later went on to receive her Juris Doctor degree. She was admitted to the Philippine Bar in 1992.

Ms. la Laurienne S. Ramiro - Castro, aged 46, was appointed as Assistant Corporate Secretary in May 2025. Prior to joining Converge, Ms. Ramiro-Castro was a Senior Counsel at Manila Water Company, Inc., where she worked on public-private partnership projects, cross-border transactions, and regulatory support matters.

Ms. Ramiro-Castro obtained her Bachelor of Laws degree from the University of the Philippines and her Master of Laws degree from the University of New South Wales as a recipient of the Endeavor Postgraduate Awards.

Ms. Laurice P. Esteban-Tuason, aged 44, was appointed as Corporate Compliance Officer in April 2021 and effective on May 30, 2025, she has now assumed the role of Corporate Sustainability Officer. She has fourteen (14) years of corporate experience in the legal and compliance space. She started her career in 2007 with highly reputable law firms as Junior Associate, then embarked in Government service with the Bangko Sentral ng Pilipinas in 2011 as Legal Officer II. In 2016, Atty. Tuason joined ABS-CBN Corporation and held leadership roles in legal and compliance with its various subsidiaries such as ABS-CBN E-Money Plus Inc., ABS-CBN Global Ltd., and U-Pay Digital Technologies, Inc. Prior to joining Converge, Atty. Tuason was the Compliance Officer–Director of ABS-CBN Corporation.

Atty. Tuason graduated from Ateneo de Manila University with a degree in BS Legal Management in 2002. She went on to obtain her Juris Doctor degree from the Ateneo School of Law in 2006 and was admitted to the Philippine Bar in 2007. She recently completed her degree in Master in Cybersecurity, With High Distinction, at the Asian Institute of Management.

Mr. Anthony Vergel B. Velasco, aged 50, was reappointed as Senior Vice President & Head of Internal Audit in the organizational meeting of the Board of Directors on February 5, 2026. Mr. Velasco has over 20 years of solid internal auditing experience from different industries. He worked for various reputable institutions where he obtained exposure in data analytics, risk management, operations, financial, and IT audits. He started his career in 1997 with Punongbayan and Araullo, then went to government service for more than 10-years at Philippine Health Insurance Corporation as Senior Auditing Systems Specialist. In 2012, Mr. Velasco joined 2GO Group, Inc., a publicly listed and largest end-to-end supply chain group of companies to lead its Internal Audit Group for more than six (6) years. He also became the Group Chief Audit Executive of Megawide, another listed company, for more than two (2) years. He also served as a Board of Trustee of the Institute of Internal Auditors - Philippines (IIAP) from 2015 to 2019 and has been an active resource speaker and lecturer since. He joined Converge in 2021 as Internal Audit Director prior to joining Meralco PowerGen Corporation in 2024 to lead their Internal Audit Department. He has since rejoined Converge in February 2026 and was reappointed to his current role.

Mr. Velasco graduated from San Beda College with a degree in BS Accountancy in 1997. He is a Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), and a Certified ISO 31000 Lead Risk Manager.

Mr. Owen Kieffer D. Ocampo, aged 35, was appointed as Investor Relations Officer in January 2021. He started his career with J.P. Morgan & Chase before moving to KPMG in the Philippines where he was part of the Deal Advisory Group for almost four years, specializing in transaction advisory and corporate finance. Immediately prior to joining Converge, he was the Investor Relations Manager of Metro Pacific Investments Corporation for more than three years.

Mr. Ocampo graduated from De La Salle University – Manila and holds a double degree in Applied Economics and Commerce.

Significant Employees

While the Company considers all our employees as significant contributors to our success and all our employees work together as a team to successfully meet our goals and objectives. The Company believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

Family Relationships

Dennis Anthony H. Uy, CEO, Founder & Executive Director, is married to Maria Grace Y. Uy, President, Chief Resources Officer, Chief Risk Officer, Founder & Executive Director.

Involvement of Directors and Officers in Certain Legal Proceedings

To the best of our knowledge, in the last five years, none of the above-named directors or members of senior management have been subject to the following:

- (i) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (ii) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (iii) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities, commodities, or banking activities; or
- (iv) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Relationships and Related Transactions

In the ordinary course of business, we enter transactions with related parties and affiliates, principally consisting of construction, lease, and services arrangements. Our policy with respect to related party transactions is to ensure that these transactions are entered on an arm's length basis and entered on terms comparable to those available from or to unrelated third parties. We have established a Related Parties Transactions Committee to comply with the Board and shareholder voting mechanisms provided under the Philippine Corporation Code and the relevant regulations of the Philippine SEC for related party transactions.

Please see Note 20 of the consolidated financial statements for further discussion.

Transfer Pricing Regulations

Under Section 50 of the National Internal Revenue Code, in the case of two or more businesses owned or controlled directly or indirectly by the same interests, the BIR Commissioner is authorized to distribute, apportion, or allocate gross income or deductions between or among such businesses. On January 23, 2013, the BIR issued Regulation No. 2-2013 on Transfer Pricing Regulations (the "Transfer Pricing Regulations") which adheres to the arm's length methodologies set out under the Organization for Economic Cooperation and Development Transfer Pricing Guidelines. The Transfer Pricing Regulations are applicable to cross-border and domestic transactions between related parties and associated enterprises. The BIR Transfer Pricing Regulations defines related parties as two or more enterprises where one enterprise participates directly or indirectly in the management, control, or capital of the other; or if the same persons participate directly or indirectly in the management, control, or capital of the enterprises. The arm's length principle requires the transaction with a related party to be made under comparable conditions and circumstances as a transaction with an independent party such that if two related parties derive profits at levels above or below comparable market levels solely by reason of the special relationship between them, the profits will be deemed as non-arm's length. In such a case, the BIR can make the necessary adjustments to the taxable profits of the related parties so as to reflect the true value that would otherwise be derived on an arm's length basis.

Item 6. Compensation of Directors and Executive Officers

The compensation for our executive officers for the years ended December 31, 2023, 2024, 2025, and 2026 (estimated) are shown below:

Names	Position	Year	Salary	Bonus
Aggregate executive compensation for the following key management officers:				
Mr. Dennis Anthony H. Uy Ms. Maria Grace Y. Uy	Chief Executive Officer President	2023 2024 2025 2026-E	₱92.0 million ₱103.4 million ₱138.8 million ₱103.8 million	₱73.9 million ₱323.8 million ₱203.6 million ₱41.6 million
Mr. Benjamin Rex Emilio B. Azada*	Chief Operations Officer			
Mr. Ronald G. Brusola (retired in 2023)	Chief Technology Officer			
Mr. Alberto L. Santos (resigned in 2024)	Chief Customer Experience Officer			
Mr. Ulysses C. Naguit (resigned in 2023)	Chief Information Officer			
Mr. Paulo Martin G. Santos	Chief Technology Officer			
Mr. Robert Leo Yu (starting 2024 only)	Chief Finance Officer			
Ms. Christine Renee Blabagno (starting in 2025 only)	Chief Risk Officer			
Mr. Jesus C. Romero (retired in 2025)*	Chief Operations Officer			
Aggregate executive compensation of all other Officers and Directors, unnamed		2023 2024 2025 2026-E	₱26.0 million ₱35.4 million ₱26.2 million ₱30.5 million	₱4.6 million ₱29.8 million ₱13.5 million ₱11.9 million

Compensation of Directors

Directors' Arrangement:

Except for the executive directors, who do not receive compensation as directors, the following is the remuneration arrangement for the directors:

Board Meetings: Per diem of **₱50,000.00** every meeting
Committee Meetings: Per diem of **₱30,000.00** per meeting.
Stockholders Meeting: Per Diem of **₱50,000.00** per stockholders meeting
Variable remuneration: Minimum bonus of **₱2,000,000.00**, subject to the performance of the company at year-end

The directors do not participate in discussions and/or deliberations involving their own remuneration.

Pursuant to the provisions of the Revised Corporation Code on the annual compensation of the directors, the table below indicates the gross compensation for the following non-executive and independent directors for FY 2025 – both paid and unpaid, and adjustments. Executive Directors do not receive compensation as directors.

Director	Per Diem		Variable Director Remuneration	Total***
	Board Meetings	Committee Meetings		
Jose P. de Jesus	650,000.00	270,000.00	2,000,000.00	2,920,000.00
Francisco Ed. Lim*	400,000.00	180,000.00	1,000,000.00	1,580,000.00
Park Weongi**	300,000.00	-	962,365.59	1,262,365.59
Amando M. Tetangco, Jr.	600,000.00	480,000.00	2,000,000.00	3,080,000.00
Roman Felipe S. Reyes	650,000.00	510,000.00	2,000,000.00	3,160,000.00
Estela M. Perlas-Bernabe	650,000.00	450,000.00	2,000,000.00	3,100,000.00

Director	Per Diem		Variable Director Remuneration	Total***
	Board Meetings	Committee Meetings		
Dennis Anthony H. Uy	-	-	-	-
Maria Grace Y. Uy	-	-	-	-

*Atty. Lim was a board member from June 8, 2020 until June 9, 2025. Atty. Lim resigned as Non-Executive Director and was succeeded by Mr. Park Weongi on July 8, 2025 to serve the unexpired term of Atty. Francis Ed. Lim.

**Mr. Park's remuneration was paid to him in 2026.

***Pursuant to and in compliance with Par. 2 of Section 29 of the Revised Corporation Code, the total yearly compensation of the directors does not exceed ten (10%) percent of the net income before income tax of the Company during the preceding year.

Other than the foregoing, there are no other compensatory plans or arrangements that will result from a resignation, retirement, or any other termination of an executive officer's employment from a change-in-control of the Company or a change in the executive officer's responsibilities following a change-in-control. No action is to be taken about elections, any bonuses, profitsharing, and pension/retirement plan.

Item 7. Directors' Attendance and Performance Appraisal

Board Performance for FY 2025

At the start of FY2025, the Corporate Secretary sets the meeting for the entire year in advance. Regular board meetings are held on the second Tuesday every other month with Special Board meetings set in between. Moreover, board committee meetings are likewise set at the start of each year. The board and committee meetings are set in the directors' calendars.

In accordance with our Amended Manual on Corporate Governance, the non-executive directors (NEDs) are required to hold separate periodic meetings with the external auditor, and the heads of internal audit, compliance, and risk functions, without any executives present. For FY2025, the NED meeting took place on May 6, 2025, with all NEDs in attendance. The meeting was chaired by the Chairman of the Board and served as a platform for the NEDs to provide independent judgment and ensure the company's adherence to high governance standards.

For FY2025 there were a total of ten (10) board meetings. The table below reflects the board meetings attended by the directors, including the breakdown as to the classification of meetings, and total attendance percentage.

Director	Jan 14	Mar 17	Apr 08	May 14	May 30	Jul 08	Aug 12	Sep 09	Nov 06	Dec 09	%
	Regular	Regular	Special	Regular	Org. Mtg.	Regular	Special	Regular	Regular	Special	
Jose P. de Jesus	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Dennis Anthony H. Uy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Maria Grace Y. Uy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Amando M. Tetangco, Jr.	✓	✓	✓	✓	✓	✓	✓		✓	✓	90
Roman Felipe S. Reyes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100

Estela M. Perlas - Bernabe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Park Weongi*	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	100
Francis Ed. Lim*	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	100

* Atty. Lim was a Board member from June 8, 2020 until his resignation on June 9, 2025. He was succeeded by Park Weongi on July 8, 2025.

Breakdown of Board Meetings

Meeting Type	Frequency	Inclusive Date/s
Regular Board Meeting	6	January 14, March 17, May 14, July 8, September 9, November 6, 2025
Special Board Meeting	3	April 8, August 12, December 9, 2025
Annual Stockholders Meeting	1	May 30, 2025
Organizational Meeting	1	May 30, 2025
Non - Executive Directors Meeting	1	May 6, 2025

Board Committees and Committee Meetings for FY 2025

The Board has established board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. Below are the breakdown of each committee including the respective meetings conducted as required under the Code of Corporate Governance.

Audit Committee

Chairman : Roman Felipe S. Reyes (Independent, Non-Executive Director)
Members : Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
Estela M. Perlas-Bernabe (Independent, Non-Executive Director)

Director	January 14, 2025	February 26, 2025	March 14, 2025	May 7, 2025	%
Roman Felipe S. Reyes	✓	✓	✓	✓	100
Amando M. Tetangco, Jr.	✓	✓	✓	✓	100
Estela M. Perlas - Bernabe	✓	✓	✓	✓	100

Related Party Transactions Committee

Chairman : Roman Felipe S. Reyes (Independent, Non-Executive Director)
Members : Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
Estela M. Perlas-Bernabe (Independent, Non-Executive Director)
Francis Ed. Lim (Non-Executive Director)*

Director	March 10, 2025	May 6, 2025	%
Roman Felipe S. Reyes	✓	✓	100
Estela M. Perlas -	✓	✓	100

Bernabe			
Francis Ed. Lim*	✓	✓	100

*Francis Ed Lim was a Non-Executive Director and member of the Related Party Transactions Committee from June 8, 2020 until his resignation on June 9, 2025

Corporate Governance and Nominations Committee

Chairman : Jose P. de Jesus (Independent, Non-Executive Director)
Members : Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
Roman Felipe S. Reyes (Independent, Non-Executive Director)
Estela M. Perlas-Bernabe (Independent, Non-Executive Director)
Francis Ed Lim (Non-Executive Director)

Director	March 12, 2025	May 23, 2025	June 19, 2025	December 4, 2025	%
Jose P. de Jesus	✓	✓	✓	✓	100
Roman Felipe S. Reyes	✓	✓	✓	✓	100
Amando M. Tetangco, Jr.	✓	✓	✓	✓	100
Estela M. Perlas - Bernabe	✓	✓	✓	✓	100
Francis Ed. Lim*	✓	✓	N/A	N/A	100

*Francis Ed Lim was a Non-Executive Director and member of the Corporate Governance and Nominations Committee from June 8, 2020 until his resignation on June 9, 2025

Board Risk Oversight Committee

Chairman : Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
Members : Roman Felipe S. Reyes (Independent, Non-Executive Director)
Jose P. de Jesus (Independent, Non-Executive Director)
Park Weongi (Non-Executive Director)
Francisco Ed. Lim (Non-Executive Director)*

Director	February 21, 2025	March 27, 2025	June 27, 2025	December 9, 2025	%
Amando M. Tetangco, Jr.	✓	✓	✓	✓	100
Jose P. de Jesus	✓	✓	✓	✓	100
Roman Felipe S. Reyes	✓		✓	✓	75
Park Weongi*	N/A	N/A	N/A	✓	100
Francis Ed. Lim*	✓	✓	N/A	N/A	100

*Francis Ed Lim was a Non-Executive Director and a member of the Board Risk Oversight Committee from June 8, 2020 until his resignation on June 9, 2025. He was succeeded by Park Weongi on July 8, 2025. Mr. Park was made part of the Board Risk Oversight Committee thereafter.

Remuneration Committee

Chairman : Estela M. Perlas-Bernabe (Independent, Non-Executive Director)
Members : Jose P. de Jesus (Independent, Non-Executive Director)

Park Weongi (Non-Executive Director)*
Francis Ed. Lim (Non-Executive Director)*
Dennis Anthony H. Uy (Executive Director)**
Maria Grace Y. Uy (Executive Director)**

Director	May 23, 2025	December 4, 2025	%
Jose P. de Jesus	✓	✓	100
Estela M. Perlas - Bernabe	✓	✓	100
Park Weongi	N/A	✓	100
Francis Ed. Lim	✓	N/A	100
Dennis Anthony H. Uy	✓	N/A	100
Maria Grace Y. Uy	✓	N/A	100

*Francis Ed Lim was a Non-Executive Director and a member of the Remuneration Committee from June 8, 2020 until his resignation on June 9, 2025. He was succeeded by Park Weongi on July 8, 2025. Mr. Park was made part of the Remuneration Committee thereafter.

**Dennis Anthony H. Uy and Maria Grace Y. Uy were members of the Remuneration Committee until May 30, 2025 only.

Executive Committee

Chairman : Dennis Anthony H. Uy (Executive Director)
Members : Maria Grace Y. Uy (Executive Director)
Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
Jose P. de Jesus (Independent, Non-Executive Director)
Miles Tonn Chua (non-voting)
Benjamin Rex Emilio Azada (non-voting)
Robert Leo A. Yu (non-voting)

Each committee is governed by its own charter to govern each Committee's roles and responsibilities. Committee charters are available through the following link: <https://corporate.convergeict.com/corporate-governance>.

Performance Appraisal for FY 2025

The Company's Amended Manual on Corporate Governance provides that the Board shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, Board members, committees, and key control officers. The self-assessment evaluation is conducted in accordance with Section 49(h) and Section 177 of the Revised Corporation Code of the Philippines, and pursuant to Principle 6 of the Code of Corporate Governance for Publicly Listed Companies (SEC Memorandum Circular No. 19 – 2016). Internally, this self-assessment aligns with the Converge Corporate Governance Framework and best practices of good governance

Furthermore, the assessment was comprehensive, covering evaluations of overall board performance, committee performance, and performance of each individual Director including the Chairman, President, CEO, and other key officers of the Company. For FY 2025, the Company was not required to enlist an external facilitator for the assessment, as this was done in 2023 and will be conducted every three years thereafter.

In the conduct of its assessment, the Company benchmarked on multiple principles, notably the ASEAN Corporate Governance Scorecard (ACGS) which scopes on: a) structure and composition, highlighting diversity and competencies b) responsibilities and duties, which include strategy, oversight, and accountability c) board processes, that highlights internal processes and d) dynamics and relationships, which shows how the board functions collectively. Following this, Converge observed the following assessment process:



In the above process, responses to the evaluation form cover overall performance for 2025. The same is measured through quantitative and qualitative means. A 4-point Likert scale is used to answer an enumeration of questions per evaluation segments while a freeform qualitative evaluation is used to supplement the quantitative responses and serves as a medium for directors to freely express their opinions on their ratings.

The evaluation was made part of discussions during the Corporate Governance Committee for 2025. The committee, which is also chaired by the Chairman of the board, was apprised of the evaluation process. The forms were handed out to the board through physical and digital versions which were then submitted back to the office of the Corporate Compliance Officer for tabulation and reporting. Tabulation of results was handled by the Corporate Compliance Officer and all responses submitted by the board were kept private and confidential.

The Corporate Compliance Officer provided the directors with the results of the assessment and outlined the methodology of evaluation, criteria and metrics, and the process of the assessment. Said assessment was discussed with the board's Corporate Governance Committee and the Board of Directors.

For 2025, the overall average performance rating of the Board, Committees, Directors, and Key Officers was 90%. The results affirm a solid and generally strong level of corporate governance performance across the Company, while also surfacing targeted areas for further improvement.

The assessment noted that the strength of its board remains to lie with its composition, competence, and overall experience in the business industry. The assessment likewise identified opportunities to enhance board processes, dynamics, and roles, while also touching on potential opportunities to improve committees and committee functions. Relatively, the assessment recognized opportunities arising from transitional challenges that may have affected certain key officer roles, without prejudice to the strong self-evaluation of directors.

We acknowledge the need for continuous improvement in several key areas. The Company is undertaking focused initiatives to address these areas, including reinforcing board effectiveness through improved processes and engagement, supporting leadership transitions, and enhancing succession planning for management and C-suite roles. Continued emphasis will also be placed on strengthening directors' competencies in emerging technologies and aligning future board appointments with the Company's evolving strategic and digital priorities. These efforts form part of the Company's ongoing commitment to uphold and continuously improve its Corporate Governance practices.

Orientation and Continuing Education Programs and Trainings for Directors

The Company has prepared a Directors' Handbook as an onboarding guide for the board of directors compiling all the key governance policies of Converge.

Pursuant to the Code of Corporate Governance, the directors and senior management attended at least four (4) hours of training for FY 2025.

NAME	POSITION/ DESIGNATION	DATE	NO. OF HOURS
Jose P. De Jesus	Chairman of the Board / Independent Director	September 8, 2025	4 hours
Dennis Anthony H. Uy	Executive Director, Chief Executive Officer	October 20, 2025	4 hours
Maria Grace Y. Uy	Executive Director, President,	October 20, 2025	4 hours

NAME	POSITION/ DESIGNATION	DATE	NO. OF HOURS
	Chief Resource Officer		
Estela M. Perlas – Bernabe	Independent Director	July 25, 2025	4.5 hours
Roman Felipe S. Reyes	Independent Director	October 20, 2025	4 hours
Amando M. Tetangco Jr.	Independent Director	October 3, 2025	4 hours
Park Weongi	Non – Executive, Non – Independent Director	October 7 – 8, 2025	8 hours
Benjamin Rex Emilio B. Azada	Chief Operations Officer	October 20, 2025	4 hours
Robert Leo A. Yu	Chief Finance Officer	August 5 - 6, 2025	8 hours
Paulo Martin G. Santos	Chief Technology Officer	October 20, 2025	4 hours
Arlene G. San Juan	Treasurer	October 20, 2025	4 hours
Christine Renee R. Blabagno	Chief Risk Officer	October 20, 2025	4 hours
Elvira C. Oquendo	Corporate Secretary	October 20, 2025	4 hours
Ia Laurienne S. Ramiro – Castro	Assistant Corporate Secretary	October 20, 2025	4 hours
Laurice P. Esteban – Tuason	Corporate Compliance Officer and Corporate Sustainability Officer	October 20, 2025	4 hours
Owen Kieffer D. Ocampo	Investor Relations Officer	October 20, 2025	4 hours
Jenelyn M. Del Rosario	Officer-in-Charge of Internal Audit	October 20, 2025	4 hours

Directorship in Other Listed Companies

In accordance with the Code of Corporate Governance, non-executive directors concurrently serve in a maximum of five publicly listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

None of the executive directors serve as directors in any other PLC. The following non-executive directors of the Board are also directors of the PLCs below:

Name	Directorship in other PLCs
Amando M. Tetangco, Jr.	SM Investments Corporation (PSE:SM) SM Prime Holdings, Inc. (PSE:SMPH) Shell Pilipinas Corporation (PSE:SHLP)
Estela M. Perlas-Bernabe	BDO Unibank (PSE:BDO) San Miguel Food and Beverage, Inc. (PSE:FB) SM Prime Holdings, Inc. (PSE:SMPH) Aboitiz Power Corporation (PSE: AP)

Annex "F" is the Evaluation System established to monitor compliance of directors and officers with the Manual on Corporate Governance.

As of date, there have been no deviations from the Manual.

Item 8. Independent Public Accountants

The principal accountants and external auditors of the Company is the accounting firm of Isla Lipana & Co., the Philippine member firm of the PwC network. Isla Lipana & Co. has been the Company's Independent Public Accountants for the last ten (10) years. There was no event in the past ten (10) years where Isla Lipana & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Isla Lipana & Co. was re-elected at the Annual Stockholders' Meeting held on May 30, 2025.

The Company has engaged Isla Lipana & Co., with Mr. Nelson Charsegun L. Aquino as the engagement partner, for the audit of the Company's books in 2025. The Company has complied with the revised SRC Rule 68, paragraph 3(b)(iv). In addition, pursuant to the revised SRC Rule 68, paragraph 3(b)(ix), and the Company's Manual on Corporate Governance, the engagement partner shall be rotated after every five (5) years.

Representatives of Isla Lipana & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Isla Lipana & Co. was re-elected at the Annual Stockholders' Meeting held on May 30, 2025. Their re-election this upcoming meeting on May 29, 2026, is part of the Agenda.

The Group's aggregate fees for each of the last two (2) fiscal years for professional services rendered by the external auditor are as follows:

	2024	2024
Audit and Audit Related Fees	Php3,325,000	Php3,282,000
Non-Audit Fees	50,000	Php70,000

These non-audit fees are for services rendered by the external auditor in relation to the agreed-upon procedures for the increase in authorized capital stock of a subsidiary in 2025 and for services rendered for the Company's Annual Stockholders' Meeting in 2024.

The Audit Committee's approval on policies and procedures from Isla Lipana & Co., the external auditors are discussed in page 13 of the Company's Manual of Corporate Governance dated October 2021.

The Audit Committee is composed of Mr. Roman Felipe S. Reyes as Chairman, Mr. Amando M. Tetangco, Jr., and (Ret.) Justice Estela M. Perlas-Bernabe.

Item 9. Dividend Policy

On September 10, 2024, the Board of Directors of Converge approved and adopted the Company's Dividend Policy. This is also in adherence to one of the pillars of the G20/ The Organization for Economic Co-operation and Development (OECD) Principles of Corporate Governance 2023 on the rights and equitable treatment of shareholders.

Please see the discussion in the Management Report, Annex "C" of this Information Statement. No action is to be taken with respect to dividends.

Item 10. Compensation Plans

No action is to be taken with respect to compensation plans.

C.ISSUANCE AND EXCHANGE OF SECURITIES

Item 11. Item Authorization or Issuance of Securities Other than for Exchange

No action is to be taken with respect to the authorization or issuance of securities.

Item 12. Modification or Exchange of Securities

No action is to be taken with respect to the modification or exchange of the Company's securities.

Item 13. Financial and Other Information

The Management Report, including the Management Discussion and Analysis, which include the market price of shares and dividends, and other data is attached as Annex “C” and the Company undertakes to submit to the shareholders the quarterly financial statements as of March 31, 2026, on or before May 15, 2026, which is at least eleven (11) business days prior to the ASM date. The schedules required under Part IV(c) of Revised SRC Rule 68 are included in the Management Report. The Audited Financial Statements (together with 17-A) is attached also as Annex “D”.

Annex “F” is the Evaluation System established to monitor compliance of directors and officers with the Manual on Corporate Governance.

Item 14. Mergers, Consolidations, Acquisitions, and Similar Matters

No action is to be taken with respect to mergers, consolidations, acquisitions, and similar matters.

Item 15. Acquisition or Disposition of Property

No action is to be taken with respect to the acquisition or disposition of any property.

Item 16. Restatement of Accounts

No action is to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS**Item 17. Action with Respect to Reports**

- Approval of the Minutes of the Meeting of the Stockholders held on 30 May 2025 covering the following matters:
 1. Ratification of the Audited Financial Statements as of 31 December 2024
 2. Ratification of all acts of the Board of Directors and Management for the period starting from January 31, 2024, up to December 31, 2024, adopted in the ordinary course of business
 3. Election of Directors, including Independent Directors, for the year 2025
 4. Appointment of External Auditors
- Ratification of the Audited Financial Statements for the year ending December 31, 2025.

Item 18. Matters Not Required to be Submitted

No action is to be taken with respect to any matter that is not required to be submitted to a vote of security holders.

Item 19. Amendment of Charter, By-laws, or Other Documents

No action is to be taken with respect to an amendment of the Articles of Incorporation or By-laws of the Company.

Item 20. Other Proposed Actions

Other proposed actions in the Agenda are:

- Ratification of all acts of the Board of Directors, Executive Committee and Management for the period covering January 1, 2025, to December 31, 2025 adopted in the ordinary course of business. These matters have already been approved by the Board of Directors and these acts are not being submitted for approval or disapproval and are subject only to general ratification of stockholders. The resolutions of the Board were duly adopted in the normal course of trade or business and are set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been filed with the PSE and the SEC, as may be required under applicable regulations. These minutes cover various resolutions, including treasury matters, including borrowings, opening of accounts and bank transactions; and housekeeping matters, including the appointment of signatories and amendments thereof, appointment of authorized signatories and approval of various transactions in the normal course of business of the Company.

- Other Business:

Under SEC Memorandum Circular No. 14, series of 2020, stockholders who alone, or together with other shareholders, hold at least 5% of the outstanding capital stock of the Company, shall have the right to include items on the agenda prior to the ASM.

The Company did not receive any such request to include items on the agenda in accordance with the Memorandum Circular before the filing of this Definitive Information Statement. Items proposed to be added on the agenda pursuant to the Memorandum Circular after the filing of this Definitive Information Statement shall be filed under Other Business.

Item 21. Voting Procedures

- (a) **Vote Required:** The proposed actions listed in Items 17 and Item 20, as in motions in general, require the affirmative vote of a majority of the shares of the Company's common stock and preferred stock present through remote communication, electronic voting in absentia and/or represented and entitled to vote via proxy. The manner of voting is non-cumulative, except as to the election of directors.
- (b) **Method:** Straight and cumulative voting. In the election of directors, the top seven nominees with the highest number of votes will be elected as directors. If the number of nominees does not exceed the number of directors to be elected, all the shares present or represented at the meeting will be cast in favor of the nominees. If the number of nominees exceeds the number of directors to be elected, voting will be done by ballots. On the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected. In adopting an online format for this meeting, stockholders

Voting will be by poll. Upon registration at the annual stockholders' meeting, each stockholder will be provided with an electronic ballot to enable him to vote real-time on each item or proposal in the Agenda.

The Corporate Secretary and the Company's stock transfer agent will be responsible for counting and tabulating all the votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at any meeting of the stockholders, and the results will be validated by SyCip Gorres Velayo & Co., an independent third party tabulator.

- (c) **Participation via Remote Communication**

To ensure the safety, security, and welfare of our directors and stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will only allow attendance



through remote communication, as set forth above, by voting in absentia or by voting through the Chairman of the meeting as proxy.

The live webcast of the Annual Stockholders Meeting may be accessed through https://conveneagm.com/ph/convergeict_asm2026. To enable the Company to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall follow the registration and validation procedures attached as Annex "A" to the notice.

The Company's annual and quarterly reports are posted on the Company's website and are made available to the stockholders during the meeting. Upon the written request of a stockholder, the Company undertakes to furnish said stockholder with a copy of the Company's quarterly report or SEC Form 17-Q free of charge. Any written request for a copy of the annual and quarterly reports shall be addressed to the following:

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC.

**Attention: Owen Kieffer D. Ocampo
Vice President & Head of Investor Relations**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in Pasig City on April 21, 2026.

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC.

ORIGINAL SIGNED

By:

ELVIRA C. OQUENDO
Corporate Secretary

**MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
CONVERGE INFORMATION AND COMMUNICATIONS
TECHNOLOGY SOLUTIONS, INC.**
on Friday, May 30, 2025 at 2:00 p.m.
(Via Remote Communication)

DIRECTORS AND OFFICERS PRESENT IN THE MEETING:

SHARE INFORMATION

Jose Pamintuan de Jesus	- Chairman of the Board and Independent Director
Dennis Anthony H. Uy	- Director and Chief Executive Officer
Maria Grace Y. Uy	- Director and President, Chief Resource Officer and Chief Risk Officer
Francisco Ed. Lim	- Director
Estela M. Perlas-Bernabe	- Independent Director
Amando M. Tetangco, Jr.	- Independent Director
Roman Felipe S. Reyes	- Independent Director
Elvira C. Oquendo	- Corporate Secretary

TOTAL ISSUED AND OUTSTANDING SHARES:	7,526,294,461 common shares
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TOTAL OUTSTANDING SHARES:	7,266,573,061 common shares
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TOTAL NUMBER OF SHARES REPRESENTED IN THIS MEETING:	6,106,772,191 common shares
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I. CALL TO ORDER

The Chairman of the Board, Mr. Jose Pamintuan de Jesus, called the meeting to order and presided over the same from Angeles City, Pampanga. The Corporate Secretary, Atty. Elvira C. Oquendo, recorded the minutes of the meeting.

The Corporate Secretary introduced the incumbent members of the Board of Directors of the Company who were all in attendance and the other principal executive officers of the Company who were present, including the Company's Vice President and Head of Investor Relations, Mr. Owen Kieffer D. Ocampo. Members of the external auditor team, Isla Lipana & Co., are likewise present.

II. CERTIFICATION OF NOTICE AND QUORUM

At the request of the Chairman, the Corporate Secretary certified that notices of this meeting were published in print and online format in the Manila Times and BusinessWorld, both newspapers of general circulation, on April 29 and 30, 2025, and posted on the website of the Company and the Philippine Stock Exchange (PSE), all in accordance with the requirements of the Securities and Exchange Commission (SEC); that stockholders as of record date of May 10, 2025 are entitled to vote in this meeting; that there were represented in the meeting stockholders owning a total of 6,106,772,191 common shares representing 84.04% of the total outstanding voting stock of the Company, and that there is therefore a quorum at this meeting.

The Corporate Secretary explained that this meeting is being conducted through remote communication pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, and proceeded to discuss the rules and procedures for the conduct of this meeting.

Further, the Corporate Secretary also highlighted the following rules and procedures for the conduct of the meeting:

1. Stockholders were given the opportunity to send questions and comments through the online platform and by e-mail prior and during this meeting. The Company will endeavor to answer all said questions at this meeting, or separately through the Company's Investor Relations Office, or by email.
2. As indicated in the ballot for voting of shareholders, there are five (5) Agenda items proposed for the approval of the stockholders in this meeting. Each of the Agenda items presented for resolution will be shown on the screen as the same is taken up at this meeting.
3. Voting has been allowed for Stockholders registered in the Company's Electronic Voting in Absentia System or through the Chairman of the meeting as proxy.
4. Only votes on each of the Agenda items cast through the Company's Electronic Voting in Absentia System or through the Chairman of this meeting as proxy, shall be recognized.
5. Votes as of May 30, 2025 had been tabulated, including votes cast via proxy as of May 23, 2025 after the end of the proxy validation process. The votes tabulated were from stockholders owning a total of 6,106,772,191 shares, including the shares represented by the Chairman as proxy, representing in the aggregate 84.04% of the total outstanding voting shares of the Company. SGV & Co. was appointed as the independent third party to count and validate the votes for this Meeting. The Corporate Secretary would be referring to the results of the tabulation when she reports the voting results throughout this meeting.
6. Finally, an audio/video recording of this meeting is being made and will be kept for future reference.

III. APPROVAL OF THE MINUTES OF THE LAST ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 31, 2024

The Chairman noted that the next item in the Agenda is the approval of the minutes of the previous Annual Meeting of Stockholders held on May 31, 2024. A copy of the same minutes of meeting may be found in the Company's website, and a summary of the same is contained in the Definitive Information Statement circulated prior to the meeting.

At the request of the Chairman, the Corporate Secretary reported that shareholders owning 6,106,770,191 shares or 99.99% of the total voting shares represented in this meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairman declared the minutes of the last Annual Meeting of Stockholders held on May 31, 2024 adopted and approved:

"RESOLVED, that the Minutes of the Annual Meeting of Stockholders of the Corporation held on May 31, 2024 be, as it is hereby, approved."

The breakdown of the votes cast on this matter was as follows:

Votes in favor: 6,106,770,191 (representing 99.99% of shares present)
Votes against: 0

Abstentions: 0

IV. CHAIRMAN'S MESSAGE

The Chairman shared a few words on behalf of the Board of Directors, prior to the delivery by Management of its report, as follows:

On behalf of the Board of Directors, I wish to express our sincere gratitude to all shareholders in attendance today. Your continued support of the Company is deeply valued and greatly appreciated.

The evolution of Converge from a telecommunications service provider into a technology company signals the fulfillment of the Company's dream: to uplift the quality of life of our people, empower businesses of all sizes, and contribute meaningfully to national growth and development through the power of technology.

Our commitment to nation-building also came to life through our active role in supporting digital transformation in the public sector.

To name a few:

During the 2024 and 2025 tax seasons, we provided fiber connectivity to the Bureau of Internal Revenue (BIR) district offices, enabling a smoother and more efficient filing experience for taxpayers. Through our parent company, Comclark Network and Technology Corp., we also supported the Securities and Exchange Commission (SEC) in enhancing its electronic filing systems.

Looking ahead, Converge continues to embrace the future with the next generation in mind. We uphold our commitment to sustainability, digital inclusion, and the highest standards of corporate governance.

This commitment was recognized at the 2024 Golden Arrow Awards when Converge received the Three Golden Arrow Award, presented by the Institute of Corporate Directors (ICD). Based on our rating in the ASEAN Corporate Governance Scorecard (ACGS), this award reflects our strong oversight, particularly in the areas of data privacy and corporate governance.

Converge also championed cybersecurity and digital literacy among the youth through initiatives such as Project Piglet (Privacy Integration through Guided Learning of Emerging Technologies). This program raised awareness of digital privacy risks and fostered safe online practices through child-friendly education sessions held in elementary schools in Pasig City and Angeles, Pampanga.

Our #CountdowntoZeroWaste program gained momentum as we ramped up modem refurbishment efforts. This effort not only reduces e-waste but also contributes to operational efficiency and cost savings.

Converge also invested in the continuous development of our workforce. The average training hours per employee rose in 2024 from the previous year, as we provided a variety of learning opportunities across multiple platforms to enhance skills and build leadership.

On the environmental front, we achieved a substantial reduction in our greenhouse gas intensity. This was driven by improved energy management and a greater reliance on renewable energy, demonstrating our commitment to responsible growth.

Finally, we enhanced our climate resilience and business continuity by securing ISO 22301:2019 certification for our Business Continuity Management System and implementing key frameworks such as ISO 31000:2018 for Enterprise Risk Management and ISO 22301:2019 across our critical business partners.

At Converge, we believe that technology is a powerful force for good. With a steadfast focus on innovation, sustainability, and inclusive growth, we are building not just a stronger company—but a better future for all.

We thank all our shareholders for continuing to walk this journey with us. Your continued support inspires us to keep doing great things for our nation and for our people.

**V. MANAGEMENT REPORT AND RATIFICATION OF THE DECEMER 31, 2023
AUDITED FINANCIAL STATEMENTS**

a. Presentation of the Management Report:

The Chief Executive Officer, Mr. Dennis Anthony H. Uy, and the President, Ms. Maria Grace Y. Uy, reported the highlights of the Company's operations and financial performance for the year 2024.

The Chief Executive Officer discussed the highlights of the Company's operations for the year 2024, as follows:

Good afternoon, fellow shareholders. I'm Dennis Anthony Uy, CEO and Co-Founder of Converge.

2024 has been a defining year for Converge. We made a leap into the future and we are proud to have made significant steps in expanding our offerings beyond traditional connectivity.

Our residential sector continues to perform well. Surf2Sawa has seen robust growth as we make a stronger push into more areas. Our flagship brand FiberX, remains competitive among consumers, evident with its stable growth throughout 2024.

Given the continuous expansion of our subscriber base, we remain committed and focused on delivering quality service. To that end, we introduced a permanent speed boost for all FiberX plans. Additionally, late last year, we introduced the Converge Netflix Bundle to enhance streaming and entertainment for our users. This stands as a prime example of the kind of collaborations we enter into, to give the best digital experiences to our customers.

On the enterprise side, we are dedicated to creating groundbreaking solutions that equip businesses to succeed in the digital landscape. Our new hospitality solution, Converge Content+, improves guest experiences while streamlining client operations.

Our launch of fiber-to-the-room technology at St. Luke's Medical Center ensures that patients have access to high-speed internet. These are just some of the services we recently

introduced that reinforce our role as a trusted partner of businesses in digital transformation.

We are proud that our efforts were recognized by various independent institutions. We have been honored with consecutive awards from Ookla, first of which is the Fastest Fixed Network, but also including awards in Best Video Experience and Best Gaming Experience. These awards paint a picture of a technology company that is driven not just in giving the best broadband connection, but the best overall digital experience to its customers consistently.

This 2025, Converge is positioned for a transformative year with major plans ahead as we advance in our techco direction.

First, we're excited to activate two state-of-the-art data centers to support the growing demand for cloud and enterprise services.

Second, two significant international cable systems are expected to go online this year – the Bifrost and the SEA-H2X Cable Systems.

The integration of our new data centers along with the deployment of two subsea cable systems positions us to propel our Converge Global Business.

Now, let me hand you over to Grace for our financial and operational highlights.

Moreover, the following are the key financial highlights for Fiscal Year 2024 as discussed by the President:

Thank you, Dennis, and a warm welcome to our fellow shareholders. I am Grace Uy, President and Co-Founder of Converge.

In 2024, Converge delivered results at the high end of all financial targets, reflecting strong operational execution and reaffirming the significant growth potential that remains ahead.

Consolidated revenue grew to more than P40.6 billion during the year, representing an increase of 14.8%, outperforming our full year guidance. This was due to the consistently strong growth of both the residential and enterprise businesses throughout the year.

Residential revenues grew by 13.7% to more than P34.4 billion, brought about by the growth of our subscriber base. Consolidated net adds reached more than 435k in 2024 or 74% higher than 2023 net adds.

Also, all enterprise subsegments contributed double digit growths in 2024, leading to an enterprise revenue growth rate of 22%, reaching P6.2 billion.

Our profitability margins were also on the high-end of our full year guidance. EBITDA grew by 14.2% year-on-year, reaching P24.6 billion, representing an industry-leading 60.5% EBITDA margin.

Our net income after tax increased by 18.8% year-on-year to P10.8 billion representing a margin of 26.6%. ROIC ended at 18.3%, which is likewise industry-leading not just locally but regionally, as well.

For our first quarter 2025 performance:

We opened the year strong, posting double-digit top-line growth in both the residential and enterprise segments and improved consolidated margins, driven by steady industry demand amid prevailing market competition.

As we expand our reach to unserved and underserved households, we remain focused on innovation and delivering long-term value.

To our Board of Directors, I would like to express my heartfelt gratitude for believing in our vision, providing guidance that has allowed Converge to grow and hit new milestones every year. To the Converge employees, your service and commitment to our customers are truly appreciated.

To our shareholders, we look forward to continuing our partnership as we leap into the future and serve more Filipinos.

Thank you very much for your attention, and let me now hand you back to Chairman Ping.

The shareholders noted the Management Report.

Since the stockholders were given the opportunity to send questions and comments through the online platform and by e-mail prior to this meeting, the Chairman mentioned that it will now entertain the questions on the reports.

The Corporate Secretary reported that the Company received several questions from the stockholders to which were responded to by the executives of the Company during the meeting as set out in **Annex "A"** of these minutes.

b. Ratification of the December 31, 2024 Audited Financial Statements:

The next item in the Agenda is the ratification of the Audited Financial Statements of the Company as of December 31, 2024, which is reproduced in the Annual Report and is available in the Converge website.

At the request of the Chairman, the Corporate Secretary reported that shareholders owning 6,103,992,291 shares or 99.95% of total voting shares represented in this meeting have voted in favor of the ratification of the Audited Financial Statements of the Company for the year ended December 31, 2024.

Accordingly, the Chairman declared the Audited Financial Statements of the Company as of and for the year ended December 31, 2024 adopted and ratified by the shareholders:

"RESOLVED, that the Audited Financial Statements of the Corporation for the year ended December 31, 2024, be, as the same are hereby ratified and approved."

The breakdown of the votes cast on this matter was as follows:

Votes in favor: 6,103,992,291 (representing 99.95% of shares present)
Votes against: 1,270,900 (representing 0.025% of shares present)
Abstentions: 1,507,000 (representing 0.025% of shares present)

VI. RATIFICATION OF ACTS OF BOARD OF DIRECTORS AND MANAGEMENT

At the request of the Chairman, the Corporate Secretary explained that Management is seeking the ratification of the acts of the Board of Directors and Management of the Company for the period covering January 1, 2024 to December 31, 2024, as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the Securities and Exchange Commission and the Philippine Stock Exchange and as more particularly described in the Definitive Information Statement for this meeting.

At the request of the Chairman, the Corporate Secretary reported that shareholders owning 6,105,263,191 shares or 99.98% of total voting shares represented in this meeting have voted in favor of the approval of this corporate action.

Accordingly, the Chairman declared the ratification of acts of the Board of Directors and Management for the period covering January 1, 2024 until December 31, 2024, adopted and approved:

“RESOLVED, that all acts, resolutions, and deeds of the Board of Directors and Management of the Corporation during the period from **January 01, 2024** to **December 31, 2024** be, as they are hereby, confirmed, ratified, and approved.”

The breakdown of the votes cast on this matter was as follows:

Votes in favor: 6,105,263,191 (representing 99.98% of shares present)

Votes against: 0

Abstentions: 1,507,000 (representing 0.02% of shares present)

VII. ELECTION OF DIRECTORS

At the request of the Chairman, the Corporate Secretary reported that the following individuals had been duly nominated for election as directors of the Company in accordance with the Company's By-Laws, Manual on Corporate Governance and applicable laws and regulations, and whose nominations have been duly considered and endorsed by the Corporate Governance Committee in accordance with the Company's Manual of Corporate Governance:

Dennis Anthony H. Uy
Maria Grace Y. Uy
Francisco Ed. Lim
Jose P. De Jesus (Independent Director)
Amando M. Tetangco, Jr. (Independent Director)
Roman Felipe S. Reyes (Independent Director)
Estela M. Perlas-Bernabe (Independent Director)

The Corporate Secretary reported further that the Corporate Governance Committee had evaluated the qualifications of the foregoing nominees and confirmed that they possess all the qualifications and have none of the disqualifications to be elected as directors of the Company. The Corporate Governance Committee had also confirmed that Mr. de Jesus, Mr. Tetangco, Mr. Reyes, and Ms. Bernabe meet all the requirements and qualifications for election as independent directors of the Company under Section 38 of the Securities Regulation Code and Rule 38 of its Implementing Rules and Regulations.

The Corporate Secretary then stated that considering that there are only seven nominees for the seven Board seats and each nominee received votes, each of the same nominees has received sufficient votes for election to the Board.

Accordingly, the Chairman declared the seven nominees named by the Corporate Secretary elected as directors of the Company for the year 2025-2026 and until their successors have been duly elected and qualified.

The number of votes cast in favor of each director is as follows:

Dennis Anthony H. Uy	12,898,821,947
María Grace Y. Uy	12,881,716,083
Francisco Ed. Lim	3,062,852,659
Jose P. De Jesus (Independent Director)	3,206,408,704
Amando M. Tetangco, Jr. (Independent Director)	3,271,687,253
Roman Felipe S. Reyes (Independent Director)	3,273,756,653
Estela M. Perlas-Bernabe (Independent Director)	3,281,106,217

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The Corporate Secretary stated that the Audit Committee of the Board recommended, and Management is accordingly proposing to the stockholders, the re-appointment of Isla Lipana & Co. as external auditors of the Company for the year 2024.

The Corporate Secretary then reported that shareholders owning 6,105,291,491 shares or 99.98% of total voting shares represented in this meeting have voted in favor of the approval of this corporate action.

The Chairman accordingly declared Isla Lipana & Co. reappointed as external auditors of the Company for the year 2025, as follows:

“RESOLVED, that the reappointment of Isla Lipana & Co. as external auditors of the Corporation for the year ended December 31, 2025, be, as the same is hereby, approved.”

The breakdown of the votes cast on this matter was as follows:

Votes in favor: 6,105,291,491 shares (representing 99.98% of shares present)
Votes against: 1,478,700 (representing 0.02% of shares present)
Abstentions: 0

IX. OTHER MATTERS

The Corporate Secretary stated that there are no other matters to be taken up in this meeting based on the Agenda and that the Company has not received any further questions from its shareholders to be taken up under Other Matters.

X. ADJOURNMENT

There being no further business to transact, the Chairman declared the meeting adjourned.

(Signature Page Follows)

*Minutes of Annual Stockholders Meeting of
Converge Information and Communications
Technology Solutions, Inc.
Held on 30 May 2025*

CERTIFIED CORRECT:

ORIGINAL SIGNED

ELVIRA C. OQUENDO
Corporate Secretary

ATTESTED BY

ORIGINAL SIGNED

JOSE P. DE JESUS
Chairman

ANNEX "A"

- (1) What is the Company's expected revenue growth this 2025?

The President of the Company, Ms. Grace Y. Uy, answered that the Company expects consolidated revenue to grow by 14% to 16% this year on the back of continued momentum from 2024. We also expect EBITDA margins to settle within the 61% to 62% levels, with ROIC reaching 16.5% to 17.5%.

Ms. Uy further stated that, following the Company's first-quarter 2025 performance, the Company is maintaining its current guidance and that it remains aligned with the budget and expectations set for the quarter.

- (2) What new strategies can we expect from the Company as it advances to the techco direction?

The Chief Executive Officer of the Company, Mr. Dennis Anthony H. Uy, responded as follows:

As we look ahead to 2025, we are embarking on a transformative journey with major plans that align with our techco direction. The Company has begun looking beyond connectivity; this means leveraging and investing on emerging technologies such as artificial intelligence, cloud architecture, and edge computing. These crucial technologies are not just being used in our own digital infrastructure - they will form the springboard for new products and services in the future.

We aim to evolve into a comprehensive technology company, offering a diverse range of services designed to support the digital transformation of businesses across the country. Our focus is to go beyond connectivity.

- (3) What are the key drivers behind the increased capital expenditures this year?

The President of the Company, Ms. Grace Y. Uy, answered that for 2025, the Company expects cash CAPEX to be around ₱20–25 billion, driven primarily by one-off payments for two subsea cable systems – Bifrost and SEA-H2X – and investments in two new data centers. This is in addition to the Company's regular CAPEX for port expansion and network redundancy. The Company plans to deploy an additional 400,000 to 500,000 ports this year as part of the Company's ongoing growth strategy.

Annex "C"

MANAGEMENT REPORT

KEY PERFORMANCE INDICATORS

Converge is committed to efficiently managing the Company's resources and enhancing shareholder value. The Company regularly reviews its performance against its operating and financial plans and strategies, and uses key performance indicators to monitor its progress.

Some of its key performance indicators are set out below. Except for Net Income, these key performance indicators are not measurements in accordance with Philippine Financial Reporting Standards ("PFRS") and should not be considered as an alternative to net income or any other measure of performance which are in accordance with PFRS.

AVERAGE REVENUE PER UNIT ("ARPU")

ARPU is calculated by dividing (i) the revenue generated by subscribers during a period by (ii) the average number of subscribers during that period, then dividing the quotient by the number of months during that period. The average number of subscribers during a period, is calculated by the sum of the subscribers at the beginning and at the end of the period, divided by two.

AVERAGE MONTHLY CHURN RATE

The percentage measure of the number of customers who have, voluntarily or involuntarily, discontinued a service for which the customer had subscribed for the relevant period over the number of customers for that period.

Our churn rate is calculated by dividing (i) the sum of the number of permanent subscriber discontinuations in a month, by (ii) the average number of subscribers during the respective month and multiplying the result by 100%. The average number of subscribers during a month, is calculated by the sum of the subscribers at the beginning and at the end of the month, divided by two.

PORT UTILIZATION

Our port utilization rates for our fiber network are the number of our fiber subscribers as a percentage of total fiber ports deployed. Each residential subscriber is connected through one port. Each utilized port generates revenue for us.

EBITDA

EBITDA is calculated as our profit for the year before depreciation and amortization (other than amortization of installation fees as their corresponding revenue impact has not been adjusted), finance costs, income tax expense. This measure provides useful information regarding a company's ability to generate cash flows, incur and service debt, finance capital expenditures and working capital changes. As the Company's method of calculating EBITDA may differ from other companies, it may not be comparable to similarly titled measures presented by other companies.



NET INCOME

As presented in the unaudited condensed consolidated financial statements for applicable periods, net income provides an indication of how well the Company performed after all costs of the business have been factored in.

EBITDA AND NET INCOME MARGIN

EBITDA and Net Income Margins are calculated as a percentage of revenues.

RETURN ON INVESTED CAPITAL ("ROIC")

Return on Invested Capital is tax-adjusted (25% corporate income tax rate with the CREATE Law approved this year to be applied starting July 2020) profit from operations divided by average invested capital. Invested Capital is the sum of our total equity and total debt (comprising loans payable (non-current and current portions)), less cash and cash equivalents and capital expenditures in progress. This measure provides useful information regarding a company's ability to deploy capital efficiently.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

COMPREHENSIVE INCOME

The following discussion provides a description of the key line items of our consolidated statements of total comprehensive income for the years ended December 31, 2025 and 2024.

	For the years ended December 31			
	2025	2024	YoY change	YoY change %
In PHP millions				
Revenues	44,770	40,610	4,160	10%
Residential	37,325	34,422	2,903	8%
Enterprise	7,445	6,188	1,258	20%
Cost of services	(15,742)	(14,384)	1,358	9%
Gross profit	29,028	26,226	2,802	11%
General and administrative expenses	(10,529)	(9,217)	1,312	14%
Provision for impairment of trade and other receivables	(1,828)	(1,841)	13	1%
Equity in net income of associate and joint ventures	44	124	(80)	-64%
Unrealized fair value gain on financial asset at fair value through profit or loss (FVTPL)	1	2	(1)	-52%
Other income, net	583	717	(134)	-19%
Profit from operations	17,301	16,211	1,090	7%
Finance costs	(1,550)	(1,922)	(372)	-19%
Profit before income tax	15,751	14,289	1,462	10%
Income tax expense	(3,896)	(3,478)	420	12%
Profit after income tax for the period	11,855	10,813	1,042	10%
Other comprehensive loss	(15)	(15)	0	-2%
Total comprehensive income for the period	11,840	10,798	1,043	10%
Profit after income tax	11,855	10,813	1,042	10%
Finance costs	1,550	1,922	(372)	-19%
Income tax expense	3,896	3,478	420	12%
Depreciation and amortization - COS	7,405	7,074	331	5%
Depreciation and amortization - G&A	593	484	109	22%
Amortization of deferred contract costs - SAQ	1,738	806	932	116%
EBITDA	27,037	24,575	2,462	10%
EBITDA Margin	60.4%	60.5%		

Revenues

Converge generated an all-time high consolidated revenues of P44.8 billion for the year ended December 31, 2025. Revenues from our Residential Business reached P37.3 billion, marking an 8.4% growth and revenues from our Enterprise Business amounted to P7.4 billion, posting an increase of 20.3%.

Revenues from our fixed term subscription contracts is recognized on a straight-line basis over the subscriber's subscription period. Additional services are charged separately and recognized as provided or used. For more information on revenue recognition, see Notes 14 and 26.15 of our audited consolidated financial statements.

Cost of Services

Cost of services comprises the following:

- Depreciation and amortization, primarily consist of (i) depreciation of property, plant and equipment, covering our fiber network infrastructure, (ii) amortization of right-of-use (ROU) assets related to various network and co-located sites, and (iii) amortization of intangible assets such as our customer list, telecommunication franchise, software and licenses, and other intangibles;

- Amortization of deferred contract costs relates to the straight-line amortization of the incremental costs incurred to obtain and fulfill our contracts with customers;
- Repairs and maintenance related to our fiber network, which do not qualify for capitalization;
- Rent pertains to pole rentals, co-location and short-term rentals of land and office spaces used for our network infrastructure;
- Personnel costs under cost of services relate to salaries and other employee benefits of our network operations team;
- Bandwidth and leased line costs primarily relate to international bandwidth costs in connection with the transmission of data between the Philippines and an international location, to the extent that we do not have proprietary access to international bandwidth. In addition, we incur transit costs in connection with the transmission of data between one or more international locations. On occasion, we may also incur short-term bandwidth and leased line costs tied to providing domestic connectivity;
- Utilities pertain to costs of electricity and water used in various network and co-located sites;
- Service fees relate to charges of content providers whose services are included in some of our bundled services offered to both fiber and hybrid fiber-coaxial (HFC) subscribers;
- Cost of network materials and supplies used relates to various consumable installation materials which we use in providing our services to customers (e.g. cable wires, tapes, and connectors); and
- Others include meals and transportation and other costs directly attributable to providing our services to customers.

The table below summarizes our cost of services for the periods indicated:

	For the years ended December 31			
	2025	2024	YoY change	YoY change %
In PHP millions				
Depreciation and amortization	7,405	7,074	331	5%
Amortization of deferred contract cost	2,990	1,805	1,185	66%
Repairs and maintenance cost	1,876	1,867	9	0%
Rent	940	1,513	(574)	-38%
Personnel cost	706	537	169	31%
Bandwidth and leased line costs	549	515	34	7%
Utilities	524	467	58	12%
Service fees	300	252	48	19%
Network materials and supplies used	279	274	5	2%
Others	173	81	92	114%
Total cost of services	15,742	14,384	1,358	9%
Gross profit	29,028	26,226	2,802	11%
Gross profit margin	64.8%	64.6%		

General and Administrative Expenses

General and administrative (G&A) expenses primarily consist of the following:



- Managed service fees relate to fees paid to third-party service providers who handle sales and post-sales activities for the Company in local cities and municipalities;
- Personnel costs (other than personnel costs recorded as cost of services) primarily pertain to headquarters, general and administrative personnel;
- Outside services mainly relate to janitorial, security services and other business support functions used in the operations of the Company;
- Promotions pertain to our marketing and advertising costs to promote our brand and obtain more customers;
- Depreciation and amortization, primarily comprise of (i) depreciation of property, plant and equipment (other than those recorded as cost of services), (ii) amortization of ROU assets, related to leases of office space, warehouses and transportation equipment (other than amortization expense recorded under cost of services), and (iii) amortization of intangible assets such as software and licenses (other than amortization expense recorded under cost of services);
- Repairs and maintenance represent minor renovations in the upkeep of our facilities, in the ordinary course of business;
- Taxes and license costs relate to business permits and local government taxes;
- Professional fees are payments made to firms for the Group's audit, actuarial, legal and consultancy fees for various projects;
- Other components of general and administrative expenses include office supplies, meals and transportation, utilities, insurance, rent, retirement benefit expense, and other expenses including representation, permits, training and seminars, membership dues, and miscellaneous expense.

The table below summarizes our general and administrative expenses for the periods indicated:

	For the years ended December 31			
	2025	2024	YoY change	YoY change %
In PHP millions				
Managed service fees	3,518	3,006	513	17%
Personnel cost	1,832	1,886	(55)	-3%
Outside services	1,332	1,353	(21)	-2%
Promotions	1,135	879	256	29%
Depreciation and amortization	593	484	109	22%
Repairs and maintenance	541	251	290	115%
Taxes and licenses	321	305	16	5%
Professional fees	269	131	138	106%
Others	989	922	67	7%
Total general and administrative expenses	10,529	9,217	1,312	14%
Provision for impairment of trade and other receivables	1,826	1,641	186	11%
Equity share in net income of associate and joint ventures	(44)	(124)	(80)	-64%
Unrealized fair value gain on financial asset at FVTPL	(1)	(2)	(1)	-52%
Other income, net	(583)	(717)	(134)	-19%
Operating profit	17,301	16,211	1,090	7%
Operating profit margin	38.6%	39.9%		

Provision for Impairment of Trade and Other Receivables

Provision for impairment of trade and other receivables are calculated using expected credit losses (ECL).

ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and considering past events, current conditions and assessment of future economic conditions. We used relevant historical information and loss experience to determine the probability of default of the receivables and due from related parties and incorporated forward-looking information, which involved significant estimates and judgements. For more information, see Note 3 of our audited consolidated financial statements.

Equity in Net Income of Associate and Joint Ventures

Equity in net income of associate and joint ventures pertains to the Company's share in net income of associate and joint ventures.

Unrealized Fair Value Gain on Financial Asset at FVTPL

Unrealized fair value gain on financial asset at FVTPL arises from the Company's investment in 10 exchangeable bonds issued by its Ultimate Parent. The exchangeable bonds have an aggregate face value of USD 2 million, a term of 30 years and with interest rate of 3% per annum. Each exchangeable bond confers the right to purchase 5,000 common shares of a certain entity under common control.

Other Income (Expense), Net

Other income (expense), net, consists of net foreign exchange gain, interest income on cash and cash equivalents, and short-term cash placements, interest income on finance lease receivable arising from our sale and leaseback agreement with our related parties, interest income on financial assets at FVTPL arising from the issuance of exchangeable bonds from the ultimate parent, and other miscellaneous income. Other income (expense), net, also



includes non-recurring items such as income from network backhaul construction, provision for impairment on property, plant and equipment, provision for inventory obsolescence, gain on sale of network assets, gain on lease terminations, and gain on disposal/retirement of property, plant and equipment and intangible assets.

Finance Costs

Finance costs consist of borrowing costs for our long-term loans and bonds payable, amortization of debt issue costs and interest arising from the recognition of lease liabilities related to various network and co-located sites, office space, warehouses and transportation equipment that we lease.

Income Tax Expense

Income tax expense consists of current and deferred tax on profit for the year. We are subject to the regular income tax rate of 25% imposed on corporations incorporated in the Philippines. For the years 2025 and 2024, the Company opted for an Itemized deduction as the method of deductibility in its income tax returns. For more information, see Note 19 of our audited consolidated financial statements.

Other Comprehensive Loss

Other comprehensive loss pertains to:

Remeasurement Loss on Retirement Benefit Obligation, Net of Tax

We provide retirement benefits for qualified employees under a defined benefit plan. An independent actuary conducts a periodic actuarial valuation of the defined benefit plan using the projected unit credit method. Remeasurement represents changes in the retirement benefit obligation arising from experience adjustments and changes in actuarial assumptions.

RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenues

Revenues climbed 10.2% year-over-year to ₱44.8 billion in 2025 from ₱40.6 billion in 2024, mainly driven by the strong performance of our Residential and Enterprise Businesses.

Our Residential Business contributed 83% to the total revenues, reflecting a growth of 8.4% or a ₱2.9 billion increase to ₱37.3 billion in 2025 from the ₱34.4 billion revenues reported in 2024. This robust growth was on account of 16.4% increase in residential subscribers or an additional 420,754 subscribers from 2.6 million subscribers as of end-December 2024 to 3.0 million subscribers as of end-December 2025. The incremental residential subscriber was driven by our ability to deepen our presence in existing areas and expand our network to new areas, increasing our ports from 9.0 million as of December 31, 2024 to 9.2 million as of December 31, 2025 and attract new subscribers to take-up available ports. Our residential blended ARPU decreased by 6.9% from ₱1,165 as of December 31, 2024 to ₱1,085 as of December 31, 2025, due to a shift in the mix of premium and lower-tier plans.

Enterprise Business revenues reached ₱7.4 billion, higher by 20.3% or ₱1.3 billion than the ₱6.2 billion revenues reported in 2024. The double-digit growth was largely driven by the increase in unique enterprise customers and expansion in Enterprise services.

Cost of Services

Cost of services amounted to ₱15.7 billion in 2025, marking an increase of 9.4% or ₱1.3 billion, from ₱14.4 billion recorded in 2024, due to higher depreciation and amortization, amortization of deferred contract costs, personnel costs, bandwidth and leased line, utilities, and other cost of services partially offset by the decrease in rent.

Depreciation and amortization in 2025 amounting to ₱7.4 billion, 4.7% higher over last year's ₱7.1 billion mainly due to a higher fixed asset base.

Amortization of deferred contract costs increased by 65.7% or ₱1.2 billion, from ₱1.8 billion in 2024 to ₱3.0 billion in 2025. This increase was primarily due to increased level of accelerated amortization related to acquisition and installation costs from disconnected subscribers, and higher contract costs for prepaid subscribers.

Rent decreased by 37.9% or ₱574.0 million, from ₱1.5 billion in 2024 to ₱939.8 million in 2025, mainly due to one-time rental costs recognized in the previous year.

Bandwidth and leased line increased by 6.6% or ₱34.1 million, from ₱515.0 million in 2024 to ₱549.2 million in 2025, primarily due to additional leased line accounts and higher bandwidth utilization, including burst charges, to support increased network traffic and customer requirements.

Utilities increased by 12.4% or ₱57.8 million, from ₱466.5 million in 2024 to ₱524.3 million in 2025, primarily due to higher electricity consumption resulting from additional network nodes and increased network utilization.

Personnel cost amounted to ₱705.6 million in 2025, higher by 31.5% from ₱536.7 million in 2024, on account of higher headcount and annual salary rate increase of the employees.

Other cost of services increased by 113.9% or ₱92.1 million, from ₱80.8 million in 2024 to ₱172.9 million in 2025, mainly due to higher outright installation and migration labor costs, which were recognized immediately in profit or loss as the related services were completed during the year.

Gross Profit

Gross profit soared 10.7% to ₱29.0 billion in 2025, or a ₱2.8 billion increase from ₱26.2 billion reported in 2024. Gross margin, or gross profit as a percentage of consolidated revenues, registered at 64.8% in 2025, higher than the gross profit margin of 64.6% a year ago, as revenues grew at higher pace than cost of services.

General and Administrative Expenses

General and administrative expenses amounted to ₱10.5 billion in 2025, up by 14.2% or ₱1.3 billion, from ₱9.2 billion in 2024, primarily due to higher managed service fees, promotions, depreciation and amortization, repairs and maintenance, and professional and other fees.

Managed service fees increased by 17.1% or ₱512.6 million, to ₱3.5 billion in 2025 from ₱3.0 billion in 2024, as we implemented low-cost support service models in additional provinces to serve our growing subscriber base.

Promotions increased from ₱879.0 million reported in 2024 to ₱1.1 billion in 2025 attributed to higher spend on brand building, and trade marketing for both Residential and Enterprise segments.

Depreciation and amortization increased from ₱484.1 million reported in 2024 to ₱592.7 million in 2025 mainly driven by increased amortization of ROU assets following the recognition of additional leases during the year.

Repairs and maintenance increased from ₱251.4 million in 2024 to ₱541.0 million in 2025, higher by 115.2%, or ₱289.6 million, mainly on account of higher software and licenses expenses and maintenance of office spaces.

Professional fees increased by 105.8%, or ₱138.2 million, from ₱130.6 million in 2024 to ₱268.8 million in 2025, due to higher legal and consultancy fees incurred for certain projects in 2025.

Other G&A expenses increased by 7.3%, or ₱67.0 million, from ₱922.3 million in 2024 to ₱989.3 million in 2025, primarily due to higher taxes and fees for new entities established during the year.

Provision for Impairment of Trade and Other Receivables

Provision for impairment of trade and other receivables amounted to ₱1.8 billion in 2025, higher by 11.3% or ₱185.6 million than the ₱1.6 billion recorded in 2024. For more information, see Note 3 and Note 25.2 of our audited consolidated financial statements.

Equity in Net Income of Associate and Joint Ventures

Equity in net income of associate and joint ventures declined by 64.3% or ₱79.6 million, from ₱123.8 million in 2024 to ₱44.2 million in 2025, primarily due to lower level of net income generated by our associate and joint ventures. For more information, see Note 8, Investment in Associate and Joint Ventures of our audited consolidated financial statements.

Unrealized fair value gain on financial asset at Fair Value Through Profit or Loss (FVTPL)

Unrealized fair value gain on financial asset at FVTPL declined by 52.4%, from ₱1.8 million in 2024 to ₱0.8 million in 2025, reflecting changes in the fair value of the underlying asset during the period.

Other Income, Net

Other income, net in 2025 amounted to ₱582.8 million, a decline of 18.7% or ₱134.1 million from the ₱716.9 million in 2024. This was due to lower interest income earned from cash in bank, cash equivalents and short-term cash placements, gain on termination of leases, and gain on disposal/retirement of property and equipment, partially offset by provision of inventory obsolescence recognized in 2024.

Profit from Operations

As a result of the foregoing, profit from operations grew by 6.7% to ₱17.3 billion in 2025, reflecting an increase of ₱1.1 billion from the ₱16.2 billion in 2024. The increase was on account of the strong growth in gross profit, outpacing the rise in general and administrative expenses.

Finance Costs

Finance costs decreased by 19.4% to ₱1.5 billion in 2025, representing a reduction of ₱372.4 million from ₱1.9 billion in previous year. This decline was primarily driven by lower debt level due to loan repayments during the year.

Profit Before Income Tax

Driven by strong profit growth and complemented by lower financing costs, profit before income tax reached a record high of ₱15.8 billion, representing a 10.2% increase from ₱14.3 billion in 2024.

Income Tax Expense

Income tax expense increased by 12.1% or ₱419.9 million, from ₱3.5 billion in 2024 to ₱3.9 billion in 2025, directly related to higher profit before income tax. The Company maintained our effective tax rate, which is income tax expense as a percentage of profit before income tax, at 25%, both in 2025 and 2024.

Profit for the Year

As a result of the foregoing, profit for the year ended December 31, 2025 increased by 9.6% to ₱11.9 billion, from ₱10.8 billion in 2024.

Remeasurement Loss on Retirement Benefit Obligation, Net of Tax

Remeasurement loss on retirement benefit obligation, net of tax, in 2025, amounted to ₱14.6 million, or a decrease of 1.8% or ₱0.3 million from the ₱14.8 million in 2024, as a result mainly of experience adjustments and changes in economic and financial assumptions used in the actuarial valuations.

Total Comprehensive Income for the Period

Total comprehensive income increased to ₱11.8 billion in 2025, up by 9.7% or ₱1.0 Billion from ₱10.8 billion in 2024.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023**Revenues**

Revenues climbed 14.8% year-over-year to ₱40,610.1 million in 2024 from ₱35,359.3 million in 2023, mainly driven by strong performance of our Residential and Enterprise Businesses.

Our Residential Business contributed 85% to the total revenues, reflecting a growth of 13.7% or an increase of ₱4,140.1 million, to ₱34,422.5 million in 2024 from the ₱30,282.1 million revenues reported in 2023. This robust growth was on account of 20.5% increase in residential subscribers or an additional 435,406 subscribers from 2,128,052 subscribers as of end-December 2023 to 2,563,458 subscribers as of end-December 2024. FTTH subscribers grew 23.4% or by 462,672 subscribers, from 1,976,500 FTTH subscribers as of December 31, 2023 to 2,439,172 FTTH subscribers as of December 31, 2024. HFC subscribers, on the other hand, decreased by 18.0%, or 27,266 subscribers, from 151,552 as of December 31, 2023 to 124,286 as of December 31, 2024. The incremental residential subscriber was driven by our ability to deepen our presence in existing areas and expand our network to new areas, increasing our ports from 8,853,089 as of December 31, 2023 to 8,963,021 as of December 31, 2024 (8,107,720 of which are fiber ports) and attract new subscribers to take-up available ports. Our residential blended ARPU decreased by 7.2% from ₱1,183 as of December 31, 2023 to ₱1,165 as of December 31, 2024, due to a shift in the mix of premium and lower-tier plans.

Enterprise Business revenues reached ₱6,187.7 million, higher by 21.9% or ₱1,110.7 million than the ₱5,077.3 million revenues reported in 2023. The double-digit growth was largely driven by the increase in unique enterprise customers.

Cost of Services

Cost of services amounted to ₱14,384.1 million in 2024, marking an increase of 13.2% or ₱1,673.7 million, from ₱12,710.4 million recorded in 2023, due to the higher depreciation and amortization, rent, repairs and maintenance, personnel costs, and network materials and supplies used, partially offset by the decreases in deferred contracts costs, service fees and bandwidth and leased line.

Depreciation and amortization in 2024 amounting to ₱7,074.1 million was higher by 17.6% over last year's ₱6,014.9 million mainly due to a higher asset base.

Repairs and maintenance rose by 17.8% or ₱282.1 million, from ₱1,585.2 million in 2023 to ₱1,867.2 million in 2024. This increase was primarily driven by higher maintenance and restoration costs of our fiber network facilities, and trouble ticket resolution for our subscribers.

Amortization of deferred contract costs decreased by 15.5% or ₱330.4 million, from ₱2,135.1 million in 2023 to ₱1,804.7 million in 2024. This decrease was primarily due to a lower base balance of deferred contract costs from active subscribers, along with a reduced level of accelerated amortization related to acquisition and installation costs from disconnected subscribers.

Rent increased by 89.8% or ₱716.3 million, from ₱797.2 million in 2023 to ₱1,513.5 million in 2024, mainly due to additional rentals related to the expansion of our network infrastructure.

Personnel cost amounting to ₱536.7 million in 2024 was higher by 49.8% from ₱358.3 million in 2023, on account of annual salary rate increase and higher employee incentives.

Bandwidth and leased line costs decreased by 23.4% year-on-year, or a reduction of ₱157.0 million, from ₱672.0 million to ₱515.0 million. This decline was brought about by the activations of our long-term international bandwidth capacities with key partners, allowing us to discontinue bandwidth and leased line contracts with various providers.

Network materials and supplies used increased by 45.9% from ₱187.6 million to ₱273.7 million, as higher installation were used, ascribed to increased volume of installs for Prepaid subscribers and Enterprise customers.

Service fees decreased by 43.3% or ₱192.1 million, from ₱444.0 million to ₱251.9 million due to less existing bundled accounts with subscribers.

Gross Profit

Gross profit soared 15.8% to ₱26,226.0 million in 2024, or a ₱3,577.1 million increase from ₱22,648.9 million reported in 2023. Gross margin, or gross profit as a percentage of consolidated revenues, registered at 64.6% in 2024, higher than the gross profit margin of 64.1% a year ago, mainly coming from the incremental revenues, partially offset by the increase in cost of services.

General and Administrative Expenses

General and administrative expenses amounted to ₱9,216.8 million in 2024, up by 32.7% or ₱2,269.9 million, from ₱6,946.9 million in 2023, primarily due to higher managed service fees, personnel costs, promotions and outside services.

Managed service fees increased by 38.6% or ₱837.7 million, to ₱3,005.6 million in 2024 from ₱2,167.9 million in 2023, as we implemented low-cost support service models in additional provinces to serve our growing subscriber base.

Personnel costs increased by 33.0%, or ₱467.6 million, from ₱1,418.4 million in 2023 to ₱1,886.0 million in 2024, due to higher salary rate and employee incentives.

Outside services also increased from ₱1,080.3 million in 2023 to ₱1,352.9 million in 2024, higher by 25.2%, or ₱272.6 million, mainly on account of higher expenses incurred on outsourced after-sales and other business support teams.

Promotions doubled in 2024, increasing from ₱439.0 million reported in 2023 to ₱879.0 million in 2024 attributed to higher spend on brand building, trade marketing for both Residential and Enterprise segments.

Provision for Impairment of Trade and Other Receivables

Provision for impairment of trade and other receivables amounted to ₱1,640.6 million in 2024, 19.8% or ₱271.5 million higher than the ₱1,369.1 million recorded in 2023. For more information, see Note 3 and Note 25.2 of our audited consolidated financial statements.

Equity Share in Net Income of Associate and Joint Ventures

Equity share in net income of associate and joint ventures declined by 50.1% or ₱124.3 million, from ₱248.1 million in 2023 to ₱123.8 million in 2024, primarily due to lower level of net income generated by our associate and joint ventures. For more information, see Note 8, Investment in Associate and Joint Ventures of our audited consolidated financial statements.

Other Income (Expense), Net

Other income (expense), net in 2024 amounted to ₱716.9 million, an increase of 286.7% or ₱1,100.8 million from the ₱384.0 million other expense, net in 2023. This was due to higher interest income earned from cash in bank, cash equivalents and short-term cash placements, and gain on disposal/retirement of property and equipment, complemented by lower level of provisions for impairment of property, plant and equipment and provision for network materials and supplies obsolescence.

Profit from Operations

As a result of the foregoing, profit from operations grew by 14.2% to ₱16,210.7 million in 2024, reflecting an increase of ₱2,010.0 million from the ₱14,200.6 million in 2023. The increase was on account of the strong growth in gross profit, outpacing the rise in general and administrative expenses.

Finance Costs

Finance costs decreased by 7.5% to ₱1,922.1 million in 2024, representing a reduction of ₱156.7 million from ₱2,078.8 million in previous year. This decline was primarily driven by lower debt level due to loan repayments during the year.

Profit Before Income Tax

With strong profit growth in 2024 surpassing the increase in financing costs, our profit before income tax reached a record high of ₱14,288.6 million, marking a 17.9% increase from ₱12,121.8 million in 2023.

Income Tax Expense

Income tax expense increased by 15.0% or ₱453.3 million, from ₱3,023.0 million in 2023 to ₱3,476.2 million in 2024, directly related to higher profit before income tax. The Company maintained our effective tax rate, which is income tax expense as a percentage of profit before income tax, at 25%, both in 2024 and 2023.

Profit for the Year

As a result of the foregoing, profit for the year 2024 surged by 18.8% to ₱10,812.7 million from the ₱9,098.8 million in 2023.

Remeasurement Loss on Retirement Benefit Obligation, Net of Tax

Remeasurement loss on retirement benefit obligation, net of tax, in 2024, amounted to ₱14.8 million, or a decrease of 40.9% or ₱10.3 million from the ₱25.1 million in 2023, as a result mainly of experience adjustments and changes in economic and financial assumptions used in the actuarial valuations.

Total Comprehensive Income for the Period

Total comprehensive income increased to ₱10,797.8 million in 2024, up by 19.0% or ₱ 1,724.1 million from ₱9,073.7 million in 2023.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022**Revenues**

Revenues registered a year-on-year growth of 4.9% or an increase of ₱1,663.7 million from ₱33,695.6 million in 2022 to ₱35,359.3 million in 2023, mainly due to higher revenue contributions of our Residential and Enterprise Businesses.

Residential Business revenues, which accounts for 86% of total revenues, grew 2.8% or by ₱819.9 million, to ₱30,282.1 million in 2023 from the ₱29,462.2 million reported in 2022, on the back of 13.4% increase in residential subscribers or an additional 250,691 subscribers from 1,877,361 subscribers as of end-December 2022 to 2,128,052 subscribers as of end-December 2023. FTTH subscribers grew 16.8% or by 284,295 subscribers, from 1,692,205 FTTH subscribers as of December 31, 2022 to 1,976,500 FTTH subscribers as of December 31, 2023. HFC subscribers decreased by 18.1%, or 33,604 subscribers, from 185,156 HFC subscribers as of December 31, 2022 to 151,552 HFC subscribers as of December 31, 2023. The residential subscriber increase was driven by our ability to deepen our presence in existing areas and expand our network to new areas, increasing our ports from 7,895,785 as of December 31, 2022 to 8,853,089 as of December 31, 2023 and attract new subscribers to take-up available ports. Our residential blended ARPU decreased by 7.2% from ₱1,275 as of December 31, 2022 to ₱1,183 as of December 31, 2023.

Enterprise Business full-year revenues posted an all-time high ₱5,077.3 million, up by 19.9% or ₱843.8 million higher than the ₱4,233.5 million revenues reported in 2022. The year-on-year robust growth was largely driven by the 28.2% increase in unique enterprise customers or an incremental 10,587 customers from the 37,563 as of end-December 2022 to 48,150 as of end-December 2023. Monthly ARPU decreased by 13.0% from ₱11,070 for the year ended December 31, 2022 to ₱9,636 for the year ended December 31, 2023, which reflects the significant growth of the SME segment, which has a relatively lower ARPU than large corporates and enterprises.

Cost of Services

Cost of services amounted to ₱12,710.4 million in 2023, a cost savings of 5.4% or ₱727.2 million, from ₱13,437.6 million recorded in 2022, due to the decrease in network materials and supplies used, lower amortization of deferred contract costs for active subscriber accounts, and savings on bandwidth and leased line costs and service fees, partially offset by higher repairs and maintenance, rent, utilities and personnel costs.

Network materials and supplies used in 2023 amounted to ₱187.6 million, lower by 84.0% or ₱984.8 million over last year's ₱1,172.4 million, due to capitalization of material costs under deferred contract costs of subscriber accounts. Improvements in the back office digital systems enabled Converge to improve accounting recognition to align with other subscriber contract costs. The remaining costs included in network materials and supplies used pertain to additional material costs beyond standard installation costs paid for by customers and installation materials for prepaid subscribers and enterprise customers.

Amortization of deferred contract cost decreased by 24.4% or ₱688.4 million, from ₱2,823.5 million in 2022 to ₱2,135.1 million in 2023, mainly due to the reduced base-balance of deferred contract costs from active subscribers, coupled with lower level of accelerated amortizations related to the acquisition and installation costs from disconnected subscribers.

Bandwidth and leased line costs dropped year-on-year by 18.9% or ₱156.8 million, from ₱828.8 million to ₱672.0 million, brought about by the activations of our long-term international bandwidth capacities with key partners, and as a result, contracts with existing providers were not renewed.

Service fees decreased by 10% or ₱49.3 million, from ₱493.3 million to ₱444.0 million due to decline in subscribers with bundled cable TV services.

Repairs and maintenance, meanwhile, increased by 57.8% or ₱580.9 million, from ₱1,004.3 million in 2022 to ₱1,585.2 million in 2023, primarily due to the normal repairs and maintenance activities done on our fiber network facilities and trouble ticket resolution with our subscribers.

Rent, likewise, increased by 74.2% or ₱339.6 million, from ₱457.6 million in 2022 to ₱797.2 million in 2023, mainly due to rentals related to the expansion of our network infrastructure.

Utilities increased by 88.4% or ₱211.7 million, from ₱239.6 million in 2022 to ₱451.3 million in 2023 due to higher electricity costs.

Personnel cost amounted to ₱358.3 million in 2023, up 9.9% from ₱326.0 million in 2022, on account mainly of higher headcount and salary rate for the year.

Gross Profit

Gross profit soared 11.8% to ₱22,648.9 million in 2023, or a ₱2,391.0 million increase from ₱20,258.0 million reported in 2022. Gross margin, or gross profit as a percentage of consolidated revenues, registered at 64.1% in 2023, higher than the gross profit margin of 60% a year ago, as a result of cost savings, as previously discussed in the preceding section.

General and Administrative Expenses

General and administrative expenses amounted to ₱6,946.9 million in 2023, up by 5.2% or ₱345.9 million, from ₱6,601.0 million reported in 2022, primarily due to higher managed service fees, partly cushioned by the decreases in promotions, outside services and taxes and licenses.

Managed service fees increased by 82.8% or ₱981.7 million, to ₱2,167.9 million in 2023 from ₱1,186.2 million in 2022, as we implemented low-cost support service models in additional provinces to serve our growing subscriber base.

Promotions, meanwhile, decreased by 26.1%, or ₱155.1 million, from ₱594.1 million reported in 2022 to ₱439.0 million in 2023 attributed to lower spend on brand building and trade marketing.

Outside services also decreased from ₱1,203.4 million in 2022 to ₱1,080.3 million in 2023, down by 10.2%, or ₱123.1 million, mainly on account of lower expenses incurred on outsourced services as we implemented low-cost support service models.

Taxes and licenses decreased by 24.2%, or ₱102.3 million, from ₱423.3 million in 2022 to ₱321.0 million in 2023, as a result of lower NTC supervision fees and local taxes.

Provision for Impairment of Trade and Other Receivables

Provision for impairment of trade and other receivables amounted to ₱1,369.1 million in 2023, 17.5% or ₱291.2 million lower than the ₱1,660.3 million recorded in 2022, mainly as a result of combined impact of provision recalculation and ECL rate updates.

Equity Share in Net Income of Joint Ventures

Equity share in net income of joint ventures posted a rise of 386.7% or ₱197.1 million, from ₱51.0 million in 2022 to ₱248.1 million in 2023, ascribed mainly to the higher net income generated by the joint ventures.

Other Expense, Net

Other expense, net, decreased by 15.4% or ₱69.7 million, from ₱453.7 million in 2022 to ₱384.0 million in 2023, due to higher interest income earned from cash in bank and short-term placements and increases in net foreign exchange gain, gain on disposal/retirement of property and equipment, and miscellaneous income, which altogether outpaced the increase in provision for impairment of property and equipment.

Profit from Operations

As a result of the foregoing, profit from operations climbed 22.6% to ₱14,200.6 million in 2023, higher by ₱2,613.1 million over the reported profit of ₱11,587.5 million in 2022. The robust growth in gross profit surpassed the increase in general and administrative expenses, and was further accompanied by lower provision for impairment of trade and other receivables and other expenses, and with a higher recognized share in net income of joint ventures.

Finance Costs

Finance costs increased by 20% to ₱2,078.8 million in 2023, or an incremental of ₱346.9 million from ₱1,731.9 million in previous year, which mainly came from the additional loan availments during the year.

Profit Before Income Tax

With higher profit generated in 2023 that outpaced the increase in financing costs, our profit before income tax in 2023, reached an all-time high of ₱12,121.8 million, posting a double-digit growth of 23.0% from ₱9,855.6 million in 2022.

Income Tax Expense

Income tax expense increased by 25.1% or ₱606.7 million, from ₱2,416.3 million in 2022 to ₱3,023.0 million in 2023, directly related to higher profit before income tax. The Company maintained our effective tax rate, which is income tax expense as a percentage of profit before income tax, at 25%, both in 2023 and 2022.

Profit for the Period

Converge ended 2023 with ₱9,098.8 profit, a rise of 22.3% or higher by ₱1,659.5 million over the ₱7,439.3 million profit in 2022.

Remeasurement (Loss) Gain on Retirement Benefit Obligation, Net of Tax

Remeasurement loss on retirement benefit obligation, net of tax, in 2023, amounted to ₱25.1 million, or a decrease of ₱26.5 million from the ₱1.4 million remeasurement gain in 2022, as a result mainly of experience adjustments and changes in economic and financial assumptions used in the actuarial valuations.

Total Comprehensive Income For the Period

Total comprehensive income increased to ₱9,073.7 million in 2023, up by 21.9% or ₱1,633.0 million from ₱7,440.8 million in 2022.

STATEMENT OF FINANCIAL POSITION

	December 31, 2025	December 31, 2024	YoY Change (%)
Balance Sheet Data (in ₱ millions)			
Total Assets	112,326	107,054	4.9
Total Debt ⁽¹⁾	24,101	29,515	(18.3)
Total Stockholders' Equity	63,126	54,691	15.4
Financial Ratios			
Total Debt to EBITDA (gross)	0.9x	1.2x	
Total Debt to EBITDA (net)	0.5x	0.5x	
Debt Service Coverage ⁽²⁾	3.6x	3.1x	
Interest Coverage (gross) ⁽³⁾	17.4x	12.8x	
Debt to Equity (gross) ⁽⁴⁾	0.4x	0.5x	
Debt to Equity (net) ⁽⁵⁾	0.2x	0.2x	

Notes:

(1) Total Debt is the sum of current and noncurrent borrowings

(2) Debt Service Coverage is computed as Parent Company's LTM earnings before interest, taxes, depreciation and amortization / Parent Company's LTM annual debt service requirements due over the same corresponding period which are the interests, principal and lease payments

(3) Interest Coverage (gross) is computed as EBITDA divided by finance costs

(4) Debt to Equity (gross) is computed as total debt divided by total shareholders' equity

(5) Debt to Equity (net) is computed as total debt, net of cash and cash equivalents and short-term cash placements divided by total shareholders' equity

As of December 31, 2025 compared to December 31, 2024

Total Assets

Total assets as of December 31, 2025 stood at ₱112.3 billion, an increase of 4.9% or ₱5.3 billion, compared to ₱107.1 billion as of December 31, 2024.

Significant increase was noted in the following asset accounts:

Trade and other receivables, net (combined current and noncurrent), increased by 18.9% or ₱829.3 million, to ₱5.2 billion as of December 31, 2025, from ₱4.4 billion as of December 31, 2024. The increase was primarily attributable to higher net trade receivables from subscribers, and other receivables from business partners.

Due from related parties, net (combined current and noncurrent), increased by 76.6% or ₱200.8 million, to ₱462.9 million as of December 31, 2025, from ₱262.2 million as of December 31, 2024. The increase mainly reflects the accrual of earned revenues related to the on-going network backhaul construction services provided to its joint venture.

Property, plant and equipment, net reached ₱75.3 billion as of December 31, 2025, a 7.5% or ₱5.2 billion increase over the ₱70.1 billion balance as of December 31, 2024 attributed to the additions of more than one hundred thousand deployed fiber ports, increase of about 2,000 kilometers of fiber network backbone, installation of CPEs, core equipment, international subsea cable systems, data centers, office equipment and furniture, transportation equipment and leasehold improvements, heavy equipment and tools.

Right-of-use assets, net increased by 295.1%, or ₱6.6 billion, to ₱8.8 billion as of December 31, 2025 from ₱2.2 billion as of December 31, 2024 mainly on account of the completion of the submarine cables, net of amortizations during the year.

Intangible assets, net ended at ₱2.7 billion as of December 31, 2025, higher by 30.2%, or ₱618.5 million, from ₱2.0 billion as of December 31, 2024 mainly due to acquisition of customer list, software, and licenses.

Deferred income tax assets, net increased by 12.4%, or ₱197.6 million, at ₱1.8 billion as of December 31, 2025 from ₱1.6 billion as of December 31, 2024, attributable to the deferred tax on property, plant, and equipment, allowance for impairment of receivables, leases, and provision for employee benefits, partially offset by increase in deferred tax liabilities recognized for net unrealized forex gain and deferred contract costs.

The increase in asset items discussed above was offset by the following material movements:

Cash and cash equivalents decreased by 8.8%, or ₱740.9 million to ₱7.7 billion as of end-2025 from ₱8.5 billion as of end-2024 due to payments of outstanding liabilities and dividends, partially offset by the proceeds from short-term cash placements maturities.

Short-term cash placements decreased to ₱2.2 billion as maturing funds were utilized for funding requirements.

Network materials and supplies decreased by 15.9% or ₱248.5 million, to ₱1.3 billion as of December 31, 2025, from ₱1.6 billion as of December 31, 2024. The decrease was primarily due to lower inventory levels maintained as of year-end.

Deferred contract costs, net (combined current and noncurrent) decreased by 5.9% or ₱108.5 million, to ₱1.7 billion as of December 31, 2025 from ₱1.8 billion as of December 31, 2024, with lower level of unamortized deferred portion as of reporting date.

Advances to fixed asset suppliers amounted to ₱2.9 billion as of end of 2025, reflecting a decrease of 22.6% or ₱861.8 million, from ₱3.8 billion as of end-December 2024, due to application of advances related to submarine cables upon settlement of remaining balance in its completion.

Investment in associate and joint ventures decreased by 22.0% or ₱111.9 million to ₱396.8 million as at December 31, 2025 from ₱508.7 million as at December 31, 2024 mainly due to the dividends received, partially offset by share in net income recognized during the year.

Total Liabilities

Total liabilities as of December 31, 2025 was at ₱49.2 billion, a reduction of 6.0%, or by ₱3.2 billion, compared to ₱52.4 billion as of December 31, 2024, with the following significant movements:

Trade and other liabilities (current and non-current) increased by 11.3%, or ₱2.0 billion, to ₱19.8 billion as of December 31, 2025 from ₱17.8 billion as of December 31, 2024, as a result of higher trade payables, accruals for unbilled construction projects, repairs and maintenance costs and employee incentives.

Deferred revenue increased by 11.8%, or ₱85.1 million, to ₱805.3 million as of December 31, 2025 from ₱720.3 million as of December 31, 2024. This increase was driven by higher level of unearned subscription fees and unused load subscriptions.

Borrowings (current and noncurrent) decreased by 18.3% or ₱5.4 billion, to ₱24.1 billion as of December 31, 2025 from ₱29.5 billion as of December 31, 2024 due to principal payments made during the year.

Income tax payable decreased by 18.1%, or ₱168.5 million, to ₱763.8 million as of December 31, 2025 from ₱932.3 million as of December 31, 2024, as higher level of prepaid income tax was remitted during the current year.

Liquidity and Capital Resources

Our principal liquidity requirements have primarily been for, and are projected to continue to be for, (i) capital expenditures to extend and augment our end-to-end fiber network and build digital capabilities through investments in IT platforms, (ii) operating and maintenance costs related to our existing fiber network, (iii) operating expenses for after sales support and administrative overhead to support the rapid expansion of our network and subscriber base and (iv) debt service payments.

Our principal sources of funding for our capital requirements have been (a) capital contributions from our shareholders, (b) cash flow generated from our operations, (c) bank financing, and (d) issuance of retail bonds. We maintain a strong and conservatively levered balance sheet. The Company's net debt position (as measured by total financial debt less cash and cash equivalents and short-term cash placements) is at ₱14.2 billion as of December 31, 2025 compared to ₱12.5 billion as of December 31, 2024. We believe that our strong balance sheet and conservative leverage position provide us with significant financial flexibility and sufficient leverage headroom to fund our growth plans.

We believe that our sources of liquidity will be sufficient to fund our currently anticipated capital expenditures, working capital requirements, and debt service requirements for at least the next 12 months.

As of December 31, 2024 compared to December 31, 2023

Total Assets

Total assets as of December 31, 2024 stood at ₱107,054.2 million, an increase of 5.8% or ₱5,826.6 million, compared to ₱101,145.0 million as of December 31, 2023.

Significant increase was noted in the following asset accounts:

Cash and cash equivalents decreased by 38.3%, or ₱ 5,240.4 million to ₱8,453.7 million as of end-2024 from ₱13,694.1 million as of end of 2023 as major portion of excess funds are invested in short-term cash placements with higher yielding interest.

Short-term cash placements increased to ₱8,526.9 million as more funds were invested in higher yielding term deposits with maturity dates exceeding three months but less than one year.

Trade and other receivables, net, was higher by 19.6% or ₱676.0 million, to ₱4,132.1 million as of December 31, 2024 from ₱3,456.0 million as of December 31, 2023, mainly attributable to higher level of net trade receivables from subscribers partially offset by decrease in other receivables.

Property, plant and equipment, net reached ₱70,053.2 million as of December 31, 2024, an 3.7% or ₱2,522.7 million increase over the ₱67,530.5 million balance as of December 31, 2023 attributed to the additions of more than one hundred thousand deployed ports, more than 2,500 kilometers of fiber network backbone, installation of CPEs, core equipment, office equipment and furniture, transportation equipment and leasehold improvements, heavy equipment and tools.

Advances to fixed asset suppliers, net of current portion, amounted to ₱3,810.6 million as of end of 2024, reflecting an increase of 5.7% or ₱205.8 million, from ₱3,604.8 million as of end-December 2023, due to additional advances paid to contractors for on-going construction projects.

Deferred income tax assets, net increased by 3.2%, or ₱48.7 million, at ₱1,594.5 million as of December 31, 2024 from ₱1,545.8 million as of December 31, 2023, attributable to the deferred tax assets on leases and provision for employee benefits, partially offset by higher deferred tax liabilities recognized for net unrealized forex gain and deferred contract costs.

The increase in asset accounts discussed above was offset by the following material movements:

Due from related parties, net (combined current and noncurrent) decreased by 27.6% or ₱ 100.2 million, to ₱262.2 million as of December 31, 2024 from ₱362.3 million as of December 31, 2023 primarily due to collections of long outstanding receivables.

Network materials and supplies decreased by 22.9% or ₱464.1 million, to ₱1,560.2 million as of December 31, 2024 from ₱2,024.3 million as of December 31, 2023 because of lower purchases made during the year, accompanied with increased usage in the ongoing network infrastructure build out, as well as additional allowance for inventory obsolescence recognized for non-moving inventories.

Other current assets decreased by 7.0%, or ₱124.4 million, to ₱1,663.2 million as of December 31, 2024 from ₱1,787.5 million as of December 31, 2023 primarily due to the utilization of advances to suppliers applied against outstanding payables.

Right-of-use assets, net decreased by 21.6%, or ₱616.6 million, to ₱2,236.6 million as of December 31, 2024 from ₱2,853.2 million as of December 31, 2023 on account of the amortization during the year and termination of some lease contracts, partly offset by additional leases on network assets and co-located sites, office and warehouse spaces during the year.

Intangible assets, net ended at ₱2,046.3 million as of December 31, 2024, lower by 4.6%, or ₱98.5 million, from ₱2,144.8 million as of additional intangibles.

Investment in associate and joint ventures decreased by 28.0% or ₱197.7 million to ₱508.7 million as at December 31, 2024 from ₱706.4 million as at December 31, 2023 mainly due to the dividends received, partially offset by share in net income recognized during the year.

Total Liabilities

Total liabilities as of December 31, 2024 was at ₱52,363.6 million, a decline of 6.3%, or ₱3,535.7 million, compared to ₱55,899.3 million as of December 31, 2023, with the following significant movements:

Trade and other liabilities (current and non-current) increased by 9.6%, or ₱1,557.9 million, to ₱17,756.9 million as of December 31, 2024 from ₱16,199.0 million as of December 31, 2023, as a result of higher accruals for unbilled pole rentals, repairs and maintenance costs and unpaid employee bonuses.

Borrowings (current and noncurrent) decreased by 16.3% or ₱5,728.8 million, to ₱29,514.8 million as of December 31, 2024 from ₱35,243.6 million as of December 31, 2023 due to principal payments made during the year.

Deferred revenue increased by 29.1%, or ₱162.3 million, to ₱720.3 million as of December 31, 2024 from ₱557.9 million as of December 31, 2023. This increase was driven by additional installation fees from new subscribers, partially offset by the amortization of deferred revenue for active subscribers throughout the year.

Income tax payable increased by 589.1%, or ₱797.0 million, to ₱843.1 million as of December 31, 2024 from ₱135.3 million as of December 31, 2023, due to higher taxable income for the year partially offset by quarterly tax remittance.

Liquidity and Capital Resources

Our principal liquidity requirements have primarily been for, and are projected to continue to be for, (i) capital expenditures to extend and augment our end-to-end fiber network and build digital capabilities through investments in IT platforms, (ii) operating and maintenance costs related to our existing fiber network, (iii) operating expenses

for after sales support and administrative overhead to support the rapid expansion of our network and subscriber base and (iv) debt service payments.

Our principal sources of funding for our capital requirements have been (a) capital contributions from our shareholders, (b) cash flow generated from our operations, (c) bank financing, and (d) issuance of retail bonds. We maintain a strong and conservatively levered balance sheet. The Company's net debt position (as measured by total financial debt less cash and cash equivalents and short-term cash placements) is at ₱12,534.1 million as of December 31, 2024 compared to ₱21,549.4 million as of December 31, 2023. We believe that our strong balance sheet and conservative leverage position provide us with significant financial flexibility and sufficient leverage headroom to fund our growth plans.

As of December 31, 2023 compared to December 31, 2022

Total Assets

Total assets as of December 31, 2023 stood at ₱101,145.0 million, an increase of 3.1% or ₱3,046.7 million, compared to ₱98,098.3 million as of December 31, 2022.

Significant increase was noted in the following asset accounts:

Cash and cash equivalents increased by 34.1%, or ₱3,480.1 million to ₱13,694.1 million as of end-2023 from ₱10,214.1 million as of end of 2022 due to the net effect of cash flows generated from operations and additional loan availments, offset by the loan and interest payments and expenditures for our network expansion.

Trade and other receivables, net was higher by 3.6% or ₱118.9 million, to ₱3,456.0 million as of December 31, 2023 from ₱3,337.1 million as of December 31, 2022, mainly attributable to other receivables from sale of assets to partners, partially offset by lower level of net trade receivables on account of provision for doubtful accounts recorded for the period.

Property, plant and equipment, net reached ₱67,530.5 million as of December 31, 2023, an 8.0% or ₱4,996.4 million increase over the ₱62,534.0 million balance as of December 31, 2022 attributed to the additions of almost one million deployed ports, more than 20,000 kilometers of fiber network backbone, installation of CPEs, core equipment, office equipment and furniture, transportation equipment and leasehold improvements, heavy equipment and tools.

Investment in associate and joint ventures increased by 54.1% or ₱248.1 million to ₱706.4 million as at December 31, 2023 from ₱458.3 million as at December 31, 2022 ascribed mainly to the Company's share in the net profit of the joint ventures recognized for the current year.

The increase in asset accounts discussed above was offset by the following material movements:

Due from related parties, net (combined current and noncurrent) decreased by 52.7% or ₱404.2 million, to ₱362.3 million as of December 31, 2023 from ₱766.5 million as of December 31, 2022 primarily due to collections of long outstanding receivables.

Network materials and supplies decreased by 53.8% or ₱2,360.8 million, to ₱2,024.3 million as of December 31, 2023 from ₱4,385.1 million as of December 31, 2022 because of lower purchases made during the year, utilization in the ongoing network infrastructure build out, and allowance for inventory obsolescence recognized for HFC-related inventories.

Other current assets decreased by 41.3%, or ₱1,258.6 million, to ₱1,787.5 million as of December 31, 2023 from ₱3,046.1 million as of December 31, 2022 primarily due to the utilization of input VAT upon application against output VAT.

Right-of-use assets, net decreased by 13.4%, or ₱440.4 million, to ₱2,853.2 million as of December 31, 2023 from ₱3,293.6 million as of December 31, 2022 on account mainly of the amortization during the year, partly offset by additional network assets and co-located sites, office and warehouse spaces during the year.

Intangible assets, net ended at ₱2,144.8 million as of December 31, 2023, lower by 10.1%, or ₱239.8 million, from the balance of ₱2,384.6 million as of December 31, 2022 primarily due to amortization during the year, partly offset by purchase of software and licenses.

Advances to fixed asset suppliers, net of current portion, amounted to ₱3,604.8 million as of end of 2023, down by 16.5% or ₱712.5 million, from ₱4,317.3 million as of end-December 2022, as a result of application of advances to existing liabilities.

Deferred income tax assets, net reduced by 13.8%, or ₱246.9 million, at ₱1,545.8 million as of December 31, 2023 from ₱1,792.7 million as of December 31, 2022, due to the decrease in deferred tax pertaining to lower level of allowance for impairment of trade and other receivables from the write-off of some bad debts, coupled with higher deferred tax liabilities recognized for net unrealized forex gain and deferred contract costs.

Total Liabilities

Total liabilities as of December 31, 2023 was at ₱55,899.3 million, a decline of 9.8%, or ₱6,088.2 million, compared to ₱61,987.5 million as of December 31, 2022, with the following significant movements:

Borrowings (current and noncurrent) decreased by 7.8% or ₱2,996.2 million, to ₱35,243.6 million as of December 31, 2023 from ₱38,239.8 million as of December 31, 2022 due to principal payments on existing loans partially offset by the additional drawdown of ₱500.0 million from our loan facility during the year.

Deferred revenue (current and noncurrent) decreased by 35.4%, or ₱306.0 million, to ₱557.9 million as of December 31, 2023 from ₱863.9 million as of December 31, 2022 due to amortization of deferred revenues for active subscribers during the year.

Trade and other current liabilities decreased by 5.0%, or ₱856.3 million, to ₱16,199.0 million as of December 31, 2023 from ₱17,055.4 million as of December 31, 2022, on account of the application of long-term advances of suppliers against the existing liabilities, as previously mentioned.

Due to related parties decreased by 62.1% or ₱69.0 million, to ₱42.1 million as of December 31, 2023 from ₱111.1 million as of December 31, 2022, attributed to the payments made to related parties.

Liquidity and Capital Resources

Our principal liquidity requirements have primarily been for, and are projected to continue to be for, (i) capital expenditures to extend and augment our end-to-end fiber network and build digital capabilities through investments in IT platforms, (ii) operating and maintenance costs related to our existing fiber network, (iii) operating expenses for after sales support and administrative overhead to support the rapid expansion of our network and subscriber base and (iv) debt service payments.

Our principal sources of funding for our capital requirements have been (a) capital contributions from our shareholders, (b) cash flows generated from our operations, (c) bank financing, and (d) issuance of retail bonds. We maintain a strong and conservatively levered balance sheet. The Company's net debt position (as measured by total financial debt less cash and cash equivalents) is at ₱21,549.4 million as of December 31, 2023 compared to ₱28,025.7 million as of December 31, 2022. We believe that our strong balance sheet and conservative leverage position provide us with significant financial flexibility and sufficient leverage headroom to fund our growth plans.

Cash Flows

The following discussion of our cash flows for the years ended December 31, 2025 and 2024 should be read in conjunction with the statements of cash flows included in the audited financial statements.

	For the years ended December 31			
	2025	2024	YoY change	YoY change %
In PHP millions				
Cash flow from operating activities				
Profit before income tax	15,751.1	14,288.9	1,462.2	10%
Adjustments for operating income	13,783.8	12,278.8	1,505.0	12%
Adjustments for assets and liabilities	(3,682.3)	(3,188.3)	(494.1)	15%
Cash from operations	25,852.5	23,379.4	2,473.1	11%
Interest received and income taxes paid	(3,868.5)	(2,344.1)	(1,524.4)	65%
Net cash from operating activities	21,984.0	21,035.3	948.7	5%
Cash flow from investing activities				
Acquisition of property, plant, and equipment	(12,547.5)	(8,539.6)	(4,007.9)	47%
Acquisition of right-of-use assets	(4,946.5)	-	(4,946.5)	NM
Acquisition of intangibles	(744.8)	(775.8)	31.1	-4%
Maturity of (investment in) short-term cash placements	6,374.5	(8,310.8)	14,685.3	-177%
Others	323.5	491.2	(167.7)	-34%
Net cash used in investing activities	(11,540.8)	(17,135.2)	5,594.3	-33%
Cash flow from financing activities				
Payment of borrowings	(5,613.7)	(5,757.0)	143.4	-2%
Dividends paid	(3,124.6)	(1,308.0)	(1,816.6)	139%
Acquisition of treasury shares	(373.2)	-	(373.2)	NM
Others	(2,047.3)	(2,184.1)	136.8	-6%
Net cash used in financing activities	(11,158.8)	(9,249.1)	(1,909.7)	21%
Net decrease in cash and cash equivalents	(715.6)	(5,349.0)	4,633.4	-87%
Cash and cash equivalents, beginning	8,453.7	13,694.1	(5,240.4)	-38%
Effects of exchange rate changes in cash and cash equivalents	(25.3)	108.5	(133.8)	-123%
Cash and cash equivalents, ending	7,712.8	8,453.7	(740.9)	-9%

Net cash flows from operating activities

Our cash from operations primarily comprises cash payments received from subscribers under the terms of their subscription plans.

Net cash from operating activities was ₱22.0 billion for the year ended December 31, 2025. Our cash flows generated from operating activities for 2025 are calculated by adjusting our profit before income tax of ₱15.8 billion, by (i) non-cash and other items, primarily comprising ₱8.0 billion of depreciation and amortization, ₱3.0 billion of amortization of deferred contract costs, ₱1.8 billion in provision for impairment of trade and other receivables, and ₱1.5 billion in finance costs (ii) changes in certain working capital items that positively impacted cash flows from operating activities, in particular a ₱2.7 billion increase in trade and other current liabilities, ₱85.1 million increase in deferred revenue, ₱73.5 million increase in due to related parties (iii) changes in certain working capital items

that negatively impacted cash flows from operating activities, in particular, the ₱2.8 billion increase in trade and other receivable, a ₱2.9 billion increase in deferred contract costs, ₱574.8 million increase in network materials and supplies used, ₱68.6 million increase in due from related parties, increase in other current and non-current assets of ₱29.9 million, ₱187.9 million decrease in subscribers' deposit, ₱8.8 million decrease in retirement benefit obligation, (iv) interest income received during the year amounting to ₱388.7 million, and (v) income taxes paid during the year amounting to ₱4.3 billion.

Net cash from operating activities was ₱21.0 billion for the year ended December 31, 2024. Our cash flows generated from operating activities for 2024 are calculated by adjusting our profit before income tax of ₱14.3 billion, by (i) non-cash and other items, primarily comprising ₱7.6 billion of depreciation and amortization, ₱1.9 billion in finance costs, ₱1.8 billion of amortization of deferred contract costs, and ₱1.6 billion in provision for impairment of trade and other receivables (ii) changes in certain working capital items that positively impacted cash flows from operating activities, in particular decrease in other current and non-current assets of ₱227.5 million, decrease in due from related parties of ₱80.4 million, ₱162.3 million increase in deferred revenue, ₱20.7 million increase in subscribers' deposits, (iii) changes in certain working capital items that negatively impacted cash flows from operating activities, in particular, the ₱2.6 billion increase in trade and other receivable, a ₱2.4 billion increase in deferred contract costs, a ₱2.0 billion decrease in trade and other current liabilities, a ₱13.3 million decrease in due to related parties, and (iv) income taxes paid during the year amounting to ₱2.7 billion.

Net cash flows used in investing activities

Net cash used in investing activities was ₱11.5 billion and ₱17.1 billion for the years ended December 31, 2025 and 2024, respectively. Cash outflows in both periods were primarily driven by capital expenditures to expand the Group's network infrastructure, acquire software and right-of-use assets. In 2024, we invested in short-term cash placements amounting to ₱8.3 billion, while short-term cash placements of ₱6.4 billion matured in 2025.

Cash used in acquisitions of property, plant and equipment was ₱12.5 billion and ₱8.5 billion for the year ended December 31, 2025 and 2024, respectively. Over that period, we made the following significant investments: (i) additions in outside plant equipment, which primarily consists of passive network equipment related to the construction of our end-to-end fiber network and the international subsea cable systems, (ii) additions in inside plant equipment, which primarily consists of active network equipment such as dense wavelength division multiplexing equipment and routers and (iii) additions in other property, plant and equipment, which primarily consists of cost of data center construction, customer premise equipment, transportation and heavy equipment, leasehold improvements, and general IT related investments to build our digital capabilities and laptop computers and other office IT equipment.

Cash used in acquisitions of intangible assets was ₱744.8 million and ₱775.8 million for the year ended December 31, 2025 and 2024, respectively. Over that period, we made the following significant investments: (i) additions in software and licenses, (ii) additions in intangible assets relating to customer list acquisitions, and (iii) additional investments in other intangible assets.

Cash used in acquisitions of right-of-use assets was ₱4.9 billion for the year ended December 31, 2025 (2024 - nil). This pertains to payments made to settle the remaining balance upon completion of submarine cable projects, net of advances previously made.

Net cash flows used in financing activities

Net cash used in financing activities was ₱11.2 billion during the year ended December 31, 2025. Cash flows used in financing activities primarily consisted of ₱5.6 billion of repayments of borrowings, ₱3.1 billion of dividend payment, ₱1.5 billion of payments for interests on borrowings, ₱450.8 million of payments on lease liabilities, ₱373.2 million for acquisition of treasury shares and ₱148.3 million of payments for interests on lease liabilities.

Net cash used in financing activities was ₱9.2 billion during the year ended December 31, 2024. Cash flows used in financing activities primarily consisted of ₱5.8 billion of repayments of borrowings, ₱1.3 billion of dividend payment, ₱1.8 billion of payments for interests on borrowings, ₱246.8 million of payments on lease liabilities, and ₱165.4 million of payments for interests on lease liabilities.

Contractual Obligations and Commitments

As of December 31, 2025, we have unused credit lines from local banks amounting to ₱4.0 billion. Refer to Note 10 to our audited consolidated financial statements for further discussions. As of December 31, 2025, we have entered into agreements with various suppliers for the construction, delivery and installation of property and equipment. As of December 31, 2025, the Group has commitments amounting to ₱14.0 billion (2024 - ₱14.4 billion). See Note 6 and 7 to our audited consolidated financial statements for further discussions.

The following table summarizes our contractual obligations as of December 31, 2025:

	Within 12 Months	More than 12 months (in ₱ millions)	Total
Trade and other liabilities	16,160	2,736	18,896
Subscribers' deposits	1,174	-	1,174
Due to related parties	102	-	102
Borrowings	5,601	18,500	24,101
Lease liabilities, gross of discount	696	2,192	2,888
Future interest payable	1,174	740	1,914
	24,907	24,168	49,075

Capital Expenditures

The Company has and is continuing to deploy capital expenditures to extend and augment our proprietary end-to-end fiber network, comprising of domestic backbone, distribution and last-mile networks, and international cable connectivity networks.

The Company categorize our capital expenditures as follows:

- Domestic backbone which connects the three major Philippine islands of Luzon, Visayas and Mindanao in a single continuous loop. The primary Luzon, Visayas, and Mindanao segments were already operational and completed last November 2021, supported by over 20 cable landing stations across the archipelago. The domestic backbone comprises both outside plant equipment, or passive or not electrically powered network equipment (e.g. fiber), and inside plant equipment, or active or electrically powered network equipment (e.g. routers). We estimate our domestic backbone capital expenditures on a per kilometer basis according to the length of the network that we are planning to develop;
- Distribution network, which connects the domestic backbone with the network access points (NAPs), and the ports mounted on the NAPs. We construct poles to support our distribution network, particularly where NAPs are hoisted;
- Customer premise equipment (CPE), which are the modems and routers provided to residential subscribers. The cost for each CPE is depreciated over three years. The annual CPE cost that we incur is directly correlated to the volume of gross residential subscriber additions in a given year;
- International connectivity, which connects our domestic network with key international networks. We actively seek to form partnerships with global carriers in order to secure proprietary access to bandwidth capacity on certain key international network routes. For example, in August 2020, we entered into an agreement with Telstra International Limited for international bandwidth capacity. This bandwidth capacity has been priced at an aggregate unit cost that is meaningfully lower compared to our average contracted leased bandwidth capacity costs historically. This IRU is subject to certain conditions. Going forward, Converge intends to continue to secure

proprietary access to international bandwidth capacity through similar agreements with other international carriers, which can provide us with significant cost savings; and

- Other property, plant and equipment and intangible assets, such as IT platforms and equipment.

The table below summarizes the balances and changes in these major capital expenditure items:

	For the Years Ended December 31			
	2025	2024	YoY Change	YoY Change %
	(in PHP millions)			
Total capital expenditures*	20,123	9,498	11,695	112
Total cash capital expenditures*	18,239	9,315	8,923	96
Cash capital expenditures / Revenue	41%	23%		

*Include property, plant and equipment, intangibles and indefeasible right-of-use assets, acquired as of report date

Off-Balance Sheet Arrangements

We did not have any other off-balance sheet arrangements or obligations that were likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF FINANCIAL RISK

The Company is exposed to financial risks in the course of its normal business activities. These financial risks principally involve the possibility of adverse consequences on its results of operations due to factors that are generally beyond its control. The most important types of risk the Company manages are credit risk, market risk and liquidity risk.

The following parameters pertain to various qualitative and quantitative factors that may affect the operations of the Company:

- There are no other known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
- There are no other known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of obligation.
- There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- The Company's financial performance depends on various risk factors outlined in our 2024 Annual Report under Major Risk Factors and Risk Management. The Company's business may be affected by these risks. Nonetheless, this Company takes steps to augment and manage these risks through various means as indicated in our 2024 Annual Report under Major Risk Factors and Risk Management.
- There are no other significant elements of income or loss that did not arise from the Company's continuing operations.
- There are no seasonal aspects that may have a material effect on the financial condition or results of operations.

For a detailed discussion, see Note 25 of our consolidated financial statements.

LIST OF TOP STOCKHOLDERS

As of March 31, 2026, the stockholders of the Company own 7,241,380,061 or 100% of issued and outstanding common shares.

	Name	No. of Shares	Percentage
1	COMCLARK NETWORK AND TECHNOLOGY CORP.	4,797,417,274*	66.25%
2	PCD FILIPINO**	1,356,979,337***	18.74%
3	PCD NON FILIPINO	1,086,140,543	15.00%
4	CAROUSEL HOLDINGS, INC.	317,500	0.00%
5	LAARNI N. ENRIQUEZ	150,000	0.00%
6	DIOSDADO M. PERALTA	120,000	0.00%
7	RAYMOND ALVIN MENDOZA MENDOZA	54,000	0.00%
8	CHANG-LE LIN	52,800	0.00%
9	HONG, JINZHAN	43,000	0.00%
10	OMRY YADAN	29,000	0.00%
11	WEIXI	15,000	0.00%
12	TIM PHILLIPP ANDY KOERBER	13,500	0.00%
13	ARACELI Z. LORAYES	12,000	0.00%
14	MYRA P. VILLANUEVA	10,000	0.00%
15	EDWIN TEH GRAJO	5,000	0.00%
16	JOHN JAMES CENTENO DIZON	3,100	0.00%
17	MYLENE C. ARNIGO	3,000	0.00%
18	MANUEL JORGE L. CRISTOBAL OR LORNA T. CRISTOBAL	2,000	0.00%
19	JOSELITO C. HERRERA	2,000	0.00%
20	GABRIELLE CLAUDIA F. HERRERA	2,000	0.00%
21	JOSHUA ALBERT GOPIAO GO OR FAITH ANN GOPIAO GO	2,000	0.00%
22	MYRNA P. VILLANUEVA	1,000	0.00%
23	MILAGROSA P. VILLANUEVA	1,000	0.00%
24	MARIETTA V. CABREZA	1,000	0.00%
25	JAYBEE C. BARAQUEL	1,000	0.00%
26	JUAN CARLOS V. CABREZA	1,000	0.00%
27	EDILBERT P. TORRES	1,000	0.00%
28	LEOVILLO DELA CRUZ AGUSTIN	1,000	0.00%
29	JOSE P. DE JESUS	1	0.00%
30	AMANDO M. TETANGCO, JR.	1	0.00%
31	ROMAN FELIPE S. REYES	1	0.00%
32	SAURABH AGARWAL	1	0.00%
33	WEONGI PARK	1	0.00%
34	JOSELITO TANWANGCO BAUTISTA	1	0.00%
35	JOHN RHEY OLLERO ALBAY	1	0.00%
	Total	7,241,380,061	100%

*includes 281,640,597 scrippless shares of Comclark Network and Technology Corp.

**less 281,640,597 scrippless shares of Comclark Network and Technology Corp.

***includes shares owned by Independent Director Justice Perlas-Bernabe

MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

2025	Number of shares	Amount (in Thousand Pesos)
Authorized shares		
Common shares at P0.25 par value per share	16,900,000,000	4,225,000
Preferred shares at P0.25 par value per share	3,060,000,000	765,000
Preferred B shares at P0.0025 par value per share	4,000,000,000	10,000
Total	23,960,000,000	5,000,000
Issued common shares	7,526,294,461	1,881,574
Treasury shares	(284,914,400)	(6,871,763)
Additional paid-in capital	-	18,746,088
Total issued and outstanding	7,241,380,061	13,755,899

For details of the equity components listed in the table above, please see Note 12 of the consolidated financial statements. Converge was listed on the Philippine Stock Exchange on October 26, 2020 under the ticker symbol CNVRG at ₱16.80 per share.

As of March 31, 2026, the quarterly high and low prices are as follows:

Quarter	High (₱)	Low (₱)
4Q2020	16.98	13.20
1Q2021	21.20	14.54
2Q2021	23.45	17.58
3Q2021	40.40	22.25
4Q2021	45.40	27.90
1Q2022	32.20	21.50
2Q2022	31.50	18.24
3Q2022	22.40	12.66
4Q2022	16.78	11.02
1Q2023	19.98	12.80
2Q2023	13.00	10.06
3Q2023	11.18	7.77
4Q2023	10.40	7.63
1Q2024	10.13	8.20
2Q2024	11.42	8.41
3Q2024	17.40	10.68
4Q2024	17.68	15.00
1Q2025	19.42	15.48
2Q2025	21.40	17.00
3Q2025	20.10	10.70
4Q2025	16.00	11.88
1Q2026	16.24	11.84

As of the trading date of March 31, 2026, Converge's publicly listed stock closed at ₱12.20 per share.

DIVIDENDS

On September 10, 2024, the Board of Directors of Converge approved and adopted the Company's Dividend Policy. This is also in adherence to one of the pillars of the G2/ The Organization for Economic Co-operation and Development (OECD) Principles of Corporate Governance 2023 on the rights and equitable treatment of shareholders.

The Dividend Policy is aimed at maintaining a dividend payment ratio for all outstanding common shares of the Company of approximately 25% to 30% of its net income based on the latest audited financial statements net income, subject to the requirements of the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends as may be determined by management and approved by the Board of Directors.

Unless otherwise required by law, the Board of Directors, has sole discretion to determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including, but not limited to: the level of earnings, cash flow, return on equity and retained earnings, results for and financial condition in a given period in respect of which the dividend is to be paid, expected financial performance, projected levels of capital expenditures and other investment programs, restrictions on payments of dividends that may be imposed on the Company by any current or future financing arrangements and current or prospective debt service requirements, and such other factors as the Board of Directors deems appropriate.

The record date is at least ten (10) trading days from declaration date, and the payment date is no more than thirty (30) days from declaration date or under PSE rules, no more than 18 trading days from record date.

The Board of Directors may, at any time, modify this dividend policy, including the dividend payout.

Following its robust performance in the first half of 2024 and having considered future cash requirements for expansion and growth, Converge also declared a special cash dividend amounting to ₱1.31 billion or ₱0.18 per share to all outstanding common shareholders on record as of September 24, 2024, ahead of its 2025 target dividend declaration announced during its IPO in October 2020.

Additionally, the Board of Directors, at its meeting held March 17, 2025, approved the declaration of regular cash dividends of ₱0.43 per common share. This will be sourced from unrestricted retained earnings of 2024 Audited Financial Statements.

In March 6, 2026, the Board of Directors approved the declaration of regular cash dividends of ₱0.49 per share, which is sourced from unrestricted retained earnings of 2025 Audited Financial Statements.

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES, INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING AN EXEMPT TRANSACTION

On August 8, 2019, the Company, the Founders, Comclark and Coherent Cloud entered into a share subscription agreement pursuant to which we agreed to issue, and Coherent Cloud agreed to subscribe for the 51,136,363 Preferred Shares for an aggregate consideration of U.S.\$225,000,000. The subscription was completed in two tranches as follows:

Date of issuance	No. of Preferred Shares*	Consideration
August 23, 2019	30,681,818	U.S.\$135,000,000
February 7, 2020	20,454,545	U.S.\$90,000,000

**Number of Shares before the Stock Split and the Conversion.*

Each convertible preferred share confers upon a shareholder: a) the right to vote at any shareholders' meeting or on any resolution of the shareholders; and b) the right to distribution of income on a *pari passu* basis with all other shareholders based on actual shareholding percentage. Each convertible preferred share shall be convertible into a fully paid ordinary share on a one-to-one basis.



The Company applied for a stock split and was approved by the SEC on September 28, 2020. As a result of the stock split, the above convertible preferred shares were exchanged for 2,045,454,520 newly issued preferred shares, each with a par value of P0.25 per share.

On October 8, 2020, Coherent Cloud Investments B.V. exercised its conversion right to convert all 2,045,454,520 issued and outstanding preferred shares held in its name to common shares and the Company has issued 2,045,454,520 common shares to Coherent Cloud on the same date at a conversion ratio of one preferred shares to one common share.

Apart from the foregoing, there are no recent sales of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction.

As of March 31, 2026, the Company has no outstanding preferred shares. Refer to Note 12 of our consolidated financial statements for a detailed discussion on the movements of our share capital.

MINIMUM PUBLIC OWNERSHIP

Under the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of 20.0%.

R.A. No. 9707 mandates the Company to offer at least 30% of its outstanding capital stock or higher percentage that may hereafter be provided by law in any securities exchange in the operations in compliance with the constitutional provision to encourage public participation in public utilities (the “Converge Public Offering”), which shall occur within five years from the commencement of operations of the Company pursuant to Section 16 of R.A. No. 9707 otherwise, the franchise may be revoked. Nevertheless, under Section 17 of R.A. No. 9707, which provide that “any advantage, favor, privilege, exemption or immunity granted under existing franchises for telecommunications system, or which may hereafter be granted, shall *ipso facto* become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee”, the applicable period for the Converge Public Offering is in fact ten years from the commencement of operations of the Company. Considering that at least two legislative franchises granted in June 1998 under Republic Act No. 8645 for Mindoro Telecommunications Corporation and Republic Act No. 8678 for Sear Telecommunications Inc. provide that the public offering requirement of least 30% of their outstanding capital stock or higher percentage be undertaken within 10 years from commencement of operations, the period for the Converge Public Offering should likewise be deemed automatically extended from five years to ten years. On June 18, 2020, in reply to the letter from the Company requesting for clarification on this matter, the NTC confirmed that the applicable period for the Converge Public Offering is 10 years from commencement of the Company’s operations in 2012. As of May 2022, the Company has reached 30.9% public float. Please see *Item 10. Security Ownership of Certain Beneficial Owners, Directors, and Executive Officers* of the 2025 SEC 17-A for more details.

COVER SHEET

SEC Registration Number

C	S	2	0	0	7	1	6	0	9	4
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Company Name

C	O	N	V	E	R	G	E		I	N	F	O	R	M	A	T	I	O	N		A	N	D						
C	O	M	M	U	N	I	C	A	T	I	O	N	S		T	E	C	H	N	O	L	O	G	Y					
S	O	L	U	T	I	O	N	S	,		I	N	C	.															

Principal Office (No./Street/Barangay/City/Town/Province)

N	E	W		S	T	R	E	E	T		B	U	I	L	D	I	N	G		M	C	A	R	T	H	U	R		
H	I	G	H	W	A	Y		B	A	L	I	B	A	G	O		A	N	G	E	L	E	S		C	I	T	Y	
P	A	M	P	A	N	G	A																						

Form Type

1	7	-	A
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Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

converge.sec@convergeict.com

Company's Telephone Number/s

-

Mobile Number

09175774586

Annual Meeting

Month/Day

Last Friday of May of Each Year

Fiscal Year

Month/Day

Dec-31

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

Name of Contact Person

OWEN OCAMPO

Email Address

okdocampo@convergeict.com

Telephone Number/s

-

Mobile Number

09328912603

CONTACT PERSON'S ADDRESS

Reliance IT Center Bldg., Annex 1, No. 99, E. Rodriguez Jr. Ave., Brgy. Ugong, Pasig City

NOTE: 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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2025**
2. SEC Identification number **CS200716094**
3. BIR Tax Identification No. **006-895-049**
4. **Converge Information and Communications Technology Solutions, Inc.**
Exact name of issuer as specified in its charter
5. **Republic of the Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **New Street Bldg., Mc Arthur Highway, Balibago, Angeles City, Pampanga** **2009**
Address of registrant's principal office Postal Code
8. **(02) 8667-0888**
Registrant's telephone number, including area code
9. **Not applicable**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	No. of Shares of Common Stock Issued & Outstanding
Common Shares	7,241,380,061
Fixed Rate Bonds	10,000,000,000
11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes ☒ No ☐
12. Check whether the issuer:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17.1 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes ☒ No ☐
 - (b) has been subject to such filing requirements for the past ninety (90) days

Yes ☒ No ☐
13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. P28.4 billion (2.2 billion shares at P12.80 (as of March 26, 2026))

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Forward-Looking Statements

This report contains certain "forward-looking statements." These forward-looking generally can be identified by use of statements that include words or phrases such as "aims," "believes," "expects," "anticipates," "intends," "plans," "foresees," "seeks," "may," "might," "can," "could," "will," "would," "shall," "should," "is/are likely to," or other words or phrases of similar import. Similarly, statements that describe Converge's objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that the forward-looking events and circumstances discussed in this report might not occur. Actual results could differ materially from those contemplated by the relevant forward-looking statement. The forward-looking statements included herein are made only as of the date of this report.

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

Overview

Converge Information and Communications Technology Solutions, Inc. (“Converge” or the “Company”) is one of the largest and fastest growing pure-play high-speed fixed broadband providers in the Philippines, with industry leading optical fiber-based connectivity services.

This singular focus on high speed fixed broadband services and adjacent technology solutions is deeply ingrained in the organization, which permeates all aspects of Converge’s operations, including network rollout, product and service innovation, sales, and customer service. Converge owns and operates the broadest end-to-end fiber network in the Philippines, which is also one of the newest in the country. The Company’s network consists of 100% high-speed technologies, by enabling fixed broadband connections utilizing fiber-to-the-home (FTTH) technologies. The network spans 8.3 million fiber ports nationwide.

Converge was listed on the Philippine Stock Exchange (PSE) under the ticker symbol CNVRG, marking another historic milestone for the Company in 2020. With an offering size of ₱25 billion, the Initial Public Offering (IPO) was the largest IPO on the PSE at that time since 2016. On August 5, 2021, the PSE announced that Converge will be included in the Philippine Stock Exchange Index (PSEi) effective August 16, 2021, after qualifying for early inclusion. Converge was further included in the PSE Services Index, representing one of the main six sector-based indices of the local exchange.

As a publicly listed company (PLC), Converge discloses information on its economic, environmental, and social impacts for the year as an exhibit to this Annual Report (Exhibit 2), in compliance with the SEC Memorandum Circular No. 4 Series of 2019. As a “Tier 1” PLC as defined under SEC Memorandum Circular No. 16 Series of 2025 Section 1, we have begun preparations for full adoption of Philippine Financial Reporting Standards (PFRS) S1 and S2 for our 2026 Sustainability Report. Accordingly, we have voluntarily endeavored to align our 2025 Sustainability Report with these reporting standards ahead of the deadline, to ease the transition to full compliance. With the Company’s commitment to providing quality services to all subscribers, Converge is mindful of its impact on the environment and the communities the Company operates in and of its compliance with best governance practices.

Mission, Vision, Core Values

During the unveiling of the refreshed corporate branding in July 2025, Converge updated its vision “to be the foremost technology leader that powers the digital journeys of tomorrow, uplifting the human spirit and moving the country forward.” as its corporate vision. It is also embarking on a wider corporate mission “to enrich everyday life through inspired innovations and human-centric solutions.”

Its new core values that will help it carry out its broader mission are: *Malasakit* (Genuine Care), Innovation, Customer Centricity, Excellence, Passion for Learning, Inclusivity, and Courage.

Business Development and Historical Background

In 2007, Mr. Dennis Anthony H. Uy and Ms. Maria Grace Y. Uy (collectively referred to as “Founders”) incorporated Converge in Pampanga, a province in Luzon, with the primary purpose of providing broadband internet and other connectivity services to residential and enterprise customers nationwide. Converge remained dormant as it awaited the requisite licenses and approvals to operate.

In 2009, Republic Act No. 9707 granted Converge its franchise from the Philippine Congress to construct, install, establish, operate, and maintain telecommunications systems throughout the Philippine for a term of 25 years.

On June 24, 2011, the National Telecommunications Commission (NTC) issued a Provisional Authority for us to install, operate and maintain a nationwide broadband internet network in the Philippines. In June 2012, we commenced our fixed broadband internet operations.

The following year, we launched FTTH fixed broadband services and entered Metro Manila, the nation's capital. Metroworks ICT Construction, Inc. was incorporated in 2013 to manage the network rollout.

In 2019, we commenced our efforts to “Go National” (beyond Luzon), kicking-off the construction of our nationwide domestic backbone that will connect Luzon with Visayas and Mindanao. In the same year, we executed an agreement with leading global private equity firm Warburg Pincus for a U.S.\$225 million primary investment into our Company to accelerate our nationwide network expansion plans. As part of the transaction, we completed a group reorganization to streamline our operations, which resulted in Metroworks becoming a wholly owned subsidiary of Converge in the same year.

In July 2020, we activated the Philippines' first 400 Gbps metro backbone utilizing industry-leading optical solutions. This deployment provides us with a programmable, dynamic setup of connections that increases adaptability and resiliency. The metro backbone was further scaled to higher 800 Gbps transmission capacity to support future growth in mid-2021. This allows Converge subscribers to make full use of the Company's connections to the content distribution networks, peering partners, and other international exchanges, easily doubling the bandwidth they have for any of their online activities.

We were listed on the PSE on October 26, 2020 in one of the largest Initial Public Offerings of the Philippines in recent history, with a total offering size of c. ₱25 billion and raising net proceeds of c. ₱8 billion.

In November 2020, Converge reached the important milestone of one million residential subscribers and celebrated by providing free speed upgrades to its subscribers of up to an additional 300 Mbps in December. Both existing and new subscribers were able to enjoy permanent speed upgrades to their plans without additional fees.

In April 2021, Converge's fiber backbone reached Visayas and Mindanao. Rollout of the subsea cable continued until November 2021 where the nationwide subsea cable network was completed.

In May 2021, Converge secured participation in the Bifrost Cable System.

In August 2021, the PSE announced the inclusion of Converge in the PSEi effective August 16, 2021 after qualifying for early inclusion. Converge was also included in the PSE Services Index, representing one of the main six sector-based indices of the local exchange.

In October 2021, Converge was awarded its Certificate of Public Convenience and Necessity (CPCN), allowing it to operate until the expiration of its franchise term.

In March 2022, Converge reaffirmed its partnership with a consortium to construct and operate the South East Asia Hainan - Hong Kong Express Cable System (SEA-H2X), a new submarine cable system that will connect Hong Kong SAR China, Hainan China, Philippines, Thailand, East Malaysia and Singapore, with options to extend to Vietnam, Cambodia, West Malaysia and Indonesia.

In April 2022, Converge issued its maiden bond offering of ₱10 billion (5-year fixed-rate) to support the Company's capital expenditure programs and general corporate activities. This was the Company's entrance into the fixed income market with very strong demand from investors.

Converge bought back a total of 259,721,400 shares in May 2023 from Coherent Cloud Investments, representing 3.5% of the Company's pre-transaction outstanding share capital. These shares are classified as Company's treasury shares.

In January 2023, Converge received the greenlight to provide international connectivity services in Singapore through its wholly-owned subsidiary, Converge ICT Singapore Pte. Ltd. (Converge SG) via the awarding of a Facilities-Based Operations (FBO) License by Singapore's Infocomm Media Development Authority. Converge SG can now start providing wholesale connectivity services and fiber optic cable capacity to customers such as other Internet Service Providers, data centers, enterprise customers in the Southeast Asian city state.

With the goal of aiding the unserved and underserved segments, Converge introduced two new residential brands in 2023 – Surf2Sawa and BIDA Fiber. This broadens the Company's addressable market and promotes inclusive digital access. Surf2Sawa is the country's first prepaid broadband package which allows its customers to have the ultimate flexibility of availing unlimited fiber connectivity on a when-needed and as-needed basis. On the other hand, BIDA Fiber is a more affordably priced postpaid broadband that serves the niche segment of Philippine households that can allocate a consistent portion of their monthly income for connectivity but at lower cost. See Exhibit 2 (Sustainability Report) – Access to Information and Communications for details.

In September 2024, Converge's Board of Directors approved its dividend policy, aiming to pay out 25% to 30% of its previous year's net income based on audited financial statements. The policy aims to deliver shareholder value while balancing capital expenditure needs for expansion.

In August and September 2025, Converge executed a series of buyback transactions amounting to 25,193,000 shares. This represents 0.3% of outstanding shares pre-transaction.

Business Segments

Converge operates two main business segments: (i) residential business (Residential Business), which primarily offers high-speed fixed broadband internet services to residential customers; and (ii) enterprise business (Enterprise Business), which offers high-speed fixed broadband internet services and multiple connectivity solutions and tailored digital services to enterprise customers of varying sizes, industries and types. The Residential and Enterprise Business revenues also include installation revenue that is generated from each new subscriber or customer.

Historically, the majority of revenues have been derived from the Residential Business. For the full year of 2025, revenues from our Residential Business represented 83.4% of the consolidated revenues, while revenues from our Enterprise Business represented 16.6% of the same. Revenues from the Residential Business increased from ₱23,129.1 million in 2021 to ₱37,325.0 million in 2024, representing a CAGR of 28.5% between the periods. Revenues from the Enterprise Business increased at a CAGR of 19.6% during the same period to reach ₱6,187.7 million in 2024 from ₱3,024.0 in 2020. The consolidated revenue increased at a CAGR of 26.9% from ₱15,652.3 million in 2020 to ₱40,610.1 million for 2024.

	For the years ended December 31,					CAGR	
	2021	2022	2023	2024	2025	(2021-25)	
	(in millions)						
Revenues	₱					U.S.\$*	
Residential Business	23,129.1	29,462.2	30,282.1	34,422.5	37,325.0	649.0	10.0%
Enterprise Business	3,349.7	4,233.5	5,077.3	6,187.7	7,445.3	129.5	22.1%
Total Revenues	26,478.8	33,695.6	35,359.3	40,610.1	44,770.3	774.5	14.0%

*Exchange rate from Bangko Sentral ng Pilipinas (2025 average) – 1 USD: 57.51 PHP

	2024				2025			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Residential								
Revenues (In PHP millions)	8,167	8,469	8,806	8,981	9,109	9,259	9,382	9,576
Customers	2,252,845	2,351,803	2,459,851	2,563,458	2,701,336	2,819,569	2,926,593	2,984,212
Homes Passed ⁽¹⁾	16,897,965	16,947,181	17,005,261	17,070,741	17,141,925	17,239,589	17,412,925	17,559,405
Fiber Ports	8,021,332	8,045,940	8,074,980	8,107,720	8,143,312	8,192,144	8,278,812	8,352,052
Household Coverage (%) ⁽²⁾	63.54%	63.72%	63.94%	64.19%	64.46%	64.82%	65.47%	66.02%
ARPU	1,189	1,170	1,160	1,133	1,107	1,089	1,065	1,033
Port Utilization (%) ⁽³⁾	26.9	28.2	29.6	31.1	34.4	35.9	37.0	37.4%
Enterprise								
Revenues (In PHP millions)	1,373	1,511	1,613	1,691	1,687	1,725	1,811	2,222

Notes:

- (1) Homes passed is derived from the number of homes within a 300-meter radius from a network access point ("NAP") that the Company has installed in a coverage area. Each NAP has eight or sixteen ports, and one port serves one home.
- (2) Household coverage is calculated as total homes passed over the total number of homes in the Philippines, which is estimated at ~27 million.
- (3) Fiber port utilization rates is the number of fiber subscribers, including residential and enterprise subscribers, as a percentage of total ports.

OUR RESIDENTIAL BUSINESS

Overview

The Company's strategy is to focus on FTTH expansion and service innovation to broaden the range of value-added services on top of connectivity. Our Residential Business offers high-speed fixed broadband internet services, and other bundled or add-on connectivity services to residential customers, through fiber access networks.

Following our successful network expansion through the Go National and Go Deep strategies since 2019, the Company has expanded its residential subscriber base from 1,691,550 as of December 2021 to 2,984,212 as of December 2025. By the end of 2025, Converge's residential fixed wired broadband subscriber market share was more than one-third amongst the three largest broadband operators in the Philippines. Converge net additions represented 35% among the top three players in 2025, demonstrating intact demand for Converge services and solutions.

The average revenue per user (ARPU) of the Residential Business has gradually declined quarter-on-quarter from ₱1,107 in 1Q2025 to ₱1,033 in 4Q2025 due to the growth of the subscriber base of the more-affordable plans, such as BIDA Fiber and Surf2Sawa, as we started catering to the broader, less affluent households.

Products and Services

The Company offers a menu of fiber broadband residential plans – a wide selection from which to choose a product that best suits their household or microbusiness needs. All products, including the two newly launched brands, have unlimited data capacity to empower all members of the household in digitalizing their lifestyle.

- **FiberX:** Converge provides residential broadband services via FTTH connection under our FiberX brand. Its flagship product, FiberX 1500, is the FTTH plan with speeds of up to 300 Mbps tailored specifically for the middle-income Philippine household that forms the core of the Company's target customer base. FiberX

1500 remains to be Converge's most popular plan and has grown exponentially. Premium plans range from ₱2,000 per month for download speeds of up to 400 Mbps to ₱7,499 per month for download speeds of up to 1 Gbps, with no data caps.

- **The Game Changer:** A unique offering to subscribers who are gamers or gaming enthusiasts. The plan offers high prioritization for gaming applications to ensure quality gaming experience. The Game Changer plans range from ₱2,500 per month for speeds of up to 400 Mbps to ₱5,000 per month for speeds of up to 800 Mbps.
- **BIDA Fiber:** This newly launched postpaid FTTH brand caters to a niche segment - being significantly more affordable than any other postpaid fiber plans in the market but also offering faster speed than the Company's prepaid fiber options. At ₱888 a month, BIDA Fiber offers up to 75 Mbps of unlimited fiber connectivity to budget-conscious consumers with a limit of eight concurrent devices connected. Customers can avail of a ₱999 BIDA Fiber package that would boost speeds up to 100 Mbps.
- **Surf2Sawa:** This is the first prepaid fiber product to the market which allows its customers to have the ultimate flexibility of availing unlimited fiber connectivity on a when-needed and as-needed basis. Surf2Sawa lets users enjoy up to 50 Mbps of unlimited Fiber connectivity with multiple top up options at unmatched price points ranging from just ₱50 for 1 day up to ₱700 pesos for 30 days.

The Company carefully segmented BIDA Fiber and Surf2Sawa to only attract its intended target market with minimal to no effect on existing and potential FiberX subscribers. Both BIDA Fiber and Surf2Sawa use Wi-Fi only modems that can simultaneously connect up to eight and six devices, respectively. The difference in speed between FiberX and the two low-cost brands also provides FiberX subscribers the best value proposition as they are getting almost six times faster speeds for only 70% additional cost.

To complement the core products and services, Converge also offers a broad suite of add-on products and services. An additional fee is charged on the subscriber's monthly plan for these add-ons, enhancing our ARPU. Examples of our add-ons include the following:

- **Content bundling:** Through marketing service arrangement with affiliates, Converge offers cable and Internet Protocol TV as a bundled service to internet subscribers, for an additional fixed monthly fee.
 - **Super FiberX:** Launched in 2025 with the aim to provide a complete, digital entertainment package to the Filipino home, SuperFiberX features not just faster speeds but bundles this with the Converge Xperience Hub with SkyTV, for a more extensive selection of entertainment content. Through a partnership with Sky Cable, the Xperience Hub also provides live local and premium channels.

Super FiberX basic packages include broadband speeds of up to 400Mbps and nonstop streaming for up to ₱1,599 per month. Super FiberX premium plans can provide up to 1Gbps at ₱2,599 per month, which includes 4K streaming services and smarthome capabilities.

- **Converge Netflix Bundle:** This package affords ease, convenience, and value with more bandwidth, a better quality connection, and the massive entertainment library content streamed on the platform.

The Converge Netflix Bundle starts at ₱1,558 per month, inclusive of a Converge FiberX plan with boosted speeds of 200 Mbps and a Basic Netflix subscription that can support one high definition (HD) stream at a time. Customers can avail themselves of more premium bundles that can support multiple devices streaming at the same time and can offer additional Boost Modes with speeds of up to 600 Mbps.

All FiberX and Game Changer plans initially include a fixed-term contract for a 24-month period. At the end of the initial 24-month contract, residential customers may opt to discontinue the service, sign a new contract or continue on their existing contract on a rolling basis (following which time, they may terminate their subscriptions with effect from the end of their current billing cycle). On the other hand, BIDA Fiber subscribers have a fixed-term contract for 36 months.

Converge designs the offerings to meet the evolving demands of consumers. The fast-paced shift to a digital lifestyle ushered by the pandemic has placed utmost importance on the reliability of internet connection. Major activities that drive heavier internet traffic such as work from home, distance learning, and at home entertainment such as video streaming and the increased use of features like 4K video which call for higher speeds have fueled the demand for better connectivity—a key commitment of Converge to its ever-growing community.

Residential Target Customer Groups

The Company's residential subscriber base grew more than 16% from December 2024 to December 2025. By the end of 2025, the subscriber portfolio comprises 2,392,978 postpaid subscribers and 591,234 prepaid subscribers.

The Company's FiberX customers typically belong to the middle-income or upper-income classes in the Philippines, specifically targeting customers belonging to the larger middle-income class segment. The Company believes that many of these targeted households are young or millennial working families who tend to be tech savvy and heavy internet users. As such, these households have both the means and the willingness to spend on an internet subscription and would seek to prioritize internet speed and reliability and a strong “value for money” proposition. As the middle-income households become more affluent over time, the Company actively cross-sells and upsells add-on services, upgrades, and complementing devices such as high-speed routers.

In line with the Company's commitment to affordability, Converge offers broadband internet solutions for a diverse range of users in the socioeconomic spectrum. With the introduction of BIDA Fiber and Surf2Sawa, Converge's target addressable market has widened to include those that previously heavily relied on alternative forms of connectivity, such as mobile data, fixed wireless, and legacy technology due to affordability concerns. BIDA Fiber and Surf2Sawa, combined, aim to target ~17 million untapped households in the country which represents over 77% of the overall market for fixed broadband. With these new innovative products that open the opportunities for less affluent households to afford reliable connectivity, Converge aims to foster equal access to information and communications technology. See Exhibit 2 (Sustainability Report) – Access to Information and Communications for details.

OUR ENTERPRISE BUSINESS

Overview

Converge's Enterprise Business offers high-speed broadband internet services and other connectivity and nonconnectivity solutions, including private data network services, cloud and colocation services, bandwidth leases on a wholesale basis to enterprise customers, content solutions, and security and managed services. The Company's enterprise solutions are delivered over end-to-end fiber networks via fiber-to-the-premise (FTTP) technology. The Company serves enterprises of varying sizes, ranging from micro, small-medium enterprise (MSMEs) to some of the largest businesses in the Philippines, including multinational corporations with a presence in the country, and local and global content and broadband providers. While most enterprise clients are for-profit corporations, we also serve non-profit organizations, such as governmental departments, public universities, and non-governmental organizations (NGOs). The Company's key strategic accounts include large business process outsourcing companies, major financial institutions, local and global telecommunication carriers, national government agencies, academe, hospitality stakeholders, and other large accounts with industry-specific bandwidth-intensive and

technology solution requirements. Aligned with the broader Converge vision, the Enterprise Business segment focuses on delivering critical high-speed, reliable connectivity and integrated solutions to enterprise customers.

Enterprise Target Customer Groups

The Company's Enterprise Business is organized around four target customer groups: (i) Large Enterprises, (ii) Corporates, (iii) MSMEs and (iv) Wholesale customers.

Converge's Large Enterprise customers comprise the largest companies in the Philippines, which generally have been among the top 5,000 corporations in the Philippines by revenue. These customers include BPO companies with more than 100 seats, top-tier banks and financial institutions, national government agencies and large non-profit institutions such as major public universities. Corporate customers, on the other hand, comprising large corporations are generally ranked between the top 5,000 and top 10,000 corporations in the country, by revenue. MSME clients generally comprise companies with up to 199 employees. Wholesale Group provides bandwidth leases on a wholesale basis primarily to telecommunication and media companies, as well as content providers, including local and global telecommunication carriers, local cable TV operators, and over-the-top content providers.

On January 3, 2023, Converge received the Facilities-Based Operations license from the Infocomm Media Development Authority, a statutory board under the Singapore Ministry of Communications and Information, to provide international connectivity services in Singapore through its wholly-owned subsidiary, Converge SG. This aims to further strengthen its fast-growing international wholesale business. Effective January 3, 2023, Converge SG can start deploying telecommunications infrastructure and provide connectivity services and fiber optic cable capacity to wholesale and enterprise customers in the Southeast Asian city state.

In March 2025, Converge engaged with Starlink to become an authorized satellite broadband reseller and can now offer end-to-end satellite connectivity solutions from installation, network management, to maintenance to remote areas in the country. Converge targets businesses and government agencies in far-flung areas for the Starlink service, including those in agriculture, retail, and even fisheries and cruise vessels. The Company will also bundle Starlink's satellite technology with its own fiber network offering redundancy in case one service is disrupted.

Products and Services

Converge differentiates itself from other operators in its ability to offer tailored scalable solutions that allow customers to customize their subscription packages to suit their specific needs, and to choose from a wide range of internet connectivity, private data network solutions, and cloud and colocation services.

Through disciplined investments in high-capacity networks and enterprise platforms, Converge enables customers to accelerate digital transformation—while positioning the Company to capture increasing demand for data, cloud, and cross-border connectivity.

Business Broadband for MSMEs

BizEdge

Converge BizEdge is built for MSMEs and professional organizations that need enterprise-grade fiber for performance, reliability, and scale. BizEdge empowers scaling corporations to operate at enterprise standards. It delivers more advanced connectivity for growth with no compromise on speed, uptime or support. BizEdge is the strategic upgrade for a premium connectivity service for MSMEs. Plans range from ₱3,000 for 120Mbps up to ₱21,000 for 1Gbps.

flexiBIZ

Converge's flexiBIZ plans are FTTP broadband internet plans tailored for and marketed primarily to MSME customers. FlexiBIZ is a unique and first-in-the-market service for MSMEs that offers true symmetric high-speed internet. The broadband speed will reach double the original plan during the specified time. The plans provide subscribers with a dedicated IP address, 24-hour service desk and support teams, and certain guaranteed service level agreements ("SLAs"), and are priced ranging from ₱2,000 per month for original speed of 50 Mbps (doubles to 100 Mbps for 12 hours) to ₱18,000 per month at 500 Mbps (that doubles to 1Gbps for 12 hours).

MicroBiz MAX

MicrobizMax is an upgrade to its earlier iteration Microbiz with improved speeds. This was designed to make pure fiber connectivity affordable for those businesses upgrading from other forms of connectivity, including legacy and mobile data. Understanding the needs of promising entrepreneurs, Converge aims to provide innovative solutions and ensure these enterprises have low-cost business-grade plans. Prices range from ₱1,449 for 75Mbps to ₱2,499 for 400Mbps.

High-Capacity Enterprise Connectivity

Dedicated Internet Access ("DIA")

DIA services are dedicated, ultra-high performance internet connectivity solutions tailored for and marketed primarily to Large Enterprise and Corporate customers. Multiple variations of the DIA service are offered, all of which are provided with enterprise-grade SLAs, 24-hour all in-source support teams and 24-hour service desk and restoration team service. The "Bandwidth-on-Demand" add-on product enables dynamic demand-based bandwidth top-up, allowing customers to increase bandwidth as and when needed for an incremental additional charge.

In 2021, the Company launched the "Time of Day" and "Upload" products for enterprise customers. The "Time-of-Day" add-on offers variable bandwidth based on the pre-set time of day. The "Upload" variant that offers asymmetric download and upload bandwidth allocation. The "IPT Express" is an innovative and cost-effective IP Transit solution that give customers similar benefits of an ISP with international presence.

Metro Lambda

Metro Lambda is a dedicated point-to-point connectivity service delivered using our Dense Wavelength Division Multiplexing (DWDM) network, and is often used for data center-to-data center connectivity, database disaster recovery, and high capacity, ultra-low latency site-to-site connectivity. This solution delivers dedicated bandwidth from 100Gbps up to 800Gbps, enabling Converge to serve data-intensive clients while increasing ARPU. Its scalability supports long-term client expansion without significant incremental infrastructure costs.

MPLIFY: MEF 3.0 Certified Ethernet Services

MEF 3.0-certified services enhance service standardization and interoperability—reducing deployment friction, accelerating time-to-revenue, and improving customer retention through consistent, high-quality delivery. This runs through a globally certified carrier ethernet network, providing high capacity and secured wide area network ("WAN") connectivity between geographically separated sites. This solution combines video, data applications and voice without the complexities of securing "one-to-many-point" network connections, and is often used to interconnect a head office with its various branch or regional offices.

International Connectivity and Cloud Services

International Private Data Network Solutions

Converge's participation in international subsea cable systems represents a strategic long-term investment in high-margin, capacity-driven revenue streams. These assets enhance the Company's ability to serve hyperscalers, carriers, and multinational enterprises requiring reliable, low-latency global connectivity.

The Company's international private data network solutions, which are marketed primarily to our Large Enterprise, Corporate and Wholesale customers, provide point to point connectivity between two or more local and international sites. These solutions come with enterprise-grade SLAs, as well as dedicated 24-hour service desk (hotline) and support teams.

Cloud Solutions

Converge's Cloud solutions, which is marketed primarily to Large Enterprise and Corporate customers, provides a private, dedicated and high-throughput network connection, allowing businesses to interact with clouds privately, as if these were part of their WAN.

Converge's new Data Centers in Angeles City & Caloocan City, and Cloud solutions enable the Company to participate in the fast-growing cloud and data localization market, while driving recurring, high-margin revenues. By offering local data residency, enterprises benefit from regulatory compliance and reduced latency—while Converge captures value through colocation, cloud services, and long-term enterprise contracts.

Other Connectivity and Value Added Services

- Through a landmark partnership with Starlink in 2025, Converge became an authorized reseller of the Satellite products in the Philippines. It offers reliable, high-speed, satellite-based internet for businesses particularly those in remote areas or those located in terrain where terrestrial connections are difficult to establish. The Company also bundles Starlink's satellite technology with its own fiber network offering redundancy in case one service is disrupted.
- The Intelligent Campus portfolio enables Converge to penetrate the education sector through integrated connectivity and digital tools, creating recurring revenue streams while supporting nationwide digitalization initiatives.
- Content Plus strengthens Converge's position in the hospitality sector by combining connectivity with digital content delivery and in-room services in a singular platform—unlocking additional revenue layers beyond traditional bandwidth services.
- Converge Software Defined WAN (SD-WAN) solutions improve network performance while enabling enterprises to optimize costs—positioning the Company as a strategic partner in managing distributed IT environments. From a business perspective, SD-WAN supports higher-margin managed services revenue, strengthens customer stickiness, and expands Converge's role beyond connectivity into end-to-end network management.

Customer Care and Self-Help

Converge remains steadfast in its commitment to delivering a premium experience for both existing and prospective subscribers. By strengthening customer care functions and digitizing the end-to-end journey, the Company ensures that support is both proactive and accessible. Central to this strategy are the streamlined web portal and the GoFiber

app, which offer an intuitive interface for real-time modem diagnostics—including device connectivity, signal strength, and hardware temperature. These tools empower customers with first-hand troubleshooting capabilities, reducing the need for traditional support interventions.

To minimize service disruptions, Converge is aggressively investing in infrastructure redundancy and preventive maintenance. Key technical advancements include:

- **AI-Powered Escalation:** The integration of artificial intelligence has significantly reduced the "mean time to escalate" during large-scale incidents, ensuring faster responses for affected households.
- **Network Intelligence & Automation Platform:** This proprietary platform enables the exact localization of network damage, allowing for immediate dispatch of the appropriate service teams.
- **Infrastructure Redundancy:** Continuous investment in network backups ensures that one-off incidents do not lead to widespread downtime, particularly for high-stakes enterprise customers.

Recognizing that field response is critical to satisfaction, Converge has launched targeted talent acquisition initiatives to expand its technical workforce. By optimizing repair timelines and increasing field capacity, the Company aims to accelerate the resolution of downtimes and maintain best-in-class service standards. These improvements are vital to driving subscriber "take-up" and reducing churn, as reliability remains the primary metric for consumer choice.

For further details, see Exhibit 2 (Sustainability Report) – Customer Welfare.

Beyond connectivity, Converge is dedicated to upholding the fundamental rights of its customers, specifically regarding privacy and data security. In full compliance with the Data Privacy Act of 2012, the Company's Data Privacy Policy ensures that all personal data is handled with transparency, proportionality, and for legitimate purposes. Robust security measures are continuously updated to safeguard subscriber information and protect data subject rights.

For further details, see Exhibit 2 (Sustainability Report) – Customer Privacy and Data Security.

Sales and Distribution Channels

The majority of Converge's subscribers are engaged through third-party sales channels through the Managed Service Provider ("MSP") model, where third-party managed service providers perform certain aspects of sales and operations within the agreed coverage area under outsourcing arrangements that are generally renewable annually. The MSPs perform services generally on an exclusive basis and are responsible for select post-sales activities.

Converge also engages an increasing number of subscribers through our internal sales channels: (i) tele-digital sales platform and (ii) customer referral programs. The Company's tele-digital sales channel is one of the most cost-effective means to market and sell products. While internal sales personnel receive performance-based incentives for their services, the average customer acquisition cost via tele-digital platform is significantly lower than the customer acquisition cost via third-party sales channels.

Converge's GoFiber website and GoFiber digital app allow customers to view various fiber plans and add-on offerings through their digital devices. Customers may also report technical and hardware issues, check the status of their raised concerns, and pay their outstanding bills. In addition, customers may access the Converge branch locator where they can find nearby business centers for their convenience.

Industry and Competition

The Philippine fixed broadband market has been significantly underserved and underpenetrated compared to other regional markets. The Philippines ended 2025 with a fixed wired broadband penetration of 32% (compared to fixed broadband penetration of 9% in 2015 and 28% in 2024), lower than most other ASEAN markets whose penetration rates are above 50%.

Other major fixed broadband operators in the Philippines include PLDT and Globe Telecom. These other operators have earned a significant portion of their revenues from providing mobile connectivity.

Given the low penetration of the fixed broadband market in the Philippines, to date, there has been minimal pressure to lower prices in the effort to gain market share. Recent competitive actions have focused on expanding network reach, improving service quality, boosting speeds, overall performance of the broadband plans, and introducing value-added services. The Company has increased its residential market share in the fixed wired broadband industry due to its strong effort in expanding its network and introducing innovative products and services catering to the appropriate target market— from 17% in December 2019 to 35% as of December 2025.

Competitive Strengths

Focused on the Philippine fixed broadband market as a pure-play fixed broadband operator

Converge is the only pure-play fixed broadband provider with an exclusive focus on serving the Philippine fixed broadband market. The Company's Founders, CEO Mr. Dennis Anthony H. Uy and President, Chief Resource Officer and Chief Risk Officer, Ms. Maria Grace Y. Uy, established and expanded Converge with an ambition—to build a business dedicated to providing high-speed fixed broadband access and broadband enabled digital solutions to millions of unserved and underserved households and businesses across the Philippines. The organization has been focused on understanding and serving the needs of fixed broadband customers. As a result, Converge is well-positioned to grow its subscriber base as it continues to expand network coverage. Furthermore, the Company is not constrained by legacy infrastructure or dated service models, which makes the Company more agile and adept at anticipating and addressing customer needs.

The broadest proprietary fiber infrastructure with the most number of fiber ports deployed

Converge owns and operates a proprietary, end-to-end fiber network in the Philippines that extends from the backbone to the last mile. The network infrastructure comprising a fiber backbone that stretches from the northernmost tip of Luzon Island to its southernmost end with extensions to Visayas and Mindanao, as well as a fiber distribution and last-mile network. Total fiber infrastructure reached more than 890,000 kilometers nationwide. With more than eight million fiber ports deployed, Converge has the broadest fiber infrastructure in the country.

With more than five million ports still available for utilization as of December 2025, Converge can capitalize this with the expansion of its target addressable market and the potential impact of the Konektadong Pinoy Act (Republic Act No. 12234), where one of its pillars allows fixed infrastructure owners, such as Converge, to monetize available capacity by leasing to new players under a commercial agreement. In July 2024 (prior to the signing of the Konektadong Pinoy Act), Converge entered into such commercial agreements with Sky Cable Corp. (Sky Cable) to allow Sky Cable to upgrade its network and improve its services to its customers.

Having launched BIDA Fiber and Surf2Sawa, Converge now has a full suite of products to maximize the returns from these infrastructure investments, on top of its flagship product FiberX.

Well-positioned to serve a fast-growing and underserved enterprise market

The Philippine enterprise fixed broadband market is significant and fast-growing, underpinned by substantial and rapidly growing demand for fixed broadband from Philippine businesses, particularly those in the services sector, where internet access is critical.

For larger businesses with complex connectivity needs including the requirements for redundancy and back-up support, there is an undersupply of reliable alternative providers, with many areas in the Philippines serviced by only one or two enterprise operators. For smaller businesses with simpler connectivity requirements but for whom connectivity represents a critical need, many are unserved with more than half of all MSMEs (microbusinesses and SMEs) not having access to fixed broadband.

With the Company's continuous innovation and expanded network reaching Visayas and Mindanao, Converge is well equipped to serve more enterprise customers both small businesses and large corporations either operating in local areas or nationwide.

Converge has invested in international subsea cables that will provide further capacity to Converge that it intends to sell through its wholesale business.

Industry-leading growth, profitability and capital efficiency, combined with a healthy balance sheet

Converge's Residential and Enterprise Businesses have delivered market-leading subscriber and revenue growth since 2017. In addition, the Company has adopted a disciplined approach in deploying capital to expand its fiber network, focusing on capital efficiency to ensure consistently high return on invested capital ("ROIC").

Converge continued to deliver double-digit revenue growth in 2025, leading the industry. Consolidated revenues grew by 10.2% in FY2025 to ₱44.8 billion from ₱40.6 billion during the full year of 2024. The Company's EBITDA grew by double-digits at 10.0% to ₱27.0 billion in 2025. Consolidated EBITDA margin was stable at 60.4% at the end of the year. Net income after tax grew by 9.6% from ₱10.8 billion in 2024 to ₱11.9 billion in 2025, resulting in a net income margin of 26.5% for 2025, versus 2024 net income margin of 26.6%. These operational and financial results underscore the resilience of the Company's core operations and reinforce commitment to delivering consistent, long-term value.

The Company maintained its industry-leading Return on Invested Capital ("ROIC") at 17.7%. This performance is a result of the Company's disciplined approach in deploying capital to expand its fiber network and improve its overall services.

Converge has been able to maintain its strong balance sheet and cash flows with ample liquidity and gearing comfortably within bank covenants. The Company's net debt position (as measured by total financial debt less cash and cash equivalents and short term cash placements) remains stable at ₱15.0 billion as of December 31, 2025. The Company repaid a portion of its financial debt, reducing the balance to ₱24.10 billion. The Company's debt service coverage ratio ("DSCR") was 3.5x, the net debt-to-total equity was at 0.2x, and gross debt-total equity was at 0.4x – well within the required financial covenants from its debt facilities.

Suppliers

Converge purchases substantially all of its network equipment outside of the Philippines and the Company expects this to continue in pursuing network expansion plans and other development programs. For core network equipment and the expansion of our optical transmission backbone, including for our planned subsea cables, Huawei Technologies, ZTE, Nokia and Ciena are some of our principal suppliers. Fiber procurement is undertaken through

a bidding process and our principal suppliers are fiber manufacturers such as YOFC International (Philippines) Corporation, Hengtong Optic-Electric International Co., Ltd. and ZTT International Ltd.

The Company reviews the performance of each major supplier periodically, assessing the quality of work performed and materials supplied against the requirements set out in our contractual agreements. Depending on the supplier's internal classification, performance is reviewed annually or per transaction. Along with operational requirements, the Company also ensures that all suppliers are aligned with Converge's environmental and social policies. See Exhibit 2 (Sustainability Report) – Supplier Environmental Assessment and Supplier Social Assessment for details.

Customers

As of December 31, 2025, no single customer and contract accounted for more than 20% of the Company's total sales in 2024 and in the full year of 2025.

Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions, and Royalty Agreements

Converge has a number of registered trademarks registered with the Philippine Intellectual Property Office as well as applications for the registration of various trademarks. These trademarks are important because name recognition and exclusivity of use are contributing factors to the Company's success.

Under the Intellectual Property Code of the Philippines, the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office issues a certificate of registration to the owner of the mark. The mark shall confer the right to prevent, without the owner's consent, third parties from using identical or similar signs or containers for goods or services in respect of which the mark is registered. The certificate of registration also serves as prima facie evidence of the registrant's validity of registration, and ownership of the mark. A certificate of registration remains in force for an initial period of 10 years and may be renewed for periods of ten (10) years at its expiration.

Government Approvals/Regulatory Matters

The Company has all the material permits and licenses necessary for its business as currently conducted, which are valid and subsisting.

Converge was granted a legislative franchise under R.A. No. 9707 to construct, install, establish, operate and maintain telecommunications systems throughout the Philippines. The franchise is for a term of 25 years from the date of effectivity of R.A. No. 9707 and is expected to last until 2034. Prior to its expiration, the Company intends to apply for the renewal of franchise. From 2011 to 2021, Converge had been operating on the basis of a valid Provisional Authority issued by the NTC. On September 28, 2018, the NTC renewed Converge's Provisional Authority until December 24, 2021. In a certification dated August 25, 2020, the NTC confirmed that the Company is in good standing with the NTC. In September 2020, the Company filed an application for renewal of the Provisional Authority. On October 13, 2021, the NTC granted the Company a CPCN to operate and maintain a nationwide wired and wireless broadband network in the Philippines and to offer broadband communications services and other ancillary services. The CPCN is co-terminus with the Company's legislative franchise.

Research and Development

Converge values innovation and is constantly on the lookout for opportunities to improve the services offered or add adjacent products to enhance customer experience for both residential and enterprise. A dedicated Product Development team is responsible for challenging the product portfolio and pushes boundaries to meet currently evident and future customer needs. In 2023, after a series of thorough product and market testing, Converge launched BIDA Fiber and Surf2Sawa to cater to a new segment of the residential market. As broadband connectivity enables the customers to enhance their digitization (and thereby decarbonization) journey, widening the target market through BIDA Fiber and Surf2Sawa further extends the environmental impact to a broad segment of the market.

Enterprise solutions are also being developed to ensure sufficient value-add can be derived from the suite of products the Company offers small to large enterprises. The Company launched Converge Workplace in 2024 to expand the Company's offerings to include a digitalized payroll platform. Other innovative solutions introduced include:

- Disaster Recovery as a Service is an in-country cloud computing product that provides business continuity & data protection capabilities to organizations using Continuous Data Protection (CDP) technology in the event of natural disaster, power outage, cyber attack or other type of business disruption
- Cyber Resiliency Bundle is a comprehensive solution uniting reliable connectivity and SD-WAN technology designed to empower businesses with the secure, reliable, and high-performing connectivity they need to remain resilient in today's digital-first world. Whether it's ensuring business continuity during a Distributed Denial of Service (DDoS) attack or delivering seamless connectivity for mission-critical operations, this innovative bundle offers businesses an all-in-one solution to meet their growing demands.

In 2025, Converge's research and development expenses are not significant, and hence, not separately booked.

Compliance with Environmental Laws

As a Participant in the UN Global Compact, Converge takes a precautionary approach to environmental matters. Any project that could be expected to have a significant impact on the quality of the environment is subject to the Philippine Environment Impact Study system (Presidential Decree No. 1586), for which an Environmental Compliance Certificate (ECC) would need to be obtained from the Philippine DENR, before the project can proceed. Such ECC was required of the Company when it deployed its nationwide submarine cable network connecting the main islands of the Philippine archipelago. Converge has complied with this requirement prior to initiating and since completing its submarine cable network expansion into Visayas and Mindanao.

Converge also expects suppliers to comply with mandated environmental standards in their operations as required by the Company's Third Party Code of Conduct and Energy Management Policy. See Exhibit 2 (Sustainability Report) – Supplier Environmental Assessment for details.

Converge is also actively intensifying its renewable efforts by continually seeking opportunities to enhance energy efficiency and maximize the use of renewable energy. The Company conducted electrical audits, culminating in rectifications to align with the requirements for obtaining an Energy Management Systems certification (ISO 50001). Converge also sustained efforts in procuring renewal energy from geothermal sources for multiple office locations. See Exhibit 2 (Sustainability Report) – Energy and Emissions for details.

In 2023, the implementing rules and regulations of the Extended Producer Responsibility Act (EPPRA) of 2022 came into effect. This is in response to the urgent need for enhanced waste management practices in the country. This legislative measure holds companies accountable for the plastic packaging they use in their products throughout the entire life cycle. The law expands the responsibility of product manufacturers beyond production to include the use and end-of-life stages of their products.

In line with Converge's commitment to UN Sustainable Development Goal 12, the Company actively incorporates environmentally responsible practices into its business operations. Guided by its Waste Management Policy, the Company ensures compliance with applicable legislation, provides ongoing guidance to employees and partners on proper handling procedures, and implements measures to minimize environmental impacts, such as partnering with government-accredited scrap recycling companies to process and repurpose e-waste and deploying zero-waste bins in business centers nationwide to serve as drop-off points for obsolete devices from employees and customers. These practices are aligned with national regulations, including the Extended Producer Responsibility (EPR) Law, the Toxic Substances and Hazardous Waste Management Act (RA 6969), and the Ecological Solid Waste Management Act (RA 9003).

See Exhibit 2 (Sustainability Report) – Waste Management for details.

Relevant policies can also be viewed on the Company's website: <https://corporate.convergeict.com/corporate-governance/>.

With these policies and programs in place, Converge has not faced any regulatory penalties regarding non-compliance to environmental laws and regulations.

Human Resources

Converge believes that its employees are critical to the success of the Company. Converge places great importance on attracting and retaining the most talented and qualified employees to be part of a globally competitive team. As of December 31, 2025, the Converge group has 3,847 full-time employees.

Furthermore, Converge leverages an ecosystem of business partners to support our business, including MSPs, marketing service agencies (MSAs), and third party contact centers. Other providers include manpower agencies for various technical and skilled workers, as well as maintenance and janitorial services. Converge engages with independent third-party contractors for various construction, installation and repair works. In engaging with these business partners, the Converge group ensures compliance with relevant labor laws, and seeks to ensure that our business partners likewise adhere to labor and employment standards.

As a responsible and ethical employer, Converge is committed to adhering to relevant labor laws and regulations, prioritizing the protection of our employees' human rights and freedoms. The Code of Business Ethics Policy underscores our responsibility as conscientious employers, emphasizing ethical employment and work practices that uphold Workers' Rights. Furthermore, Converge takes proactive measures to enhance diversity and inclusion throughout the organization. Our Diversity, Equity and Inclusion Framework and roll-out plan reflects our commitment to fostering an inclusive workplace.

For further details, please see Exhibit 2 (Sustainability Report) – (i) Workforce Welfare, (ii) Diversity, Equity, and Inclusion, and (iii) Supplier Social Assessment sections.

Major Risk Factors and Risk Management

Enterprise Risk Management

The 2025 Strategic Evolution: Strengthening Risk Governance

To support our strategy, Converge reached a significant maturity milestone in 2025. We transitioned the Chief Risk Officer (CRO) function from the President to a dedicated, independent Senior Executive. This move ensures a singular, specialized focus on the complexities of a diversifying ICT risk landscape.

Under this new leadership, we have formed a high-caliber ERM Group composed of experts in Enterprise and Operational Risk Management. This structural evolution directly strengthens our Risk Transfer Program, ensuring that as our physical and digital assets scale, our insurance and mitigation strategies are architected by specialists to protect shareholder value.

Governance Structure and Oversight

The Board of Directors, through the Board Risk Oversight Committee (BROC), maintains ultimate responsibility for the Company's risk appetite and the efficacy of the ERM framework.

- The Chief Executive Officer (CEO): Acts as the comprehensive risk executive, setting the tone for risk tolerances and the execution of mitigation strategies.
- The Chief Risk Officer (CRO): Reports directly to the President, serving as the organization's ultimate risk champion. The CRO oversees the development and continuous improvement of all ERM tools, methodologies, and the specialized Risk Transfer pillar.
- The Risk Management Office (RMO): Led by the RMO Head, this team of experts implements the framework across all departments, ensuring that risk awareness is embedded in the corporate culture rather than treated as a siloed function.

Our Governance Framework: The Integrated GRC Approach

Converge anchors its risk management architecture on the OCEG GRC (Governance, Risk, and Compliance) Capability Model, which serves as our overarching umbrella framework. This integrated approach harmonizes the strategic depth of COSO Enterprise Risk Management with the operational agility of ISO 31000:2018. By aligning these global standards, we provide a dynamic foundation that evolves alongside our strategy.

This unified framework ensures a systematic, logical, and transparent approach to managing uncertainty by weaving financial, operational, and ESG (Environmental, Social, and Governance) imperatives directly into our operational DNA. Working in tandem with the Sustainability Council, the ERM Group ensures that climate resilience, social responsibility, and regulatory shifts are treated with the same analytical rigor as traditional business risks.

The Risk Management Cycle in Action

To achieve our desired state of resilience, we execute a continuous, multi-stage process defined by the ISO standard:

- Scope, Context, and Criteria: We begin by defining the internal and external parameters of our strategy, setting the specific risk appetite and thresholds that guide our decision-making.
- Risk Assessment: This core phase involves the Identification of emerging threats, followed by a deep-dive Analysis of their potential impact and a formal Evaluation to determine where mitigation or risk transfer is required.
- Risk Treatment: We select and implement optimized strategies - ranging from network hardening and automated controls to specialized insurance programs - to modify risk profiles to acceptable levels.
- Monitoring, Review, and Communication: The cycle is supported by a continuous feedback loop. The ERM Group facilitates constant Communication and Consultation across all levels of the organization while performing regular Monitoring and Review to ensure our defenses remain effective against an evolving threat landscape.

Operational Accountability

In alignment with our latest strategic roadmap, the Senior Leadership Team has identified the top corporate risks and delegated them to specific Risk Owners at the Group Level. Each Risk Owner is committed to a defined management plan, with progress tracked by the RMO Department. This ensures that accountability for risk is distributed across the entire value chain.

Project Governance & Execution Excellence (Operational Transformation)

As Converge executes its strategy, project risk management is not a standalone function but a core competency embedded in every strategic initiative. We recognize that our ability to expand our footprint and launch new growth engines and Value-Added Services - depends on disciplined project execution and the proactive mitigation of uncertainties.

Project-related risks are integrated into our Operational Transformation Group. They ensure that our transition into a diversified ICT leader is both stable and predictable.

Mitigation & Capital Discipline:

- Every major project at Converge is required to undergo a formal project risk assessment and the development of a dedicated mitigation plan before commencement. This ensures that capital is only deployed toward projects with a clear path to execution.
- Risks and issues are not handled in isolation; they are core components of our regular status reporting. This transparency allows executive leadership to monitor action plans in real-time and reallocate resources as needed to maintain project timelines.
- As we expand our reach, we continue to engage and develop specialized talents in project risk management across the organization. This ensures that "Ready Now" project managers are equipped with the innovative culture and technical capability required to meet our growth objectives.
- We foster an organization-wide appreciation of risk management, ensuring that front-line teams and senior management alike are aligned in managing uncertainties within the business, regulatory, and physical environments.

Business Disruption & Infrastructure Resilience

To sustain Converge's growth trajectory, we require the seamless functioning of our nationwide fiber network. We recognize that our infrastructure is exposed to physical disruptions from natural disasters—including typhoons, earthquakes, and volcanic activity—as well as accidental damage from third-party construction.

Risk Status: Managed Business Disruption is a high-priority risk group within our Strategic Roadmap. It is currently Managed, with all mitigating controls On-Track. Our framework specifically accounts for catastrophic "black swan" events, such as the movement of the West Valley Fault, ensuring we remain "battle-ready" for large-scale disruptions.

Mitigation & Continuity Framework:

- Our resilience strategy is anchored in the ISO 22301:2019 Business Continuity Management System (BCMS), ensuring our recovery protocols meet international benchmarks for speed and reliability.
- Our dedicated Business Continuity and Disaster Recovery (BCDR) Team is supported by an enhanced Emergency Preparedness & Response Plan (EPRP). We conduct regular Emergency Call Tree drills and disaster risk management training to ensure organizational readiness.
- We perform rigorous natural hazard assessments of key facilities to identify and remediate vulnerabilities. This data-driven approach directly informs our insurance programs, ensuring comprehensive coverage for our most critical physical assets.
- As part of our 2026 outlook, we are rolling out the #HANDAangConverge quick reference guides and BCM playbooks to our key business partners, ensuring our entire ecosystem - not just our internal teams - is resilient to disruption.

For further details, please see Exhibit 2 (Sustainability Report) – Customer Welfare and Climate Adaptation and Resilience sections.

Climate Resilience & Transition Strategy (Business Disruption)

Converge recognizes that shifting global climate patterns present both physical risks to our nationwide infrastructure and transition risks as the economy moves toward a lower-carbon future. As an ICT provider, our operational continuity is susceptible to extreme weather events, which can exacerbate risks related to business disruption and macroeconomic stability.

Mitigation & Value Protection:

- We utilize third-party Natural Catastrophe Modeling and Scenario Analysis to quantify potential losses from typhoons and rising sea levels. This data-driven approach allows us to prioritize capital expenditure for assets in high-risk zones.
- We are committed to continuous investment in network health, hardening and resiliency. By reinforcing our physical infrastructure in anticipation of increased subscriber density and adverse weather, we reduce future repair costs and protect our service level agreements (SLAs).
- To mitigate transition risks and reduce our carbon footprint, we have transitioned our key facilities to geothermal energy. We are actively developing plans to expand renewable energy usage across our entire organizational footprint, aligning with global decarbonization trends.
- We have enhanced our insurance programs to ensure comprehensive coverage for key assets and exposures of Converge and its subsidiaries. This provides a financial safety net that protects shareholder equity against catastrophic "black swan" climate events.
- Our natural hazard assessments directly inform our Emergency and Business Continuity Plans. This ensures that our field teams - supported by optimized Service Operations Centers - can respond rapidly to climate-driven outages.

For further details, please see Exhibit 2 (Sustainability Report) – Customer Welfare and Climate Adaptation and Resilience sections.

Strategic Competitive Positioning & Market Expansion

Converge operates in a dynamic and increasingly contested telecommunications landscape, facing competition from established national incumbents, localized players, and potential new entrants enabled by evolving regulations like the Konektadong Pinoy Act. We recognize that maintaining our market-leading growth requires not just network reach, but a superior value proposition across all customer segments - from ultra-low-cost prepaid to high-value enterprise solutions.

While competition is intensifying, we are leveraging our agility as a pure-play high-speed fiber provider to outpace traditional providers in service quality and product innovation.

Mitigation & Growth Strategy:

- We are rapidly expanding our distribution and last-mile networks into Visayas and Mindanao (VisMin), and North Luzon. By moving into underserved high-growth areas, we capture "land-grab" opportunities and build early brand loyalty.
- To address all market levels, we have launched tailored offerings. These products allow us to penetrate the MSME and budget-conscious consumer segments while maintaining our premium brand for high-bandwidth users.
- We utilize a highly incentivized network of partners to optimize customer penetration in localized markets. This asset-light distribution model allows us to scale rapidly while maintaining strict compliance with our corporate policies.
- In the Enterprise and New Growth segments, we are positioning ourselves as the high-quality Third Player, providing a much-needed alternative to the duopoly and capturing market share through superior network intelligence and reliability.

For further details, please see Exhibit 2 (Sustainability Report) – Competitive Behavior and Open Internet for details.

Customer Retention & Experience Excellence

At Converge, we recognize that our long-term value is inextricably linked to the quality of the subscriber experience. In a competitive broadband market, the ability to promptly address service requests, minimize downtime, and resolve issues through digital-first channels is a critical differentiator. We view any potential lapse in responsiveness not just as an operational hurdle, but as a risk to Customer Retention and our overall Brand Reputation.

We put the Customer at the center with the proactive consistent focus of key executives specifically tasked with managing persistent churn and utilizing business intelligence to address customer experience issues and identify emerging needs.

Mitigation & Value Protection:

- To ensure long-term margin stability, we focus on acquiring quality customers. This includes assessing a prospective customer's ability to pay consistently, implementing robust blacklisting protocols, and ensuring we match the "right product" to the right customer needs from day one.
- As part of our BSS (Business Support Systems) Transformation, we are improving the after-sales journey. We have made it easier for customers to file cases and provided full visibility and predictability regarding the progress of their service requests.
- We shall continue to create products and services that meet customer needs better than the competition. By delivering superior value, we drive deeper brand loyalty and sustainable ARPU growth.
- We are ramping up on repair talent acquisition and improving repair processes to ensure better turn around time on repair tickets leading to more reliable service.

For further details, please see Exhibit 2 (Sustainability Report) – Customer Welfare.

Data Privacy, Governance & Subscriber Trust

At Converge, we view the protection of personal data as a fundamental cornerstone of our digital relationship with employees, customers, and partners. In accordance with the Data Privacy Act of 2012, we operate under the core principles of proportionality, transparency, and legitimate purpose. We recognize that any mishandling or unauthorized disclosure of personal information - whether by the Company or our third-party Personal Information Processors - poses a significant risk to our brand equity and regulatory standing.

We are proactively evolving our privacy framework to address the complexities introduced by AI-driven data processing and new growth strategies.

Mitigation & Privacy Resilience:

- We have institutionalized a Data Privacy Management Platform and a Consent Management Platform. These tools provide a centralized, automated system for tracking data lifecycle and ensuring that subscriber consent is managed with precision.
- To stay ahead of business process improvements, we continuously update our Record of Process Activities (ROPA) and Registry of Data Processing Systems. This rigorous mapping ensures that we maintain a clear "line of sight" into how data flows across our nationwide network.
- We conduct Annual Data Privacy Breach Drills to test our organizational response to social engineering and potential data leaks. These simulations foster a proactive cybersecurity posture, emphasizing rapid risk identification and immediate solution implementation.
- We continue to apply established practices to support the protection of customer privacy and data security, with measures aligned with our Telecommunications Privacy and Data Protection Risk Management

(TPDPRM) framework to ensure both Data Protection and Information Security Compliance (ISC) standards across all our operations and processes.

- In compliance with the Data Privacy Act of 2012 (DPA), our Data Privacy Policy remains applicable across all data processing activities, systems, and personnel, while the Information Security Policy continues to guide risk management throughout the lifecycle of information and technologies under the Information Security Management System
- Privacy is a shared responsibility. We conduct extensive Data Privacy Awareness Campaigns across the organization and among our third-party partners. This ensures that our high standards for data integrity are maintained even when information is processed by our partners.

For further details, please see Exhibit 2 (Sustainability Report) – Customer Privacy and Data Security.

Corporate Integrity & Anti-Fraud Governance

Converge maintains a zero-tolerance approach toward fraudulent acts, recognizing that such risks - whether originating internally or externally - can lead to loss of assets, income, and critical brand equity. We believe that a strong ethical foundation is a prerequisite for sustainable growth as we scale our nationwide operations.

Mitigation & Integrity Framework:

- Our anti-fraud defense is anchored by a suite of core compliance policies, including the Code of Business Ethics, Anti-Bribery and Anti-Corruption Policy, and a Blacklisting and Suspension Policy. These are reviewed annually to ensure alignment with global best practices.
- We have institutionalized an independent Whistleblowing Platform, providing an anonymous channel for employees and stakeholders to report wrongdoing without fear of retaliation. This platform ensures that the Board is alerted to potential issues before they become systemic.
- To stay ahead of sophisticated fraudulent schemes, we prioritize the continuous improvement and automation of internal controls. By reducing manual intervention in financial and procurement processes, we significantly lower the opportunity for misappropriation.
- We have strengthened our Compliance, Internal Audit, and Security capabilities to create a robust system of "check and balance". This integrated approach ensures that we can not only detect and investigate fraud but, more importantly, prevent it through proactive risk mapping.
- Recognizing that "Brand Erosion" is a high-impact risk in our Strategic Roadmap, we treat ethical conduct as a direct lever to protect our brand from negative social media and public sentiment.

For further details, please see Exhibit 2 (Sustainability Report) – Policy Commitments and Anti-Corruption sections.

Cyber Security, Data Integrity & Trust

In an era of accelerating digital transformation, Converge views Information Security not merely as a technical defense, but as a foundational element of customer trust and operational resilience. We recognize that our expansive network and data ecosystems - including those of our partners - are subject to evolving threats such as sophisticated phishing, hacking, and unauthorized data access.

Cyber Security is a cornerstone of our strategy. Our focus is to continually address the heightened security requirements of AI and expanding partner ecosystems.

Mitigation & Resilience Framework:

- Our security framework is anchored in the ISO 27001:2013 Information Security Management System (ISMS) standard. This global certification ensures that our controls are internationally recognized and rigorously audited.

- We conduct frequent internal and external vulnerability assessments and penetration testing on all applications and portals. This "offense-informed defense" allows us to remediate potential entry points before they can be exploited.
- Our Strategic roadmap specifically integrates the impact of AI-driven threats. By staying ahead of evolving imperatives in privacy and trust, we ensure that our digital expansion remains secure and resilient against next-generation cyber disruptions.

For further details, please see Exhibit 2 (Sustainability Report) – Customer Privacy and Data Security.

Macroeconomic Resilience & Capital Management (Financial Pressure)

Converge operates within a dynamic macroeconomic environment where fluctuations in the domestic and global economy - including inflation, interest rate hikes, and foreign exchange volatility - can impact consumer purchasing power and operational costs. We manage these factors through a disciplined capital allocation framework designed to protect and maximize shareholder value.

Investor-Led Mitigation & Value Preservation:

- To mitigate the impact of a volatile Peso, we actively build dollar cash reserves when the peso is strong. This strategy reduces our exposure to economic and accounting losses arising from foreign-denominated obligations, providing predictability to our cash flows.
- We ensure the availability of adequate funding raised timely at optimal rates. By maintaining a strong balance sheet and diverse funding sources, we secure the capital necessary for long-term investments and debt servicing, even during periods of tightened credit markets.
- We continuously monitor economic indicators from the Bangko Sentral ng Pilipinas (BSP) and the World Bank to stress-test our business plans.
- Our financial management is attuned toward supporting New Growth Areas, ensuring that macroeconomic headwinds do not stall our transition into a wholesale and diversified ICT leader.

Occupational Health, Safety, and Environment (OHSE) & ESG Stewardship

Converge is committed to maintaining the highest standards of safety and environmental responsibility. We recognize that adherence to health, safety, and environmental laws is not only a regulatory requirement but a fundamental component of our Operational Integrity. Effective management of these factors mitigates potential financial liabilities related to hazardous materials and ensures the continuity of our nationwide network operations.

Mitigation & Value Protection:

- We have institutionalized a Safety, Health, Environment, and Security (SHES) Committee to provide high-level governance and oversight across the organization. This is supported by a network of Safety Officers deployed throughout our operational footprint.
- To ensure the safety of our field engineering and technical teams, we conduct rigorous training programs, including Working at Heights, First Aid, and Mandatory Eight-Hour Safety and Health Training. These programs are essential for maintaining productivity and reducing workplace incidents.
- We have established an Energy Management Policy in accordance with the ISO 50001:2018 standard. This ensures energy efficiency across our facilities, directly supporting our long-term goal of reducing operating costs and carbon intensity.
- Our Solid and Hazardous Waste Management Framework is complemented by an Extended Producer's Responsibility (EPR) Program in coordination with the National Solid Waste Management Commission. Our Zero Waste Campaign targets "zero waste to landfill," reflecting our commitment to a circular economy.

For further details, please see Exhibit 2 (Sustainability Report) – Workforce Welfare, Energy and Emissions, and Waste Management sections.

Revenue Assurance & Margin Integrity (Financial Pressure)

The telecommunications industry is inherently susceptible to revenue leakage due to the high volume of transactions and the complexity of supporting technology and integrations. At Converge, we view Revenue Assurance (RA) as a critical pillar of our financial resilience, ensuring that system limitations, process gaps, or stakeholder behaviors do not erode our operating results or financial condition.

Mitigation & Margin Protection:

- We have institutionalized a dedicated Revenue Assurance Team tasked with embedding rigorous financial controls into both existing products and new service launches.
- We maintain robust internal controls across all revenue-impacting processes - from initial customer provisioning to final collections. These controls are designed to address both internal process gaps and external fraudulent risks.
- By minimizing leakage, we protect our ARPU and ensure that our new subscriber base arising from our aggressive network expansion translates directly into top line growth.

Political and Regulatory Uncertainties

Converge operates in a highly regulated environment, overseen by the Philippine Congress, the NTC, and various Local Government Units (LGUs). Our ability to maintain our franchise and secure the necessary permits for our nationwide fiber rollout is fundamental to our operational continuity and long-term valuation.

While we remain vigilant regarding potential shifts in the policy landscape, our strategic alignment with national priorities ensures a stable regulatory footing.

Mitigation & Strategic Alignment:

- Our dedicated teams stay ahead of regulatory mandates to ensure timely compliance. This includes preparing for the long-term implications of the KPA, the effects of which are expected to materialize within the next year or so.
- We have institutionalized an Open Internet Policy, which upholds the principles of net neutrality and ensures unrestricted access to legal, publicly available content for all users. This commitment reinforces our reputation as a transparent and consumer-centric provider.
- We maintain a proactive and collaborative engagement model with the Department of Information and Communications Technology (DICT), NTC, and LGUs, ensuring that our expansion projects proceed with the necessary legal and social licenses to operate.
- By positioning our high-speed fiber rollout as a catalyst for the country's digital transformation, we ensure our growth objectives remain synchronized with government mandates.

For further details, please see Exhibit 2 (Sustainability Report) – Policy Commitment, Stakeholder Engagement, and Competitive Behavior and Open Internet sections.

Human Capital & Culture

Converge recognizes that our strategy is fundamentally powered by our people. As we navigate a highly competitive global landscape for technical and leadership talent, the ability to attract, develop, and retain individuals who embody an innovative culture is a critical strategic imperative.

Converge continues to proactively reengineer the employee value proposition to ensure organizational resilience.

Mitigation & Talent Strategy:

- We are actively reengineering our "Employee Attractiveness" model to win the global war on talent, ensuring Converge remains a preferred employer for high-caliber professionals.
- We have institutionalized continuous development through Converge University, supplemented by strategic partnerships with learning platforms and our CompetenShift program. These initiatives focus on closing competency gaps and building specialized skills.
- To mitigate the risk of leadership vacuums, we conduct regular talent reviews and maintain a formal succession planning program. This process identifies "Ready Now" successors and provides targeted individual development plans to ensure leadership continuity.
- We believe a diverse workforce drives innovation. Our commitment to eliminating discrimination is codified in our Code of Business Ethics, supported by tangible initiatives like our woman-to-woman mentorship program, which empowers female leaders within the organization.
- Our talent management programs are designed to foster the innovative culture and capability necessary to meet our growth targets.

For further details, please see Exhibit 2 (Sustainability Report) – Workforce Welfare and Diversity, Equity, and Inclusion.

Technology Change & Operational Transformation

Converge operates in an industry defined by rapid technological evolution. We recognize that staying at the forefront of innovation is essential to maintaining our competitive edge. While technological shifts can necessitate increased capital expenditure, our strategy focuses on ensuring we adapt clean, agnostic and future proof technology architecture and scalable infrastructure

Mitigation & Future-Proofing:

- Our Operational Transformation involves rigorous assessments of our technology choices to identify and bridge capability gaps. This ensures our network remains world-class and responsive to shifting industry landscapes.
- To arrest ARPU dilution and meet emerging business needs, we are leveraging technology to deliver a flexible Product Catalog that creates compelling, multi-tiered service offerings.
- Converge is currently in the foundational phase of assessing the strategic impact of Artificial Intelligence (AI) on our internal operations and partner ecosystems. To ensure that future deployments are grounded in trust and data integrity, AI-related risks - including those involving privacy and evolving threat landscapes - are proactively managed within our Cyber Security risk group.
- Our technology roadmap is directly linked to new growth areas ensuring that every capital expenditure-peso is deployed toward revenue-generating innovation.

Strategic Partner & Supply Chain Ecosystem (Operational Vulnerability)

Converge operates an asset-light model that leverages on a robust and dynamic business partner ecosystem. This model is critical for the rapid deployment of resources and the execution of essential services including trade marketing, installation, repairs, and logistics.

Recognizing that third-party non-performance could lead to Operational Vulnerability, we have transitioned our approach from basic vendor management to a rigorous Partner Governance Framework.

Mitigation & Governance:

- We codified our expectations into a Business Partnership Playbook that we continuously refine. This serves as the operational guide for our partners, defining strict controls for critical processes and ensuring service consistency as we scale.

- Our Vendor and Procurement Management Team has been empowered to spearhead end-to-end improvements in supply chain resiliency and procurement guidelines, ensuring an adequate and dependable supply of critical network equipment.
- We empower our MSPs through skills training, service monitoring, quality assurance, and issue resolution to ensure that the standard of service remains best in class.
- We shall employ a multi-layered due diligence process covering all vendors, contractors, and subcontractors to mitigate upstream financial and operational risks.
- We conduct ongoing, data-driven monitoring of key business partners. This allows for the early identification of service gaps, particularly in the "last mile" of installation and after-sales support, which is vital for maintaining our brand reputation.
- Partner risk is viewed through a sustainability lens; our oversight includes Supplier Social and Environmental Assessments and workforce welfare audits to ensure our ecosystem aligns with our corporate values and global ESG standards.

For further details, please see Exhibit 2 (Sustainability Report) – Supplier Social Assessment, Supplier Environmental Assessment, Workforce Welfare.

In Summary: Built for Principled Performance

The 2025 transition to a dedicated Chief Risk Officer (CRO) and the establishment of the specialized Risk Management Office (RMO) represents a shift from foundational compliance to a high-maturity model of Distributed Accountability. At Converge, risk management is no longer a centralized bottleneck; it is an integrated discipline embedded across our entire value chain.

By adopting the OCEG GRC umbrella framework—harmonizing ISO 31000 and COSO standards—we ensure that as Converge scales, its "Operational DNA" remains resilient. This structure allows us to protect our margins and brand reputation while aggressively pursuing new growth in VisMin and the Enterprise ICT sectors.

Debt Issues

For details on the Company's Borrowings, see Note 10 of the attached Notes to the 2025 Audited Financial Statements.

Item 2. PROPERTIES

None of Converge's properties are used as collateral for Company liabilities except for certain transportation equipment under finance lease which are subject to chattel mortgage. As of December 2025, Converge's head office is located in Balibago, Angeles City. Its main office in Metro Manila is located in Pasig City.

Converge operates 13 warehouses and storage facilities nationwide to support the business operations of the Company. Converge also operates business centers in strategic locations throughout our operating areas. These facilities are generally in good working condition with lease agreements and various payment terms, expiration dates, and renewal options.

Telecommunications Equipment

As of the date of this Report, Converge's primary telecommunications equipment comprises the nationwide fiber network that spans more than 890,000 kilometers throughout the country, including the backbone, distribution network, and last mile connections. Given the country's archipelagic geography, the Company invested in more than 20 cable landing stations to expand its backbone infrastructure to the major islands of the Philippines.

The Company also invested in three core network backbone nodes that enable a robust and redundant traffic routing in the network.

Investments in Submarine Cable Systems

Converge invested in a submarine cable system through a supply contract for the purchase of submarine cables and accessories and other equipment, as well as a service contract for the design, manufacture, installation, integration, testing and commissioning of the submarine cable system and provision of long-term technical support and maintenance.

Converge recently invested in two additional submarine cable systems Bifrost Cable System and the SouthEast Asia-Hong Kong- Hainan Express Cable System to further diversify the current points of presence of its international cable network. These will provide direct, high-capacity, low-latency connectivity to and from Singapore, North America, and Hong Kong.

Data Center Investments

Converge invested in two additional data centers located in Caloocan City and Angeles City, adding 15MW of data center capacity. These support various enterprise requirements, colocation bundling, and innovation opportunities. The data center connects to the Company's extensive fiber backbone, including international subsea cables

Item 3. LEGAL PROCEEDINGS

The Company and its subsidiaries are not currently involved in any material litigation, arbitration or similar proceedings, and are not aware of any such proceedings pending or threatened against them or any of their properties. There was no bankruptcy, receivership or similar proceedings initiated during the past five years.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There was no matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

2025	Number of shares	Amount (in Thousand Pesos)
Authorized shares		
Common shares at P0.25 par value per share	16,900,000,000	4,225,000
Preferred shares at P0.25 par value per share	3,060,000,000	765,000
Preferred B shares at P0.0025 par value per share	4,000,000,000	10,000
Total	23,960,000,000	5,000,000
Issued common shares	7,526,294,461	1,881,574
Treasury shares	(284,914,400)	(6,871,763)
Additional paid-in capital	-	18,746,088
Total issued and outstanding	7,241,380,061	13,755,899

For details of the equity components listed in the table above, please see Note 12 of the attached consolidated financial statements.

Converge was listed on the PSE on October 26, 2020 under the ticker symbol CNVRG at ₱16.80 per share. The quarterly high and low prices are as follows:

Quarter	High (₱)	Low (₱)
4Q2020	16.98	13.20
1Q2021	21.20	14.54
2Q2021	23.45	17.58
3Q2021	40.40	22.25
4Q2021	45.40	27.90
1Q2022	32.20	21.50
2Q2022	31.50	18.24
3Q2022	22.40	12.66
4Q2022	16.78	11.02
1Q2023	19.98	12.80
2Q2023	13.00	10.06
3Q2023	11.18	7.77
4Q2023	10.40	7.63
1Q2024	10.13	8.20
2Q2024	11.42	8.41
3Q2024	17.40	10.68
4Q2024	17.68	15.00
1Q2025	19.42	15.48
2Q2025	21.40	17.00
3Q2025	20.10	10.70
4Q2025	16.00	11.88

As of the latest practicable trading date of March 26, 2026, Converge's publicly listed stock closed at ₱12.80 per share.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

On August 8, 2019, the Company, the Founders, Comclark and Coherent Cloud entered into a share subscription agreement pursuant to which we agreed to issue, and Coherent Cloud agreed to subscribe for the 51,136,363 Preferred Shares for an aggregate consideration of U.S.\$225,000,000. The subscription was completed in two tranches as follows:

<u>Date of issuance</u>	<u>No. of Preferred Shares*</u>	<u>Consideration</u>
August 23, 2019	30,681,818	U.S.\$135,000,000
February 7, 2020	20,454,545	U.S.\$90,000,000

*Number of Shares before the Stock Split and the Conversion.

Each convertible preferred share confers upon a shareholder: a) the right to vote at any shareholders' meeting or on any resolution of the shareholders; and b) the right to distribution of income on a *pari passu* basis with all other shareholders based on actual shareholding percentage. Each convertible preferred share shall be convertible into a fully paid ordinary share on a one-to-one basis.

The Company applied for a stock split and was approved by the SEC on September 28, 2020. As a result of the stock split, the above convertible preferred shares were exchanged for 2,045,454,520 newly issued preferred shares, each with a par value of P0.25 per share.

On October 8, 2020, Coherent Cloud Investments B.V. exercised its conversion right to convert all 2,045,454,520 issued and outstanding preferred shares held in its name to common shares and the Company has issued 2,045,454,520 common shares to Coherent Cloud on the same date at a conversion ratio of one preferred shares to one common share.

As of December 31, 2022, the Company has no outstanding preferred shares. Refer to Note 12 of our consolidated financial statements for a detailed discussion on the movements of our share capital.

Minimum Public Ownership

Under the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of 20.0%.

R.A. No. 9707 mandates the Company to offer at least 30% of its outstanding capital stock or higher percentage that may hereafter be provided by law in any securities exchange in the operations in compliance with the constitutional provision to encourage public participation in public utilities (the "Converge Public Offering"), which shall occur within five years from the commencement of operations of the Company pursuant to Section 16 of R.A. No. 9707 otherwise, the franchise may be revoked. Nevertheless, under Section 17 of R.A. No. 9707, which provide that "any advantage, favor, privilege, exemption or immunity granted under existing franchises for telecommunications system, or which may hereafter be granted, shall *ipso facto* become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee", the applicable period for the Converge Public Offering is in fact ten years from the commencement of operations of the Company. Considering that at least two legislative franchises granted in June 1998 under Republic Act No. 8645 for Mindoro Telecommunications Corporation and Republic Act No. 8678 for Sear Telecommunications Inc. provide that the public offering requirement of least 30% of their outstanding capital stock or higher percentage be undertaken within 10 years from commencement of operations, the period for the Converge Public Offering should likewise be deemed automatically extended from five years to ten years. On June 18, 2020, in reply to the letter from the Company requesting for clarification on this matter, the NTC confirmed that the applicable period for the Converge Public Offering is 10 years from commencement of the Company's operations in 2012. As of May 2022, the Company has reached 30.9% public

float. Please see *Item 10. Security Ownership of Certain Beneficial Owners, Directors, and Executive Officers* for more details.

Stockholders

As of December 31, 2025, the stockholders of the Company own 7,241,380,061 or 100% of issued and outstanding common shares.

	Name	No. of Shares	Percentage
1	COMCLARK NETWORK AND TECHNOLOGY CORP.	4,797,417,274*	66.25%
2	PCD FILIPINO**	1,308,918,788***	18.08%
3	PCD NON FILIPINO	1,134,201,092	15.66%
4	CAROUSEL HOLDINGS, INC.	317,500	0.00%
5	LAARNI N. ENRIQUEZ	150,000	0.00%
6	DIOSDADO M. PERALTA	120,000	0.00%
7	RAYMOND ALVIN MENDOZA MENDOZA	54,000	0.00%
8	CHANG-LE LIN	52,800	0.00%
9	HONG, JINZHAN	43,000	0.00%
10	OMRY YADAN	29,000	0.00%
11	WEIXI	15,000	0.00%
12	TIM PHILLIPP ANDY KOERBER	13,500	0.00%
13	ARACELI Z. LORAYES	12,000	0.00%
14	MYRA P. VILLANUEVA	10,000	0.00%
15	EDWIN TEH GRAJO	5,000	0.00%
16	JOHN JAMES CENTENO DIZON	3,100	0.00%
17	MYLENE C. ARNIGO	3,000	0.00%
18	MANUEL JORGE L. CRISTOBAL OR LORNA T. CRISTOBAL	2,000	0.00%
19	JOSELITO C. HERRERA	2,000	0.00%
20	GABRIELLE CLAUDIA F. HERRERA	2,000	0.00%
21	JOSHUA ALBERT GOPIAO GO OR FAITH ANN GOPIAO GO	2,000	0.00%
22	MYRNA P. VILLANUEVA	1,000	0.00%
23	MILAGROSA P. VILLANUEVA	1,000	0.00%
24	MARIETTA V. CABREZA	1,000	0.00%
25	JAYBEE C. BARAQUEL	1,000	0.00%
26	JUAN CARLOS V. CABREZA	1,000	0.00%
27	EDILBERT P. TORRES	1,000	0.00%
28	LEOVILLO DELA CRUZ AGUSTIN	1,000	0.00%
29	JOSE P. DE JESUS	1	0.00%
30	AMANDO M. TETANGCO, JR.	1	0.00%
31	ROMAN FELIPE S. REYES	1	0.00%
32	SAURABH AGARWAL	1	0.00%
33	WEONGI PARK	1	0.00%
34	JOSELITO TANWANGCO BAUTISTA	1	0.00%
35	JOHN RHEY OLLERO ALBAY	1	0.00%
	Total	7,241,380,061	100%

*includes 281,640,597 scripless shares of Comclark Network and Technology Corp

**less 281,640,597 scripless shares of Comclark Network and Technology Corp

***includes shares owned by Independent Director Justice Perlas-Bernabe

Dividends

On September 10, 2024, the Board of Directors of Converge approved and adopted the Company's Dividend Policy. This is also in adherence to one of the pillars of the G2/ The Organization for Economic Co-operation and Development (OECD) Principles of Corporate Governance 2023 on the rights and equitable treatment of shareholders.

The Dividend Policy is aimed at maintaining a dividend payment ratio for all outstanding common shares of the Company of approximately 25% to 30% of its net income based on the latest audited financial statements net income, subject to the requirements of the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends as may be determined by management and approved by the Board of Directors.

Unless otherwise required by law, the Board of Directors, has sole discretion to determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including, but not limited to: the level of earnings, cash flow, return on equity and retained earnings, results for and financial condition in a given period in respect of which the dividend is to be paid, expected financial performance, projected levels of capital expenditures and other investment programs, restrictions on payments of dividends that may be imposed on the Company by any current or future financing arrangements and current or prospective debt service requirements, and such other factors as the Board of Directors deems appropriate.

The record date is at least ten (10) trading days from declaration date, and the payment date is no more than thirty (30) days from declaration date or under PSE rules, no more than 18 trading days from record date.

The Board of Directors may, at any time, modify this dividend policy, including the dividend payout.

Following its robust performance in the first half of 2024 and having considered future cash requirements for expansion and growth, Converge also declared a special cash dividend amounting to ₱1.31 billion or ₱0.18 per share to all outstanding common shareholders on record as of September 24, 2024, ahead of its 2025 target dividend declaration announced during its IPO in October 2020.

Additionally, the Board of Directors, at its meeting held March 17, 2025, approved the declaration of regular cash dividends of ₱0.43 per common share. This will be sourced from unrestricted retained earnings of 2024 Audited Financial Statements.

In March 6, 2026, the Board of Directors approved the declaration of regular cash dividends of ₱0.49 per share, which is sourced from unrestricted retained earnings of 2025 Audited Financial Statements.

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

COMPREHENSIVE INCOME

The following discussion provides a description of the key line items of our consolidated statements of total comprehensive income for the years ended December 31, 2025 and 2024.

	For the years ended December 31			
	2025	2024	YoY change	YoY change %
In PHP millions				
Revenues	44,770	40,610	4,160	10%
Residential	37,325	34,422	2,903	8%
Enterprise	7,445	6,188	1,258	20%
Cost of services	(15,742)	(14,384)	1,358	9%
Gross profit	29,028	26,226	2,802	11%
General and administrative expenses	(10,529)	(9,217)	1,312	14%
Provision for impairment of trade and other receivables	(1,828)	(1,641)	186	11%
Equity in net income of associate and joint ventures	44	124	(80)	-64%
Unrealized fair value gain on financial asset at fair value through profit or loss (FVTPL)	1	2	(1)	-52%
Other income, net	583	717	(134)	-19%
Profit from operations	17,301	16,211	1,090	7%
Finance costs	(1,550)	(1,922)	(372)	-19%
Profit before income tax	15,751	14,289	1,462	10%
Income tax expense	(3,896)	(3,476)	420	12%
Profit after income tax for the period	11,855	10,813	1,042	10%
Other comprehensive loss	(15)	(15)	0	-2%
Total comprehensive income for the period	11,840	10,798	1,043	10%
Profit after income tax	11,855	10,813	1,042	10%
Finance costs	1,550	1,922	(372)	-19%
Income tax expense	3,896	3,476	420	12%
Depreciation and amortization - COS	7,405	7,074	331	5%
Depreciation and amortization - G&A	593	484	109	22%
Amortization of deferred contract costs - SAQ	1,738	806	932	116%
EBITDA	27,037	24,575	2,462	10%
EBITDA Margin	60.4%	60.5%		

Revenues

Converge generated an all-time high consolidated revenues of P44.8 billion for the year ended December 31, 2025. Revenues from our Residential Business reached P37.3 billion, marking an 8.4% growth and revenues from our Enterprise Business amounted to P7.4 billion, posting an increase of 20.3%.

Revenues from our fixed term subscription contracts is recognized on a straight-line basis over the subscriber's subscription period. Additional services are charged separately and recognized as provided or used. For more information on revenue recognition, see Notes 14 and 26.15 of our audited consolidated financial statements.

Cost of Services

Cost of services comprises the following:

- Depreciation and amortization, primarily consist of (i) depreciation of property, plant and equipment, covering our fiber network infrastructure, (ii) amortization of right-of-use (ROU) assets related to various network and co-located sites, and (iii) amortization of intangible assets such as our customer list, telecommunication franchise, software and licenses, and other intangibles;
- Amortization of deferred contract costs relates to the straight-line amortization of the incremental costs incurred to obtain and fulfill our contracts with customers;
- Repairs and maintenance related to our fiber network, which do not qualify for capitalization;
- Rent pertains to pole rentals, co-location and short-term rentals of land and office spaces used for our network infrastructure;
- Personnel costs under cost of services relate to salaries and other employee benefits of our network operations team;
- Bandwidth and leased line costs primarily relate to international bandwidth costs in connection with the transmission of data between the Philippines and an international location, to the extent that we do not have proprietary access to international bandwidth. In addition, we incur transit costs in connection with the transmission of data between one or more international locations. On occasion, we may also incur short-term bandwidth and leased line costs tied to providing domestic connectivity;
- Utilities pertain to costs of electricity and water used in various network and co-located sites;
- Service fees relate to charges of content providers whose services are included in some of our bundled services offered to both fiber and hybrid fiber-coaxial (HFC) subscribers;
- Cost of network materials and supplies used relates to various consumable installation materials which we use in providing our services to customers (e.g. cable wires, tapes, and connectors); and
- Others include meals and transportation and other costs directly attributable to providing our services to customers.

The table below summarizes our cost of services for the periods indicated:

	For the years ended December 31			
	2025	2024	YoY change	YoY change %
In PHP millions				
Depreciation and amortization	7,405	7,074	331	5%
Amortization of deferred contract cost	2,990	1,805	1,185	66%
Repairs and maintenance cost	1,876	1,867	9	0%
Rent	940	1,513	(574)	-38%
Personnel cost	706	537	169	31%
Bandwidth and leased line costs	549	515	34	7%
Utilities	524	467	58	12%
Service fees	300	252	48	19%
Network materials and supplies used	279	274	5	2%
Others	173	81	92	114%
Total cost of services	15,742	14,384	1,358	9%
Gross profit	29,028	26,226	2,802	11%
Gross profit margin	64.8%	64.6%		

General and Administrative Expenses

General and administrative (G&A) expenses primarily consist of the following:

- Managed service fees relate to fees paid to third-party service providers who handle sales and post-sales activities for the Company in local cities and municipalities;
- Personnel costs (other than personnel costs recorded as cost of services) primarily pertain to headquarters, general and administrative personnel;
- Outside services mainly relate to janitorial, security services and other business support functions used in the operations of the Company;
- Promotions pertain to our marketing and advertising costs to promote our brand and obtain more customers;
- Depreciation and amortization, primarily comprise of (i) depreciation of property, plant and equipment (other than those recorded as cost of services), (ii) amortization of ROU assets, related to leases of office space, warehouses and transportation equipment (other than amortization expense recorded under cost of services), and (iii) amortization of intangible assets such as software and licenses (other than amortization expense recorded under cost of services);
- Repairs and maintenance represent minor renovations in the upkeep of our facilities, in the ordinary course of business;
- Taxes and license costs relate to business permits and local government taxes;
- Professional fees are payments made to firms for the Group's audit, actuarial, legal and consultancy fees for various projects;
- Other components of general and administrative expenses include office supplies, meals and transportation, utilities, insurance, rent, retirement benefit expense, and other expenses including representation, permits, training and seminars, membership dues, and miscellaneous expense.

The table below summarizes our general and administrative expenses for the periods indicated:

	For the years ended December 31			
	2025	2024	YoY change	YoY change %
In PHP millions				
Managed service fees	3,518	3,006	513	17%
Personnel cost	1,832	1,886	(55)	-3%
Outside services	1,332	1,353	(21)	-2%
Promotions	1,135	879	256	29%
Depreciation and amortization	593	484	109	22%
Repairs and maintenance	541	251	290	115%
Taxes and licenses	321	305	16	5%
Professional fees	269	131	138	106%
Others	989	922	67	7%
Total general and administrative expenses	10,529	9,217	1,312	14%
Provision for impairment of trade and other receivables	1,826	1,641	186	11%
Equity share in net income of associate and joint ventures	(44)	(124)	(80)	-64%
Unrealized fair value gain on financial asset at FVTPL	(1)	(2)	(1)	-52%
Other income, net	(583)	(717)	(134)	-19%
Operating profit	17,301	16,211	1,090	7%
Operating profit margin	38.6%	39.9%		

Provision for Impairment of Trade and Other Receivables

Provision for impairment of trade and other receivables are calculated using expected credit losses (ECL).

ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and considering past events, current conditions and assessment of future economic conditions. We used relevant historical information and loss experience to determine the probability of default of the receivables and due from related parties and incorporated forward-looking information, which involved significant estimates and judgements. For more information, see Note 3 of our audited consolidated financial statements.

Equity in Net Income of Associate and Joint Ventures

Equity in net income of associate and joint ventures pertains to the Company's share in net income of associate and joint ventures.

Unrealized Fair Value Gain on Financial Asset at FVTPL

Unrealized fair value gain on financial asset at FVTPL arises from the Company's investment in 10 exchangeable bonds issued by its Ultimate Parent. The exchangeable bonds have an aggregate face value of USD 2 million, a term of 30 years and with interest rate of 3% per annum. Each exchangeable bond confers the right to purchase 5,000 common shares of a certain entity under common control.

Other Income (Expense), Net

Other income (expense), net, consists of net foreign exchange gain, interest income on cash and cash equivalents, and short-term cash placements, interest income on finance lease receivable arising from our sale and leaseback

agreement with our related parties, interest income on financial assets at FVTPL arising from the issuance of exchangeable bonds from the ultimate parent, and other miscellaneous income. Other income (expense), net, also includes non-recurring items such as income from network backhaul construction, provision for impairment on property, plant and equipment, provision for inventory obsolescence, gain on sale of network assets, gain on lease terminations, and gain on disposal/retirement of property, plant and equipment and intangible assets.

Finance Costs

Finance costs consist of borrowing costs for our long-term loans and bonds payable, amortization of debt issue costs and interest arising from the recognition of lease liabilities related to various network and co-located sites, office space, warehouses and transportation equipment that we lease.

Income Tax Expense

Income tax expense consists of current and deferred tax on profit for the year. We are subject to the regular income tax rate of 25% imposed on corporations incorporated in the Philippines. For the years 2025 and 2024, the Company opted for an Itemized deduction as the method of deductibility in its income tax returns. For more information, see Note 19 of our audited consolidated financial statements.

Other Comprehensive Loss

Other comprehensive loss pertains to:

Remeasurement Loss on Retirement Benefit Obligation, Net of Tax

We provide retirement benefits for qualified employees under a defined benefit plan. An independent actuary conducts a periodic actuarial valuation of the defined benefit plan using the projected unit credit method. Remeasurement represents changes in the retirement benefit obligation arising from experience adjustments and changes in actuarial assumptions.

RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenues

Revenues climbed 10.2% year-over-year to ₱44.8 billion in 2025 from ₱40.6 billion in 2024, mainly driven by the strong performance of our Residential and Enterprise Businesses.

Our Residential Business contributed 83% to the total revenues, reflecting a growth of 8.4% or a ₱2.9 billion increase to ₱37.3 billion in 2025 from the ₱34.4 billion revenues reported in 2024. This robust growth was on account of 16.4% increase in residential subscribers or an additional 420,754 subscribers from 2.6 million subscribers as of end-December 2024 to 3.0 million subscribers as of end-December 2025. The incremental residential subscriber was driven by our ability to deepen our presence in existing areas and expand our network to new areas, increasing our ports from 9.0 million as of December 31, 2024 to 9.2 million as of December 31, 2025 and attract new subscribers to take-up available ports. Our residential blended ARPU decreased by 6.9% from ₱1,165 as of December 31, 2024 to ₱1,085 as of December 31, 2025, due to a shift in the mix of premium and lower-tier plans.

Enterprise Business revenues reached ₱7.4 billion, higher by 20.3% or ₱1.3 billion than the ₱6.2 billion revenues reported in 2024. The double-digit growth was largely driven by the increase in unique enterprise customers and expansion in Enterprise services.

Cost of Services

Cost of services amounted to ₱15.7 billion in 2025, marking an increase of 9.4% or ₱1.3 billion, from ₱14.4 billion recorded in 2024, due to higher depreciation and amortization, amortization of deferred contract costs, personnel costs, bandwidth and leased line, utilities, and other cost of services partially offset by the decrease in rent.

Depreciation and amortization in 2025 amounting to ₱7.4 billion, 4.7% higher over last year's ₱7.1 billion mainly due to a higher fixed asset base.

Amortization of deferred contract costs increased by 65.7% or ₱1.2 billion, from ₱1.8 billion in 2024 to ₱3.0 billion in 2025. This increase was primarily due to increased level of accelerated amortization related to acquisition and installation costs from disconnected subscribers, and higher contract costs for prepaid subscribers.

Rent decreased by 37.9% or ₱574.0 million, from ₱1.5 billion in 2024 to ₱939.8 million in 2025, mainly due to one-time rental costs recognized in the previous year.

Bandwidth and leased line increased by 6.6% or ₱34.1 million, from ₱515.0 million in 2024 to ₱549.2 million in 2025, primarily due to additional leased line accounts and higher bandwidth utilization, including burst charges, to support increased network traffic and customer requirements.

Utilities increased by 12.4% or ₱57.8 million, from ₱466.5 million in 2024 to ₱524.3 million in 2025, primarily due to higher electricity consumption resulting from additional network nodes and increased network utilization.

Personnel cost amounted to ₱705.6 million in 2025, higher by 31.5% from ₱536.7 million in 2024, on account of higher headcount and annual salary rate increase of the employees.

Other cost of services increased by 113.9% or ₱92.1 million, from ₱80.8 million in 2024 to ₱172.9 million in 2025, mainly due to higher outright installation and migration labor costs, which were recognized immediately in profit or loss as the related services were completed during the year.

Gross Profit

Gross profit soared 10.7% to ₱29.0 billion in 2025, or a ₱2.8 billion increase from ₱26.2 billion reported in 2024. Gross margin, or gross profit as a percentage of consolidated revenues, registered at 64.8% in 2025, higher than the gross profit margin of 64.6% a year ago, as revenues grew at higher pace than cost of services.

General and Administrative Expenses

General and administrative expenses amounted to ₱10.5 billion in 2025, up by 14.2% or ₱1.3 billion, from ₱9.2 billion in 2024, primarily due to higher managed service fees, promotions, depreciation and amortization, repairs and maintenance, and professional and other fees.

Managed service fees increased by 17.1% or ₱512.6 million, to ₱3.5 billion in 2025 from ₱3.0 billion in 2024, as we implemented low-cost support service models in additional provinces to serve our growing subscriber base.

Promotions increased from ₱879.0 million reported in 2024 to ₱1.1 billion in 2025 attributed to higher spend on brand building, and trade marketing for both Residential and Enterprise segments.

Depreciation and amortization increased from ₱484.1 million reported in 2024 to ₱592.7 million in 2025 mainly driven by increased amortization of ROU assets following the recognition of additional leases during the year.

Repairs and maintenance increased from ₱251.4 million in 2024 to ₱541.0 million in 2025, higher by 115.2%, or ₱289.6 million, mainly on account of higher software and licenses expenses and maintenance of office spaces.

Professional fees increased by 105.8%, or ₱138.2 million, from ₱130.6 million in 2024 to ₱268.8 million in 2025, due to higher legal and consultancy fees incurred for certain projects in 2025.

Other G&A expenses increased by 7.3%, or ₱67.0 million, from ₱922.3 million in 2024 to ₱989.3 million in 2025, primarily due to higher taxes and fees for new entities established during the year.

Provision for Impairment of Trade and Other Receivables

Provision for impairment of trade and other receivables amounted to ₱1.8 billion in 2025, higher by 11.3% or ₱185.6 million than the ₱1.6 billion recorded in 2024. For more information, see Note 3 and Note 25.2 of our audited consolidated financial statements.

Equity in Net Income of Associate and Joint Ventures

Equity in net income of associate and joint ventures declined by 64.3% or ₱79.6 million, from ₱123.8 million in 2024 to ₱44.2 million in 2025, primarily due to lower level of net income generated by our associate and joint ventures. For more information, see Note 8, Investment in Associate and Joint Ventures of our audited consolidated financial statements.

Unrealized fair value gain on financial asset at Fair Value Through Profit or Loss (FVTPL)

Unrealized fair value gain on financial asset at FVTPL declined by 52.4%, from ₱1.8 million in 2024 to ₱0.8 million in 2025, reflecting changes in the fair value of the underlying asset during the period.

Other Income, Net

Other income, net in 2025 amounted to ₱582.8 million, a decline of 18.7% or ₱134.1 million from the ₱716.9 million in 2024. This was due to lower interest income earned from cash in bank, cash equivalents and short-term cash placements, gain on termination of leases, and gain on disposal/retirement of property and equipment, partially offset by provision of inventory obsolescence recognized in 2024.

Profit from Operations

As a result of the foregoing, profit from operations grew by 6.7% to ₱17.3 billion in 2025, reflecting an increase of ₱1.1 billion from the ₱16.2 billion in 2024. The increase was on account of the strong growth in gross profit, outpacing the rise in general and administrative expenses.

Finance Costs

Finance costs decreased by 19.4% to ₱1.5 billion in 2025, representing a reduction of ₱372.4 million from ₱1.9 billion in previous year. This decline was primarily driven by lower debt level due to loan repayments during the year.

Profit Before Income Tax

Driven by strong profit growth and complemented by lower financing costs, profit before income tax reached a record high of ₱15.8 billion, representing a 10.2% increase from ₱14.3 billion in 2024.

Income Tax Expense

Income tax expense increased by 12.1% or ₱419.9 million, from ₱3.5 billion in 2024 to ₱3.9 billion in 2025, directly related to higher profit before income tax. The Company maintained our effective tax rate, which is income tax expense as a percentage of profit before income tax, at 25%, both in 2025 and 2024.

Profit for the Year

As a result of the foregoing, profit for the year ended December 31, 2025 increased by 9.6% to ₱11.9 billion, from ₱10.8 billion in 2024.

Remeasurement Loss on Retirement Benefit Obligation, Net of Tax

Remeasurement loss on retirement benefit obligation, net of tax, in 2025, amounted to ₱14.6 million, or a decrease of 1.8% or ₱0.3 million from the ₱14.8 million in 2024, as a result mainly of experience adjustments and changes in economic and financial assumptions used in the actuarial valuations.

Total Comprehensive Income for the Period

Total comprehensive income increased to ₱11.8 billion in 2025, up by 9.7% or ₱1.0 Billion from ₱10.8 billion in 2024.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenues

Revenues climbed 14.8% year-over-year to ₱40,610.1 million in 2024 from ₱35,359.3 million in 2023, mainly driven by strong performance of our Residential and Enterprise Businesses.

Our Residential Business contributed 85% to the total revenues, reflecting a growth of 13.7% or an increase of ₱4,140.1 million, to ₱34,422.5 million in 2024 from the ₱30,282.1 million revenues reported in 2023. This robust growth was on account of 20.5% increase in residential subscribers or an additional 435,406 subscribers from 2,128,052 subscribers as of end-December 2023 to 2,563,458 subscribers as of end-December 2024. FTTH subscribers grew 23.4% or by 462,672 subscribers, from 1,976,500 FTTH subscribers as of December 31, 2023 to 2,439,172 FTTH subscribers as of December 31, 2024. HFC subscribers, on the other hand, decreased by 18.0%, or 27,266 subscribers, from 151,552 as of December 31, 2023 to 124,286 as of December 31, 2024. The incremental residential subscriber was driven by our ability to deepen our presence in existing areas and expand our network to new areas, increasing our ports from 8,853,089 as of December 31, 2023 to 8,963,021 as of December 31, 2024 (8,107,720 of which are fiber ports) and attract new subscribers to take-up available ports. Our residential blended ARPU decreased by 7.2% from ₱1,183 as of December 31, 2023 to ₱1,165 as of December 31, 2024, due to a shift in the mix of premium and lower-tier plans.

Enterprise Business revenues reached ₱6,187.7 million, higher by 21.9% or ₱1,110.7 million than the ₱5,077.3 million revenues reported in 2023. The double-digit growth was largely driven by the increase in unique enterprise customers.

Cost of Services

Cost of services amounted to ₱14,384.1 million in 2024, marking an increase of 13.2% or ₱1,673.7 million, from ₱12,710.4 million recorded in 2023, due to the higher depreciation and amortization, rent, repairs and maintenance, personnel costs, and network materials and supplies used, partially offset by the decreases in deferred contracts costs, service fees and bandwidth and leased line.

Depreciation and amortization in 2024 amounting to ₱7,074.1 million was higher by 17.6% over last year's ₱6,014.9 million mainly due to a higher asset base.

Repairs and maintenance rose by 17.8% or ₱282.1 million, from ₱1,585.2 million in 2023 to ₱1,867.2 million in 2024. This increase was primarily driven by higher maintenance and restoration costs of our fiber network facilities, and trouble ticket resolution for our subscribers.

Amortization of deferred contract costs decreased by 15.5% or ₱330.4 million, from ₱2,135.1 million in 2023 to ₱1,804.7 million in 2024. This decrease was primarily due to a lower base balance of deferred contract costs from active subscribers, along with a reduced level of accelerated amortization related to acquisition and installation costs from disconnected subscribers.

Rent increased by 89.8% or ₱716.3 million, from ₱797.2 million in 2023 to ₱1,513.5 million in 2024, mainly due to additional rentals related to the expansion of our network infrastructure.

Personnel cost amounting to ₱536.7 million in 2024 was higher by 49.8% from ₱358.3 million in 2023, on account of annual salary rate increase and higher employee incentives.

Bandwidth and leased line costs decreased by 23.4% year-on-year, or a reduction of ₱157.0 million, from ₱672.0 million to ₱515.0 million. This decline was brought about by the activations of our long-term international bandwidth capacities with key partners, allowing us to discontinue bandwidth and leased line contracts with various providers.

Network materials and supplies used increased by 45.9% from ₱187.6 million to ₱273.7 million, as higher installation were used, ascribed to increased volume of installs for Prepaid subscribers and Enterprise customers.

Service fees decreased by 43.3% or ₱192.1 million, from ₱444.0 million to ₱251.9 million due to less existing bundled accounts with subscribers.

Gross Profit

Gross profit soared 15.8% to ₱26,226.0 million in 2024, or a ₱3,577.1 million increase from ₱22,648.9 million reported in 2023. Gross margin, or gross profit as a percentage of consolidated revenues, registered at 64.6% in 2024, higher than the gross profit margin of 64.1% a year ago, mainly coming from the incremental revenues, partially offset by the increase in cost of services.

General and Administrative Expenses

General and administrative expenses amounted to ₱9,216.8 million in 2024, up by 32.7% or ₱2,269.9 million, from ₱6,946.9 million in 2023, primarily due to higher managed service fees, personnel costs, promotions and outside services.

Managed service fees increased by 38.6% or ₱837.7 million, to ₱3,005.6 million in 2024 from ₱2,167.9 million in 2023, as we implemented low-cost support service models in additional provinces to serve our growing subscriber base.

Personnel costs increased by 33.0%, or ₱467.6 million, from ₱1,418.4 million in 2023 to ₱1,886.0 million in 2024, due to higher salary rate and employee incentives.

Outside services also increased from ₱1,080.3 million in 2023 to ₱1,352.9 million in 2024, higher by 25.2%, or ₱272.6 million, mainly on account of higher expenses incurred on outsourced after-sales and other business support teams.

Promotions doubled in 2024, increasing from ₱439.0 million reported in 2023 to ₱879.0 million in 2024 attributed to higher spend on brand building, trade marketing for both Residential and Enterprise segments.

Provision for Impairment of Trade and Other Receivables

Provision for impairment of trade and other receivables amounted to ₱1,640.6 million in 2024, 19.8% or ₱271.5 million higher than the ₱1,369.1 million recorded in 2023. For more information, see Note 3 and Note 25.2 of our audited consolidated financial statements.

Equity Share in Net Income of Associate and Joint Ventures

Equity share in net income of associate and joint ventures declined by 50.1% or ₱124.3 million, from ₱248.1 million in 2023 to ₱123.8 million in 2024, primarily due to lower level of net income generated by our associate and joint ventures. For more information, see Note 8, Investment in Associate and Joint Ventures of our audited consolidated financial statements.

Other Income (Expense), Net

Other income (expense), net in 2024 amounted to ₱716.9 million, an increase of 286.7% or ₱1,100.8 million from the ₱384.0 million other expense, net in 2023. This was due to higher interest income earned from cash in bank, cash equivalents and short-term cash placements, and gain on disposal/retirement of property and equipment, complemented by lower level of provisions for impairment of property, plant and equipment and provision for network materials and supplies obsolescence.

Profit from Operations

As a result of the foregoing, profit from operations grew by 14.2% to ₱16,210.7 million in 2024, reflecting an increase of ₱2,010.0 million from the ₱14,200.6 million in 2023. The increase was on account of the strong growth in gross profit, outpacing the rise in general and administrative expenses.

Finance Costs

Finance costs decreased by 7.5% to ₱1,922.1 million in 2024, representing a reduction of ₱156.7 million from ₱2,078.8 million in previous year. This decline was primarily driven by lower debt level due to loan repayments during the year.

Profit Before Income Tax

With strong profit growth in 2024 surpassing the increase in financing costs, our profit before income tax reached a record high of ₱14,288.6 million, marking a 17.9% increase from ₱12,121.8 million in 2023.

Income Tax Expense

Income tax expense increased by 15.0% or ₱453.3 million, from ₱3,023.0 million in 2023 to ₱3,476.2 million in 2024, directly related to higher profit before income tax. The Company maintained our effective tax rate, which is income tax expense as a percentage of profit before income tax, at 25%, both in 2024 and 2023.

Profit for the Year

As a result of the foregoing, profit for the year 2024 surged by 18.8% to ₱10,812.7 million from the ₱9,098.8 million in 2023.

Remeasurement Loss on Retirement Benefit Obligation, Net of Tax

Remeasurement loss on retirement benefit obligation, net of tax, in 2024, amounted to ₱14.8 million, or a decrease of 40.9% or ₱10.3 million from the ₱25.1 million in 2023, as a result mainly of experience adjustments and changes in economic and financial assumptions used in the actuarial valuations.

Total Comprehensive Income for the Period

Total comprehensive income increased to ₱10,797.8 million in 2024, up by 19.0% or ₱ 1,724.1 million from ₱9,073.7 million in 2023.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022**Revenues**

Revenues registered a year-on-year growth of 4.9% or an increase of ₱1,663.7 million from ₱33,695.6 million in 2022 to ₱35,359.3 million in 2023, mainly due to higher revenue contributions of our Residential and Enterprise Businesses.

Residential Business revenues, which accounts for 86% of total revenues, grew 2.8% or by ₱819.9 million, to ₱30,282.1 million in 2023 from the ₱29,462.2 million reported in 2022, on the back of 13.4% increase in residential subscribers or an additional 250,691 subscribers from 1,877,361 subscribers as of end-December 2022 to 2,128,052 subscribers as of end-December 2023. FTTH subscribers grew 16.8% or by 284,295 subscribers, from 1,692,205 FTTH subscribers as of December 31, 2022 to 1,976,500 FTTH subscribers as of December 31, 2023. HFC subscribers decreased by 18.1%, or 33,604 subscribers, from 185,156 HFC subscribers as of December 31, 2022 to 151,552 HFC subscribers as of December 31, 2023. The residential subscriber increase was driven by our ability to deepen our presence in existing areas and expand our network to new areas, increasing our ports from 7,895,785 as of December 31, 2022 to 8,853,089 as of December 31, 2023 and attract new subscribers to take-up available ports. Our residential blended ARPU decreased by 7.2% from ₱1,275 as of December 31, 2022 to ₱1,183 as of December 31, 2023.

Enterprise Business full-year revenues posted an all-time high ₱5,077.3 million, up by 19.9% or ₱843.8 million higher than the ₱4,233.5 million revenues reported in 2022. The year-on-year robust growth was largely driven by the 28.2% increase in unique enterprise customers or an incremental 10,587 customers from the 37,563 as of end-December 2022 to 48,150 as of end-December 2023. Monthly ARPU decreased by 13.0% from ₱11,070 for the year ended December 31, 2022 to ₱9,636 for the year ended December 31, 2023, which reflects the significant growth of the SME segment, which has a relatively lower ARPU than large corporates and enterprises.

Cost of Services

Cost of services amounted to ₱12,710.4 million in 2023, a cost savings of 5.4% or ₱727.2 million, from ₱13,437.6 million recorded in 2022, due to the decrease in network materials and supplies used, lower amortization of deferred contract costs for active subscriber accounts, and savings on bandwidth and leased line costs and service fees, partially offset by higher repairs and maintenance, rent, utilities and personnel costs.

Network materials and supplies used in 2023 amounted to ₱187.6 million, lower by 84.0% or ₱984.8 million over last year's ₱1,172.4 million, due to capitalization of material costs under deferred contract costs of subscriber accounts. Improvements in the back office digital systems enabled Converge to improve accounting recognition to align with other subscriber contract costs. The remaining costs included in network materials and supplies used pertain to additional material costs beyond standard installation costs paid for by customers and installation materials for prepaid subscribers and enterprise customers.

Amortization of deferred contract cost decreased by 24.4% or ₱688.4 million, from ₱2,823.5 million in 2022 to ₱2,135.1 million in 2023, mainly due to the reduced base-balance of deferred contract costs from active subscribers, coupled with lower level of accelerated amortizations related to the acquisition and installation costs from disconnected subscribers.

Bandwidth and leased line costs dropped year-on-year by 18.9% or ₱156.8 million, from ₱828.8 million to ₱672.0 million, brought about by the activations of our long-term international bandwidth capacities with key partners, and as a result, contracts with existing providers were not renewed.

Service fees decreased by 10% or ₱49.3 million, from ₱493.3 million to ₱444.0 million due to decline in subscribers with bundled cable TV services.

Repairs and maintenance, meanwhile, increased by 57.8% or ₱580.9 million, from ₱1,004.3 million in 2022 to ₱1,585.2 million in 2023, primarily due to the normal repairs and maintenance activities done on our fiber network facilities and trouble ticket resolution with our subscribers.

Rent, likewise, increased by 74.2% or ₱339.6 million, from ₱457.6 million in 2022 to ₱797.2 million in 2023, mainly due to rentals related to the expansion of our network infrastructure.

Utilities increased by 88.4% or ₱211.7 million, from ₱239.6 million in 2022 to ₱451.3 million in 2023 due to higher electricity costs.

Personnel cost amounted to ₱358.3 million in 2023, up 9.9% from ₱326.0 million in 2022, on account mainly of higher headcount and salary rate for the year.

Gross Profit

Gross profit soared 11.8% to ₱22,648.9 million in 2023, or a ₱2,391.0 million increase from ₱20,258.0 million reported in 2022. Gross margin, or gross profit as a percentage of consolidated revenues, registered at 64.1% in 2023, higher than the gross profit margin of 60% a year ago, as a result of cost savings, as previously discussed in the preceding section.

General and Administrative Expenses

General and administrative expenses amounted to ₱6,946.9 million in 2023, up by 5.2% or ₱345.9 million, from ₱6,601.0 million reported in 2022, primarily due to higher managed service fees, partly cushioned by the decreases in promotions, outside services and taxes and licenses.

Managed service fees increased by 82.8% or ₱981.7 million, to ₱2,167.9 million in 2023 from ₱1,186.2 million in 2022, as we implemented low-cost support service models in additional provinces to serve our growing subscriber base.

Promotions, meanwhile, decreased by 26.1%, or ₱155.1 million, from ₱594.1 million reported in 2022 to ₱439.0 million in 2023 attributed to lower spend on brand building and trade marketing.

Outside services also decreased from ₱1,203.4 million in 2022 to ₱1,080.3 million in 2023, down by 10.2%, or ₱123.1 million, mainly on account of lower expenses incurred on outsourced services as we implemented low-cost support service models.

Taxes and licenses decreased by 24.2%, or ₱102.3 million, from ₱423.3 million in 2022 to ₱321.0 million in 2023, as a result of lower NTC supervision fees and local taxes.

Provision for Impairment of Trade and Other Receivables

Provision for impairment of trade and other receivables amounted to ₱1,369.1 million in 2023, 17.5% or ₱291.2 million lower than the ₱1,660.3 million recorded in 2022, mainly as a result of combined impact of provision recalculation and ECL rate updates.

Equity Share in Net Income of Joint Ventures

Equity share in net income of joint ventures posted a rise of 386.7% or ₱197.1 million, from ₱51.0 million in 2022 to ₱248.1 million in 2023, ascribed mainly to the higher net income generated by the joint ventures.

Other Expense, Net

Other expense, net, decreased by 15.4% or ₱69.7 million, from ₱453.7 million in 2022 to ₱384.0 million in 2023, due to higher interest income earned from cash in bank and short-term placements and increases in net foreign exchange gain, gain on disposal/retirement of property and equipment, and miscellaneous income, which altogether outpaced the increase in provision for impairment of property and equipment.

Profit from Operations

As a result of the foregoing, profit from operations climbed 22.6% to ₱14,200.6 million in 2023, higher by ₱2,613.1 million over the reported profit of ₱11,587.5 million in 2022. The robust growth in gross profit surpassed the increase in general and administrative expenses, and was further accompanied by lower provision for impairment of trade and other receivables and other expenses, and with a higher recognized share in net income of joint ventures.

Finance Costs

Finance costs increased by 20% to ₱2,078.8 million in 2023, or an incremental of ₱346.9 million from ₱1,731.9 million in previous year, which mainly came from the additional loan availments during the year.

Profit Before Income Tax

With higher profit generated in 2023 that outpaced the increase in financing costs, our profit before income tax in 2023, reached an all-time high of ₱12,121.8 million, posting a double-digit growth of 23.0% from ₱9,855.6 million in 2022.

Income Tax Expense

Income tax expense increased by 25.1% or ₱606.7 million, from ₱2,416.3 million in 2022 to ₱3,023.0 million in 2023, directly related to higher profit before income tax. The Company maintained our effective tax rate, which is income tax expense as a percentage of profit before income tax, at 25%, both in 2023 and 2022.

Profit for the Period

Converge ended 2023 with ₱9,098.8 profit, a rise of 22.3% or higher by ₱1,659.5 million over the ₱7,439.3 million profit in 2022.

Remeasurement (Loss) Gain on Retirement Benefit Obligation, Net of Tax

Remeasurement loss on retirement benefit obligation, net of tax, in 2023, amounted to ₱25.1 million, or a decrease of ₱26.5 million from the ₱1.4 million remeasurement gain in 2022, as a result mainly of experience adjustments and changes in economic and financial assumptions used in the actuarial valuations.

Total Comprehensive Income For the Period

Total comprehensive income increased to ₱9,073.7 million in 2023, up by 21.9% or ₱1,633.0 million from ₱7,440.8 million in 2022.

STATEMENT OF FINANCIAL POSITION

	December 31, 2025	December 31, 2024	YoY Change (%)
Balance Sheet Data (in ₱ millions)			
Total Assets	112,326	107,054	4.9
Total Debt ⁽¹⁾	24,101	29,515	(18.3)
Total Stockholders' Equity	63,126	54,691	15.4
Financial Ratios			
Total Debt to EBITDA (gross)	0.9x	1.2x	
Total Debt to EBITDA (net)	0.5x	0.5x	
Debt Service Coverage ⁽²⁾	3.6x	3.1x	
Interest Coverage (gross) ⁽³⁾	17.4x	12.8x	
Debt to Equity (gross) ⁽⁴⁾	0.4x	0.5x	
Debt to Equity (net) ⁽⁵⁾	0.2x	0.2x	

Notes:

(1) Total Debt is the sum of current and noncurrent borrowings

(2) Debt Service Coverage is computed as Parent Company's LTM earnings before interest, taxes, depreciation and amortization / Parent Company's LTM annual debt service requirements due over the same corresponding period which are the interests, principal and lease payments

(3) Interest Coverage (gross) is computed as EBITDA divided by finance costs

(4) Debt to Equity (gross) is computed as total debt divided by total shareholders' equity

(5) Debt to Equity (net) is computed as total debt, net of cash and cash equivalents and short-term cash placements divided by total shareholders' equity

As of December 31, 2025 compared to December 31, 2024

Total Assets

Total assets as of December 31, 2025 stood at ₱112.3 billion, an increase of 4.9% or ₱5.3 billion, compared to ₱107.1 billion as of December 31, 2024.

Significant increase was noted in the following asset accounts:

Trade and other receivables, net (combined current and noncurrent), increased by 18.9% or ₱829.3 million, to ₱5.2 billion as of December 31, 2025, from ₱4.4 billion as of December 31, 2024. The increase was primarily attributable to higher net trade receivables from subscribers, and other receivables from business partners.

Due from related parties, net (combined current and noncurrent), increased by 76.6% or ₱200.8 million, to ₱462.9 million as of December 31, 2025, from ₱262.2 million as of December 31, 2024. The increase mainly reflects the accrual of earned revenues related to the on-going network backhaul construction services provided to its joint venture.

Property, plant and equipment, net reached ₱75.3 billion as of December 31, 2025, a 7.5% or ₱5.2 billion increase over the ₱70.1 billion balance as of December 31, 2024 attributed to the additions of more than one hundred thousand deployed fiber ports, increase of about 2,000 kilometers of fiber network backbone, installation of CPEs, core equipment, international subsea cable systems, data centers, office equipment and furniture, transportation equipment and leasehold improvements, heavy equipment and tools.

Right-of-use assets, net increased by 295.1%, or ₱6.6 billion, to ₱8.8 billion as of December 31, 2025 from ₱2.2 billion as of December 31, 2024 mainly on account of the completion of the submarine cables, net of amortizations during the year.

Intangible assets, net ended at ₱2.7 billion as of December 31, 2025, higher by 30.2%, or ₱618.5 million, from ₱2.0 billion as of December 31, 2024 mainly due to acquisition of customer list, software, and licenses.

Deferred income tax assets, net increased by 12.4%, or ₱197.6 million, at ₱1.8 billion as of December 31, 2025 from ₱1.6 billion as of December 31, 2024, attributable to the deferred tax on property, plant, and equipment, allowance for impairment of receivables, leases, and provision for employee benefits, partially offset by increase in deferred tax liabilities recognized for net unrealized forex gain and deferred contract costs.

The increase in asset items discussed above was offset by the following material movements:

Cash and cash equivalents decreased by 8.8%, or ₱740.9 million to ₱7.7 billion as of end-2025 from ₱8.5 billion as of end-2024 due to payments of outstanding liabilities and dividends, partially offset by the proceeds from short-term cash placements maturities.

Short-term cash placements decreased to ₱2.2 billion as maturing funds were utilized for funding requirements.

Network materials and supplies decreased by 15.9% or ₱248.5 million, to ₱1.3 billion as of December 31, 2025, from ₱1.6 billion as of December 31, 2024. The decrease was primarily due to lower inventory levels maintained as of year-end.

Deferred contract costs, net (combined current and noncurrent) decreased by 5.9% or ₱108.5 million, to ₱1.7 billion as of December 31, 2025 from ₱1.8 billion as of December 31, 2024, with lower level of unamortized deferred portion as of reporting date.

Advances to fixed asset suppliers amounted to ₱2.9 billion as of end of 2025, reflecting a decrease of 22.6% or ₱861.8 million, from ₱3.8 billion as of end-December 2024, due to application of advances related to submarine cables upon settlement of remaining balance in its completion.

Investment in associate and joint ventures decreased by 22.0% or ₱111.9 million to ₱396.8 million as at December 31, 2025 from ₱508.7 million as at December 31, 2024 mainly due to the dividends received, partially offset by share in net income recognized during the year.

Total Liabilities

Total liabilities as of December 31, 2025 was at ₱49.2 billion, a reduction of 6.0%, or by ₱3.2 billion, compared to ₱52.4 billion as of December 31, 2024, with the following significant movements:

Trade and other liabilities (current and non-current) increased by 11.3%, or ₱2.0 billion, to ₱19.8 billion as of December 31, 2025 from ₱17.8 billion as of December 31, 2024, as a result of higher trade payables, accruals for unbilled construction projects, repairs and maintenance costs and employee incentives.

Deferred revenue increased by 11.8%, or ₱85.1 million, to ₱805.3 million as of December 31, 2025 from ₱720.3 million as of December 31, 2024. This increase was driven by higher level of unearned subscription fees and unused load subscriptions.

Borrowings (current and noncurrent) decreased by 18.3% or ₱5.4 billion, to ₱24.1 billion as of December 31, 2025 from ₱29.5 billion as of December 31, 2024 due to principal payments made during the year.

Income tax payable decreased by 18.1%, or ₱168.5 million, to ₱763.8 million as of December 31, 2025 from ₱932.3 million as of December 31, 2024, as higher level of prepaid income tax was remitted during the current year.

Liquidity and Capital Resources

Our principal liquidity requirements have primarily been for, and are projected to continue to be for, (i) capital expenditures to extend and augment our end-to-end fiber network and build digital capabilities through investments in IT platforms, (ii) operating and maintenance costs related to our existing fiber network, (iii) operating expenses for after sales support and administrative overhead to support the rapid expansion of our network and subscriber base and (iv) debt service payments.

Our principal sources of funding for our capital requirements have been (a) capital contributions from our shareholders, (b) cash flow generated from our operations, (c) bank financing, and (d) issuance of retail bonds. We maintain a strong and conservatively levered balance sheet. The Company's net debt position (as measured by total financial debt less cash and cash equivalents and short-term cash placements) is at ₱14.2 billion as of December 31, 2025 compared to ₱12.5 billion as of December 31, 2024. We believe that our strong balance sheet and conservative leverage position provide us with significant financial flexibility and sufficient leverage headroom to fund our growth plans.

We believe that our sources of liquidity will be sufficient to fund our currently anticipated capital expenditures, working capital requirements, and debt service requirements for at least the next 12 months.

As of December 31, 2024 compared to December 31, 2023

Total Assets

Total assets as of December 31, 2024 stood at ₱107,054.2 million, an increase of 5.8% or ₱5,826.6 million, compared to ₱101,145.0 million as of December 31, 2023.

Significant increase was noted in the following asset accounts:

Cash and cash equivalents decreased by 38.3%, or ₱ 5,240.4 million to ₱8,453.7 million as of end-2024 from ₱13,694.1 million as of end of 2023 as major portion of excess funds are invested in short-term cash placements with higher yielding interest.

Short-term cash placements increased to ₱8,526.9 million as more funds were invested in higher yielding term deposits with maturity dates exceeding three months but less than one year.

Trade and other receivables, net, was higher by 19.6% or ₱676.0 million, to ₱4,132.1 million as of December 31, 2024 from ₱3,456.0 million as of December 31, 2023, mainly attributable to higher level of net trade receivables from subscribers partially offset by decrease in other receivables.

Property, plant and equipment, net reached ₱70,053.2 million as of December 31, 2024, an 3.7% or ₱2,522.7 million increase over the ₱67,530.5 million balance as of December 31, 2023 attributed to the additions of more than one hundred thousand deployed ports, more than 2,500 kilometers of fiber network backbone, installation of CPEs, core equipment, office equipment and furniture, transportation equipment and leasehold improvements, heavy equipment and tools.

Advances to fixed asset suppliers, net of current portion, amounted to ₱3,810.6 million as of end of 2024, reflecting an increase of 5.7% or ₱205.8 million, from ₱3,604.8 million as of end-December 2023, due to additional advances paid to contractors for on-going construction projects.

Deferred income tax assets, net increased by 3.2%, or ₱48.7 million, at ₱1,594.5 million as of December 31, 2024 from ₱1,545.8 million as of December 31, 2023, attributable to the deferred tax assets on leases and provision for employee benefits, partially offset by higher deferred tax liabilities recognized for net unrealized forex gain and deferred contract costs.

The increase in asset accounts discussed above was offset by the following material movements:

Due from related parties, net (combined current and noncurrent) decreased by 27.6% or ₱ 100.2 million, to ₱262.2 million as of December 31, 2024 from ₱362.3 million as of December 31, 2023 primarily due to collections of long outstanding receivables.

Network materials and supplies decreased by 22.9% or ₱464.1 million, to ₱1,560.2 million as of December 31, 2024 from ₱2,024.3 million as of December 31, 2023 because of lower purchases made during the year, accompanied with increased usage in the ongoing network infrastructure build out, as well as additional allowance for inventory obsolescence recognized for non-moving inventories.

Other current assets decreased by 7.0%, or ₱124.4 million, to ₱1,663.2 million as of December 31, 2024 from ₱1,787.5 million as of December 31, 2023 primarily due to the utilization of advances to suppliers applied against outstanding payables.

Right-of-use assets, net decreased by 21.6%, or ₱616.6 million, to ₱2,236.6 million as of December 31, 2024 from ₱2,853.2 million as of December 31, 2023 on account of the amortization during the year and termination of some lease contracts, partly offset by additional leases on network assets and co-located sites, office and warehouse spaces during the year.

Intangible assets, net ended at ₱2,046.3 million as of December 31, 2024, lower by 4.6%, or ₱98.5 million, from ₱2,144.8 million as of additional intangibles.

Investment in associate and joint ventures decreased by 28.0% or ₱197.7 million to ₱508.7 million as at December 31, 2024 from ₱706.4 million as at December 31, 2023 mainly due to the dividends received, partially offset by share in net income recognized during the year.

Total Liabilities

Total liabilities as of December 31, 2024 was at ₱52,363.6 million, a decline of 6.3%, or ₱3,535.7 million, compared to ₱55,899.3 million as of December 31, 2023, with the following significant movements:

Trade and other liabilities (current and non-current) increased by 9.6%, or ₱1,557.9 million, to ₱17,756.9 million as of December 31, 2024 from ₱16,199.0 million as of December 31, 2023, as a result of higher accruals for unbilled pole rentals, repairs and maintenance costs and unpaid employee bonuses.

Borrowings (current and noncurrent) decreased by 16.3% or ₱5,728.8 million, to ₱29,514.8 million as of December 31, 2024 from ₱35,243.6 million as of December 31, 2023 due to principal payments made during the year.

Deferred revenue increased by 29.1%, or ₱162.3 million, to ₱720.3 million as of December 31, 2024 from ₱557.9 million as of December 31, 2023. This increase was driven by additional installation fees from new subscribers, partially offset by the amortization of deferred revenue for active subscribers throughout the year.

Income tax payable increased by 589.1%, or ₱797.0 million, to ₱843.1 million as of December 31, 2024 from ₱135.3 million as of December 31, 2023, due to higher taxable income for the year partially offset by quarterly tax remittance.

Liquidity and Capital Resources

Our principal liquidity requirements have primarily been for, and are projected to continue to be for, (i) capital expenditures to extend and augment our end-to-end fiber network and build digital capabilities through investments in IT platforms, (ii) operating and maintenance costs related to our existing fiber network, (iii) operating expenses

for after sales support and administrative overhead to support the rapid expansion of our network and subscriber base and (iv) debt service payments.

Our principal sources of funding for our capital requirements have been (a) capital contributions from our shareholders, (b) cash flow generated from our operations, (c) bank financing, and (d) issuance of retail bonds. We maintain a strong and conservatively levered balance sheet. The Company's net debt position (as measured by total financial debt less cash and cash equivalents and short-term cash placements) is at ₱12,534.1 million as of December 31, 2024 compared to ₱21,549.4 million as of December 31, 2023. We believe that our strong balance sheet and conservative leverage position provide us with significant financial flexibility and sufficient leverage headroom to fund our growth plans.

As of December 31, 2023 compared to December 31, 2022

Total Assets

Total assets as of December 31, 2023 stood at ₱101,145.0 million, an increase of 3.1% or ₱3,046.7 million, compared to ₱98,098.3 million as of December 31, 2022.

Significant increase was noted in the following asset accounts:

Cash and cash equivalents increased by 34.1%, or ₱3,480.1 million to ₱13,694.1 million as of end-2023 from ₱10,214.1 million as of end of 2022 due to the net effect of cash flows generated from operations and additional loan availments, offset by the loan and interest payments and expenditures for our network expansion.

Trade and other receivables, net was higher by 3.6% or ₱118.9 million, to ₱3,456.0 million as of December 31, 2023 from ₱3,337.1 million as of December 31, 2022, mainly attributable to other receivables from sale of assets to partners, partially offset by lower level of net trade receivables on account of provision for doubtful accounts recorded for the period.

Property, plant and equipment, net reached ₱67,530.5 million as of December 31, 2023, an 8.0% or ₱4,996.4 million increase over the ₱62,534.0 million balance as of December 31, 2022 attributed to the additions of almost one million deployed ports, more than 20,000 kilometers of fiber network backbone, installation of CPEs, core equipment, office equipment and furniture, transportation equipment and leasehold improvements, heavy equipment and tools.

Investment in associate and joint ventures increased by 54.1% or ₱248.1 million to ₱706.4 million as at December 31, 2023 from ₱458.3 million as at December 31, 2022 ascribed mainly to the Company's share in the net profit of the joint ventures recognized for the current year.

The increase in asset accounts discussed above was offset by the following material movements:

Due from related parties, net (combined current and noncurrent) decreased by 52.7% or ₱404.2 million, to ₱362.3 million as of December 31, 2023 from ₱766.5 million as of December 31, 2022 primarily due to collections of long outstanding receivables.

Network materials and supplies decreased by 53.8% or ₱2,360.8 million, to ₱2,024.3 million as of December 31, 2023 from ₱4,385.1 million as of December 31, 2022 because of lower purchases made during the year, utilization in the ongoing network infrastructure build out, and allowance for inventory obsolescence recognized for HFC-related inventories.

Other current assets decreased by 41.3%, or ₱1,258.6 million, to ₱1,787.5 million as of December 31, 2023 from ₱3,046.1 million as of December 31, 2022 primarily due to the utilization of input VAT upon application against output VAT.

Right-of-use assets, net decreased by 13.4%, or ₱440.4 million, to ₱2,853.2 million as of December 31, 2023 from ₱3,293.6 million as of December 31, 2022 on account mainly of the amortization during the year, partly offset by additional network assets and co-located sites, office and warehouse spaces during the year.

Intangible assets, net ended at ₱2,144.8 million as of December 31, 2023, lower by 10.1%, or ₱239.8 million, from the balance of ₱2,384.6 million as of December 31, 2022 primarily due to amortization during the year, partly offset by purchase of software and licenses.

Advances to fixed asset suppliers, net of current portion, amounted to ₱3,604.8 million as of end of 2023, down by 16.5% or ₱712.5 million, from ₱4,317.3 million as of end-December 2022, as a result of application of advances to existing liabilities.

Deferred income tax assets, net reduced by 13.8%, or ₱246.9 million, at ₱1,545.8 million as of December 31, 2023 from ₱1,792.7 million as of December 31, 2022, due to the decrease in deferred tax pertaining to lower level of allowance for impairment of trade and other receivables from the write-off of some bad debts, coupled with higher deferred tax liabilities recognized for net unrealized forex gain and deferred contract costs.

Total Liabilities

Total liabilities as of December 31, 2023 was at ₱55,899.3 million, a decline of 9.8%, or ₱6,088.2 million, compared to ₱61,987.5 million as of December 31, 2022, with the following significant movements:

Borrowings (current and noncurrent) decreased by 7.8% or ₱2,996.2 million, to ₱35,243.6 million as of December 31, 2023 from ₱38,239.8 million as of December 31, 2022 due to principal payments on existing loans partially offset by the additional drawdown of ₱500.0 million from our loan facility during the year.

Deferred revenue (current and noncurrent) decreased by 35.4%, or ₱306.0 million, to ₱557.9 million as of December 31, 2023 from ₱863.9 million as of December 31, 2022 due to amortization of deferred revenues for active subscribers during the year.

Trade and other current liabilities decreased by 5.0%, or ₱856.3 million, to ₱16,199.0 million as of December 31, 2023 from ₱17,055.4 million as of December 31, 2022, on account of the application of long-term advances of suppliers against the existing liabilities, as previously mentioned.

Due to related parties decreased by 62.1% or ₱69.0 million, to ₱42.1 million as of December 31, 2023 from ₱111.1 million as of December 31, 2022, attributed to the payments made to related parties.

Liquidity and Capital Resources

Our principal liquidity requirements have primarily been for, and are projected to continue to be for, (i) capital expenditures to extend and augment our end-to-end fiber network and build digital capabilities through investments in IT platforms, (ii) operating and maintenance costs related to our existing fiber network, (iii) operating expenses for after sales support and administrative overhead to support the rapid expansion of our network and subscriber base and (iv) debt service payments.

Our principal sources of funding for our capital requirements have been (a) capital contributions from our shareholders, (b) cash flows generated from our operations, (c) bank financing, and (d) issuance of retail bonds. We maintain a strong and conservatively levered balance sheet. The Company's net debt position (as measured by total financial debt less cash and cash equivalents) is at ₱21,549.4 million as of December 31, 2023 compared to ₱28,025.7 million as of December 31, 2022. We believe that our strong balance sheet and conservative leverage position provide us with significant financial flexibility and sufficient leverage headroom to fund our growth plans.

Cash Flows

The following discussion of our cash flows for the years ended December 31, 2025 and 2024 should be read in conjunction with the statements of cash flows included in the audited financial statements.

	For the years ended December 31			
	2025	2024	YoY change	YoY change %
In PHP millions				
Cash flow from operating activities				
Profit before income tax	15,751.1	14,288.9	1,462.2	10%
Adjustments for operating income	13,783.8	12,278.8	1,505.0	12%
Adjustments for assets and liabilities	(3,682.3)	(3,188.3)	(494.1)	15%
Cash from operations	25,852.5	23,379.4	2,473.1	11%
Interest received and income taxes paid	(3,868.5)	(2,344.1)	(1,524.4)	65%
Net cash from operating activities	21,984.0	21,035.3	948.7	5%
Cash flow from investing activities				
Acquisition of property, plant, and equipment	(12,547.5)	(8,539.6)	(4,007.9)	47%
Acquisition of right-of-use assets	(4,946.5)	-	(4,946.5)	NM
Acquisition of intangibles	(744.8)	(775.8)	31.1	-4%
Maturity of (investment in) short-term cash placements	6,374.5	(8,310.8)	14,685.3	-177%
Others	323.5	491.2	(167.7)	-34%
Net cash used in investing activities	(11,540.8)	(17,135.2)	5,594.3	-33%
Cash flow from financing activities				
Payment of borrowings	(5,613.7)	(5,757.0)	143.4	-2%
Dividends paid	(3,124.6)	(1,308.0)	(1,816.6)	139%
Acquisition of treasury shares	(373.2)	-	(373.2)	NM
Others	(2,047.3)	(2,184.1)	136.8	-6%
Net cash used in financing activities	(11,158.8)	(9,249.1)	(1,909.7)	21%
Net decrease in cash and cash equivalents	(715.6)	(5,349.0)	4,633.4	-87%
Cash and cash equivalents, beginning	8,453.7	13,694.1	(5,240.4)	-38%
Effects of exchange rate changes in cash and cash equivalents	(25.3)	108.5	(133.8)	-123%
Cash and cash equivalents, ending	7,712.8	8,453.7	(740.9)	-9%

Net cash flows from operating activities

Our cash from operations primarily comprises cash payments received from subscribers under the terms of their subscription plans.

Net cash from operating activities was ₱22.0 billion for the year ended December 31, 2025. Our cash flows generated from operating activities for 2025 are calculated by adjusting our profit before income tax of ₱15.8 billion, by (i) non-cash and other items, primarily comprising ₱8.0 billion of depreciation and amortization, ₱3.0 billion of amortization of deferred contract costs, ₱1.8 billion in provision for impairment of trade and other receivables, and ₱1.5 billion in finance costs (ii) changes in certain working capital items that positively impacted cash flows from operating activities, in particular a ₱2.7 billion increase in trade and other current liabilities, ₱85.1 million increase in deferred revenue, ₱73.5 million increase in due to related parties (iii) changes in certain working capital items

that negatively impacted cash flows from operating activities, in particular, the ₱2.8 billion increase in trade and other receivable, a ₱2.9 billion increase in deferred contract costs, ₱574.8 million increase in network materials and supplies used, ₱68.6 million increase in due from related parties, increase in other current and non-current assets of ₱29.9 million, ₱187.9 million decrease in subscribers' deposit, ₱8.8 million decrease in retirement benefit obligation, (iv) interest income received during the year amounting to ₱388.7 million, and (v) income taxes paid during the year amounting to ₱4.3 billion.

Net cash from operating activities was ₱21.0 billion for the year ended December 31, 2024. Our cash flows generated from operating activities for 2024 are calculated by adjusting our profit before income tax of ₱14.3 billion, by (i) non-cash and other items, primarily comprising ₱7.6 billion of depreciation and amortization, ₱1.9 billion in finance costs, ₱1.8 billion of amortization of deferred contract costs, and ₱1.6 billion in provision for impairment of trade and other receivables (ii) changes in certain working capital items that positively impacted cash flows from operating activities, in particular decrease in other current and non-current assets of ₱227.5 million, decrease in due from related parties of ₱80.4 million, ₱162.3 million increase in deferred revenue, ₱20.7 million increase in subscribers' deposits, (iii) changes in certain working capital items that negatively impacted cash flows from operating activities, in particular, the ₱2.6 billion increase in trade and other receivable, a ₱2.4 billion increase in deferred contract costs, a ₱2.0 billion decrease in trade and other current liabilities, a ₱13.3 million decrease in due to related parties, and (iv) income taxes paid during the year amounting to ₱2.7 billion.

Net cash flows used in investing activities

Net cash used in investing activities was ₱11.5 billion and ₱17.1 billion for the years ended December 31, 2025 and 2024, respectively. Cash outflows in both periods were primarily driven by capital expenditures to expand the Group's network infrastructure, acquire software and right-of-use assets. In 2024, we invested in short-term cash placements amounting to ₱8.3 billion, while short-term cash placements of ₱6.4 billion matured in 2025.

Cash used in acquisitions of property, plant and equipment was ₱12.5 billion and ₱8.5 billion for the year ended December 31, 2025 and 2024, respectively. Over that period, we made the following significant investments: (i) additions in outside plant equipment, which primarily consists of passive network equipment related to the construction of our end-to-end fiber network and the international subsea cable systems, (ii) additions in inside plant equipment, which primarily consists of active network equipment such as dense wavelength division multiplexing equipment and routers and (iii) additions in other property, plant and equipment, which primarily consists of cost of data center construction, customer premise equipment, transportation and heavy equipment, leasehold improvements, and general IT related investments to build our digital capabilities and laptop computers and other office IT equipment.

Cash used in acquisitions of intangible assets was ₱744.8 million and ₱775.8 million for the year ended December 31, 2025 and 2024, respectively. Over that period, we made the following significant investments: (i) additions in software and licenses, (ii) additions in intangible assets relating to customer list acquisitions, and (iii) additional investments in other intangible assets.

Cash used in acquisitions of right-of-use assets was ₱4.9 billion for the year ended December 31, 2025 (2024 - nil). This pertains to payments made to settle the remaining balance upon completion of submarine cable projects, net of advances previously made.

Net cash flows used in financing activities

Net cash used in financing activities was ₱11.2 billion during the year ended December 31, 2025. Cash flows used in financing activities primarily consisted of ₱5.6 billion of repayments of borrowings, ₱3.1 billion of dividend payment, ₱1.5 billion of payments for interests on borrowings, ₱450.8 million of payments on lease liabilities, ₱373.2 million for acquisition of treasury shares and ₱148.3 million of payments for interests on lease liabilities.

Net cash used in financing activities was ₱9.2 billion during the year ended December 31, 2024. Cash flows used in financing activities primarily consisted of ₱5.8 billion of repayments of borrowings, ₱1.3 billion of dividend payment, ₱1.8 billion of payments for interests on borrowings, ₱246.8 million of payments on lease liabilities, and ₱165.4 million of payments for interests on lease liabilities.

Contractual Obligations and Commitments

As of December 31, 2025, we have unused credit lines from local banks amounting to ₱4.0 billion. Refer to Note 10 to our audited consolidated financial statements for further discussions. As of December 31, 2025, we have entered into agreements with various suppliers for the construction, delivery and installation of property and equipment. As of December 31, 2025, the Group has commitments amounting to ₱14.0 billion (2024 - ₱14.4 billion). See Note 6 and 7 to our audited consolidated financial statements for further discussions.

The following table summarizes our contractual obligations as of December 31, 2025:

	Within 12 Months	More than 12 months	Total
	(in ₱ millions)		
Trade and other liabilities	16,160	2,736	18,896
Subscribers' deposits	1,174	-	1,174
Due to related parties	102	-	102
Borrowings	5,601	18,500	24,101
Lease liabilities, gross of discount	696	2,192	2,888
Future interest payable	1,174	740	1,914
	24,907	24,168	49,075

Capital Expenditures

The Company has and is continuing to deploy capital expenditures to extend and augment our proprietary end-to-end fiber network, comprising of domestic backbone, distribution and last-mile networks, and international cable connectivity networks.

The Company categorize our capital expenditures as follows:

- Domestic backbone which connects the three major Philippine islands of Luzon, Visayas and Mindanao in a single continuous loop. The primary Luzon, Visayas, and Mindanao segments were already operational and completed last November 2021, supported by over 20 cable landing stations across the archipelago. The domestic backbone comprises both outside plant equipment, or passive or not electrically powered network equipment (e.g. fiber), and inside plant equipment, or active or electrically powered network equipment (e.g. routers). We estimate our domestic backbone capital expenditures on a per kilometer basis according to the length of the network that we are planning to develop;
- Distribution network, which connects the domestic backbone with the network access points (NAPs), and the ports mounted on the NAPs. We construct poles to support our distribution network, particularly where NAPs are hoisted;
- Customer premise equipment (CPE), which are the modems and routers provided to residential subscribers. The cost for each CPE is depreciated over three years. The annual CPE cost that we incur is directly correlated to the volume of gross residential subscriber additions in a given year;
- International connectivity, which connects our domestic network with key international networks. We actively seek to form partnerships with global carriers in order to secure proprietary access to bandwidth capacity on certain key international network routes. For example, in August 2020, we entered into an agreement with Telstra International Limited for international bandwidth capacity. This bandwidth capacity has been priced at an aggregate unit cost that is meaningfully lower compared to our average contracted leased bandwidth capacity costs historically. This IRU is subject to certain conditions. Going forward, Converge intends to continue to secure

proprietary access to international bandwidth capacity through similar agreements with other international carriers, which can provide us with significant cost savings; and

- Other property, plant and equipment and intangible assets, such as IT platforms and equipment.

The table below summarizes the balances and changes in these major capital expenditure items:

	For the Years Ended December 31			
	2025	2024	YoY Change	YoY Change %
	(in PHP millions)			
Total capital expenditures*	20,123	9,498	11,695	112
Total cash capital expenditures*	18,239	9,315	8,923	96
Cash capital expenditures / Revenue	41%	23%		

*Include property, plant and equipment, intangibles and indefeasible right-of-use assets, acquired as of report date

Off-Balance Sheet Arrangements

We did not have any other off-balance sheet arrangements or obligations that were likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF FINANCIAL RISK

The Company is exposed to financial risks in the course of its normal business activities. These financial risks principally involve the possibility of adverse consequences on its results of operations due to factors that are generally beyond its control. The most important types of risk the Company manages are credit risk, market risk and liquidity risk.

For a detailed discussion, see Note 25 of our consolidated financial statements included in this Report.

Information on Independent Accountant and Other Related Matters

The principal accountants and external auditors of the Company is the accounting firm of Isla Lipana & Co., the Philippine member firm of the PwC network. Isla Lipana & Co. has been the Company's Independent Public Accountants for the last ten (10) years. There was no event in the past ten (10) years where Isla Lipana & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Isla Lipana & Co. was re-elected at the Annual Stockholders' Meeting held on May 30, 2025.

The Company has engaged Isla Lipana & Co., with Mr. Nelson Charsegun L. Aquino as the engagement partner, for the audit of the Company's books in 2025. The Company has complied with the revised SRC Rule 68, paragraph 3(b)(iv). In addition, pursuant to the revised SRC Rule 68, paragraph 3(b)(ix), and the Company's Manual on Corporate Governance, the engagement partner shall be rotated after every five (5) years.

Representatives of Isla Lipana & Co. for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The Group's aggregate fees for each of the last two (2) fiscal years for professional services rendered by the external auditor are as follows:

	2025	2024
Audit and Audit Related Fees	Php3,325,000	Php3,282,000.0
Non-Audit Fees*	50,000	70,000

* These non-audit fees are for services rendered by the external auditor in relation to the agreed-upon procedures for the increase in authorized capital stock of a subsidiary in 2025 and for services rendered for the Company's Annual Stockholders' Meeting in 2024.

The Audit Committee's approval on policies and procedures from Isla Lipana & Co., the external auditors are discussed in page 13 of the Company's Manual of Corporate Governance dated October 2021.

The Audit Committee is composed of Mr. Roman Felipe S. Reyes as Chairman, Mr. Amando M. Tetangco, Jr., and Ms. Estela M. Perlas-Bernabe.

Item 7. FINANCIAL STATEMENTS

The Company's full year 2025 consolidated financial statements are filed in Exhibit 1 of this Report.

Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Converge had no disagreements with its independent auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

Board of Directors

The following table sets forth the Company's Board of Directors:

Name	Gender	Position	Citizenship	Board Member Since*	Stakeholder Represented
Jose P. de Jesus	Male	Chairman, Independent Non-Executive Director	Filipino	Jun 2020	
Dennis Anthony H. Uy	Male	CEO, Founder & Executive Director	Filipino	Jul 2012	Majority shareholder
Maria Grace Y. Uy	Female	President, Chief Resources Officer, Founder & Executive Director	Filipino	Jan 2014	Majority shareholder
Amando M. Tetangco, Jr.	Male	Independent Non-Executive Director	Filipino	Jun 2020	
Roman Felipe S. Reyes	Male	Independent Non-Executive Director	Filipino	Jun 2020	
Estela M. Perlas-Bernabe	Female	Independent Non-Executive Director	Filipino	May 2023	
Francis Ed. Lim**	Male	Non-Executive Director	Filipino	Jun 2020	
Park Weongi**	Male	Non-Executive Director	Canadian	Jul 2025	

*Board members are subject to re-election annually during the Company's Annual Stockholders Meeting

**Atty. Lim was a board member from June 8, 2020 until June 9, 2025. Atty. Lim resigned as Non-Executive Director and was succeeded by Mr. Park Weongi on July 8, 2025 to serve the unexpired term of Atty. Francis Ed. Lim.

The Board is composed of experienced individuals with different and complementing knowledge, skills, experiences, perspectives, and backgrounds. They actively assess, approve, monitor, and oversee the Company's key objectives and projects that will drive long term value to all stakeholders.

The following states the business experience of our incumbent directors for the last five years:

Mr. Jose P. de Jesus, aged 91, Filipino
 Director since June 8, 2020
 Chairman, Independent Non-Executive Director

Committee Chairman: Corporate Governance and Nominations Committee
 Committee Membership/s: Board Risk Oversight Committee, Remuneration Committee

Directorship in other Publicly Listed Companies: None

Mr. Jose P. de Jesus was elected as Chairman and an Independent Director on June 8, 2020.

He was the Chairman of Clark Development Corporation (March 2017 – November 2020), the President and Chief Executive Officer of Nationwide Development Corporation (September 2011 - June 2015), the Secretary of the Department of Transportation and Communication (July 2010 - June 2011), the President and Chief Operating Officer of Meralco (February 2009 - June 2010), the President and Chief Executive Officer of Manila North Tollways Corporation (January 2000 - December 2008), Executive Vice President of the Philippine Long Distance Telephone Company (1993 - December 1999), Chairman of the Manila Waterworks & Sewerage System (1992 - 1993), the Secretary of the Department of Public Works and Highways (January 1991 - February 1993), and the President of the Development Academy of the Philippines (December 1987-Jan 1991).

Mr. de Jesus was awarded the Philippine Legion of Honor, Rank of Commander in June 1992 by then President Corazon C. Aquino. He was Lux in Domino Awardee (Most Outstanding Alumnus) of the Ateneo de Manila University in July 2012.

He is also a Director of AirAsia, Inc., Philippines AirAsia, Inc., SMC Skyway Corporation, SMC TPLEX Corporation, SMC SLEX, Inc., Comstech Integration Alliance, Inc. He is a Trustee of the Kapampangan Development Foundation and Holy Angel University, a Chairman of the Board of Trustees of *Bantayog ng mga Bayani* Foundation, an Eisenhower Exchange Fellow since 1977, and a member of the Management Association of the Philippines.

Mr. de Jesus earned his Bachelor of Arts degree in Economics and holds a Master of Arts in Social Psychology from the Ateneo de Manila University. He also finished Graduate Studies in Human Development from the University of Chicago under university scholarship and Fulbright grant.

Expertise: General Management, Technology, Media and Telecommunications Industries, Corporate Governance, Risk Management, Regulatory, Human Resource Management

Mr. Dennis Anthony H. Uy, aged 59, Filipino

Director since July 18, 2012

CEO, Founder & Executive Director

Committee Membership/s: Remuneration Committee (Partial: Member until May 30, 2025)

Directorship in other Publicly Listed Companies: None

Mr. Dennis Anthony H. Uy co-founded Converge with Ms. Maria Grace Y. Uy in 2007 and currently serves as CEO and Executive Director. A self-made industrialist, Mr. Uy started doing business in his teens with a Betamax and VHS rental shop with his family in Angeles City that eventually evolved into cable television which he founded right after the Mount Pinatubo eruption in his home province Pampanga. He founded Comclark Network and Technology Corporation, the controlling shareholder of Converge, in Pampanga in 1997 and remains the CEO and President of Comclark. Mr. Uy also serves on the boards of several companies in the technology, media, power, and real estate sectors.

Recognized as a game-changer and a futurist in his field, Mr. Uy was named as the Entrepreneur of the Year and Master Entrepreneur at the prestigious Entrepreneur of the Year Philippines 2022 Awards organized by EY Philippines through the SGV Foundation. He represented the country during the June 2023 World Entrepreneur Awards held in Monaco.

Mr. Uy holds a Bachelor of Science degree in Electrical Engineering from Holy Angels University, Pampanga.

Expertise: General Management, Economics, Technology, Media and Telecommunications Industries, Information Technology, Risk Management, Regulatory, Strategy

Ms. Maria Grace Y. Uy, aged 58, Filipino

Director since January 1, 2014

President, Chief Resources Officer, Founder & Executive Director

Committee Membership/s: Remuneration Committee (Partial: Member until May 30, 2025)

Directorship in other Publicly Listed Companies: None

Ms. Maria Grace Y. Uy, co-founded Converge with Mr. Dennis Anthony H. Uy in 2007 and currently serves as our President, Chief Resources Officer, and Executive Director. Prior to that, Ms. Uy secured a management role at IBM Philippines. Following seven years under her belt at IBM, Ms. Uy served as CFO and VP at Savers Mall in Pampanga. Already with a foot in the IT industry, Ms. Uy founded ComClark Network and Technology Corp. with Dennis Anthony Uy. Currently she is also the Chief Financial Officer and Executive Vice President of ComClark Network and Technology Corp. and the Angeles City Cable Television Network.

In 2022, Ms. Uy garnered the Woman in Telecoms award from the World Communication Awards for her outstanding leadership in the field of telecommunications. She is the only Filipina leader to receive the award. In that same year, she landed a spot in Forbes Asia's 50 Over 50 Asia edition. In 2023, she gained further renown as she won the Stevie Awards for Women in Business, winning the Gold Stevie for Woman of the Year – Technology category.

Ms. Uy graduated from De La Salle University in 1988 where she obtained her Bachelor of Science in Accountancy and notched 16th place in the Certified Public Accountant (CPA) Licensure Board Examination in 1989.

Expertise: General Management, Technology, Media and Telecommunications Industries, Accounting and Financial Reporting, Corporate Finance, Risk Management, Human Resource Management, Strategy

Mr. Amando M. Tetangco, Jr., aged 73, Filipino

Director since June 8, 2020

Independent Non-Executive Director

Committee Chairman: Board Risk Oversight Committee

Committee Membership/s: Corporate Governance and Nominations Committee, Audit and Related Party Transactions Committee

Directorship in other Publicly Listed Companies:

SM Investments Corporation (PSE:SM), SM Prime Holdings, Inc. (PSE:SMPH), Shell Pilipinas Corporation (PSE:SHLPH)

Mr. Amando M. Tetangco, Jr., was elected as an Independent Non-Executive Director on June 8, 2020.

He is an Independent Director and Chairman of the Board of SM Investments Corporation since June 16, 2023. Concurrently, he is Independent Director and Vice Chairman of SM Prime Holdings, Inc. and Independent Director of Shell Pilipinas Corporation. He also sits on the boards of Toyota Motor Philippines, and The Manila Hotel. Additionally, Mr. Tetangco is a Trustee of St. Luke's Medical Center, Tan Yan Kee Foundation, Inc., and Foundation for Liberty and Prosperity. He also sits as member of international advisory boards of the Graduate Institute for Policy Studies in Tokyo, Japan and of the Asia School of Business in Kuala Lumpur, Malaysia.

Mr. Tetangco's banking career includes serving as Governor of the Bangko Sentral ng Pilipinas and Chairman of the Monetary Board for two consecutive terms from July 2005 to July 2017, where he also held various official positions and chaired international groups. He was conferred the Order of Lakandula with the rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019. He was voted MAP Management Man of the Year in 2015. Mr. Tetangco also received multiple recognition from global organizations as one of the world's best central bank governors.

He holds an AB Economics degree from the Ateneo de Manila University and a Master's in Public Policy and Administration (Development Economics) from the University of Wisconsin-Madison. Mr. Tetangco was conferred the Honorary Doctorate in Management by the Asian Institute of Management in 2023. He has attended various training programs at prestigious institutions like Harvard Business School and the New York Institute of Finance.

Expertise: Corporate Finance, Economics, Risk Management, Regulatory, Corporate Governance

Mr. Roman Felipe S. Reyes, aged 73, Filipino

Director since June 8, 2020

Independent Non-Executive Director

Committee Chairman: Audit and Related Party Transactions Committee

Committee Membership/s: Corporate Governance and Nominations Committee, Board Risk Oversight Committee

Directorship in other Publicly Listed Companies: None

Mr. Roman Felipe S. Reyes was elected as an Independent Non-Executive Director on June 8, 2020.

Mr. Reyes is the Founding Partner & Chairman of Reyes Tacandong & Co. Prior to founding Reyes Tacandong & Co., he was with Sycip Gorres Velayo & Co, the Philippine practice of Ernst & Young Global Limited (E&Y Philippines), for 35 years, 25 of which as the Senior Partner of the firm. He was also Vice Chairman for Client Services and Accounts, Head of the Japan Business Services, Head of E&Y Philippines' highest revenue generating business unit, and member of the Management and Operations Committees of E&Y Philippines. He served as a Director of the Bank of Commerce, and the National Reinsurance Corporation of the Philippines, and Pakistan International Container Terminal Ltd., and Premium Leisure Corporation. He likewise served as a Trustee of the Government Service Insurance System. In 2024, Mr. Reyes was appointed as Independent Director of the Maharlika Investment Corporation. He is also currently a member of the board of directors of the Philippine Geothermal Production Company, RPN 9, Pasudeco, and All-Asian Countertrade. He is a member of the board of trustees in San Beda University, Manila, and the San Beda College Alumni Association Foundation. He is currently the Chairman of the Board of San Beda College Alabang, and the Nicanor Reyes Memorial Foundation. He is also a Board Advisor of Rockwell Club.

Mr. Reyes is a Certified Public Accountant. He graduated from San Beda College in 1972, where he obtained his Bachelor's degree in Commerce, major in Accounting. He received his Master's degree in Business Administration, concentration in Finance from the University of Detroit, Michigan, USA in 1975.

Expertise: Accounting and Financial Reporting, Risk Management, Corporate Governance

Ms. Estela M. Perlas-Bernabe, aged 73, Filipino

Director since May 26, 2023

Independent Non-Executive Director

Committee Chairman: Remuneration Committee

Committee Membership/s: Corporate Governance and Nominations Committee, Audit and Related Party Transactions Committee

Directorship in other Publicly Listed Companies: BDO Unibank, Inc.(PSE:BDO), San Miguel Food & Beverage (PSE:FB), Inc., Aboitiz Power Corporation(PSE:AP), SM Prime Holdings, Inc. (PSE:SMPH)

Ms. Estela M. Perlas-Bernabe was elected as an Independent Non-Executive Director on May 26, 2023

Justice Estela M. Perlas-Bernabe is an independent director of BDO Unibank, Inc., San Miguel Food & Beverage, Inc., Aboitiz Power Corporation, SM Prime Holdings, Inc., BDO Private Bank, and Petrogen Insurance Corporation. She has been a member of the Panel of Arbitrators of the Singapore International Arbitration Centre since February 2025. She is also a director of PHILJA (Philippine Judicial Academy) Development Center, Inc. and a trustee of the Foundation for Liberty and Prosperity.

Justice Perlas-Bernabe was Senior Associate Justice of the Supreme Court of the Philippines and served the Philippine Judiciary in various capacities. She was appointed as associate justice of the Supreme Court in 2011 and was Division Chairperson of the Second Division from 2019 until her retirement in 2022. Prior to her appointment to the Supreme Court, she was associate justice of the Court of Appeals from 2004 to 2011; Regional Trial Court Judge of Makati City from 2000 to 2004; and Metropolitan Trial Court Judge of the same city from 1996 to 2000. In addition to her solid background in the Philippine Judiciary, she was also a law professor at the Ateneo Law School from 2009 to 2011 and engaged in private legal practice under Bernabe Perlas Morte & Associates as Senior Partner from 1993 to 1996. She also worked in various private offices from 1978 to 1993 namely, China Banking Corporation, Paramount Finance Corporation, and National Home Mortgage Finance Corporation.

Justice Perlas-Bernabe completed her Bachelor of Science in Commerce Banking and Finance at St. Paul College of Manila and graduated *Magna Cum Laude* in 1972. She earned her law degree in Ateneo College of Law, graduating as Class Salutatorian in 1976 and passed the bar in 1977 with a rating of 85.15%.

The Supreme Court established an award called “The Senior Associate Justice Estela Perlas-Bernabe Exemplary Career Jurist Award” to recognize Supreme Court justices who serve at every court level with a consistent record of zero case backlogs. Throughout her career, she has received numerous prestigious accolades, including the Judicial Medal of Distinction and various awards for her exemplary case disposition and dedicated public service.

Expertise: Accounting and Financial Reporting, Legal, Regulatory, Corporate Governance, Human Resource Management

Mr. Francisco Ed. Lim, aged 70, Filipino
Director since June 8, 2020 until June 9, 2025
Non-Executive Director

Committee Chairman: Remuneration Committee (partial)
Committee Membership/s: Corporate Governance and Nominations Committee (Partial), Board Risk Oversight Committee (Partial), Related Party Transactions Committee (Partial)

Directorship in other Publicly Listed Companies: UnionBank of the Philippines (PSE:UBP), First Philippine Holdings Corporation (PSE:FPH)

Mr. Francisco Ed. Lim was elected as an Independent Non-Executive Director on June 8, 2020 and tendered resignation effective on June 9, 2025 due to his election as Chairperson of the Securities and Exchange Commission.

Atty. Lim is a Senior Legal Counsel of the Angara Abello Concepcion Regala & Cruz Law Offices. He is presently the Chairman of Air Asia, Inc., Philippines Air Asia Philippines, Inc., Justice Reform Initiative (JRI) and Co-Chairman (together with Finance Secretary Ralph Recto) of the Capital Market Development Council. He also currently serves as a Director/Trustee of several Philippine stock and non-stock corporations, among which are the AirAsia Aviation Group Limited (Malaysian company), Alphaland Corporation, First Philippine Holdings Corporation, The Insular Life Assurance Co., Ltd., and Union Bank of the Philippines.

Atty. Lim served as President and Chief Executive Officer of the Philippine Stock Exchange (PSE) from 2004 to 2010. During his time in the PSE, he also held key positions in various institutions such as the Securities Clearing Corporation of the Philippines, Capital Market Development Center, Inc., Philippine Stock Exchange Foundation, Inc., Philippine Dealing and Exchange Corporation, Philippine Dealing System Holdings, Inc., Capital Market Development Council, and Securities Investors Protection Fund.

He is also a law professor of the Ateneo Law School and the San Beda College Graduate School of Law. He is the Chairman of the Commercial Law Department and Professional Lecturer of the Philippine Judicial Academy

(PHILJA) and a member of PHILJA's Academic Council and the Rules Committee of the Supreme Court. He is also a Fellow of the Institute of Corporate Directors and a columnist for Rappler.

Atty. Lim graduated from University of Sto. Tomas, Manila, Philippines in 1975, where he obtained a Bachelor of Philosophy (*Magna Cum Laude*) and a Bachelor of Arts (*Cum Laude*). He received a Bachelor of Laws (Second Honors) from the Ateneo de Manila University, Quezon City, Philippines in 1981. He received his Master of Laws from the University of Pennsylvania, USA in 1987. He is currently a member of the Philippine Bar and the New York State Bar.

Expertise: Corporate Finance, Legal, Regulatory, Labor Law, Human Rights Law, Risk Management, Corporate Governance

Mr. Park Weongi, aged 61, Canadian
Director since July 8, 2025
Non-Executive Director

Committee Membership/s: Board Risk Oversight Committee, Remuneration Committee

Directorship in other Publicly Listed Companies: None

Mr. Park Weongi was elected as a Non-Executive Director on July 8, 2025 following the resignation of Atty. Francis Ed. Lim on June 9, 2025.

Mr. Park Weongi is a veteran technology leader with over three decades of experience in global IT and cloud infrastructure. After serving as CEO of NAVER Cloud and later as CEO of NAVER Cloud APAC, he now holds the position of Executive Advisor, where he provides strategic counsel and executive guidance to support NAVER Cloud's continued growth and innovation.

Park spearheaded the transformation of NAVER's IT infrastructure to meet the demands of a fast-evolving digital landscape. He established robust, efficient IT systems and oversaw the design of advanced data centers that could accommodate NAVER's rapidly expanding user base—all while embedding sustainability into the core of infrastructure development. His commitment to green technology earned NAVER a Platinum certification from LEED (Leadership in Energy and Environmental Design), a rare achievement in the data center industry.

As CEO of NAVER Cloud from 2014 to 2022, Park oversaw a period of remarkable growth, expanding the company's product portfolio from 22 to over 200 services across IaaS, PaaS, and SaaS.

From 2023 to 2025, as CEO of NAVER Cloud APAC, he led the company's entrance into 10 overseas markets, built strategic alliances in Southeast Asia, and helped position NAVER Cloud as a competitive player in the region's digital infrastructure landscape.

Prior to joining NAVER, Park built a solid international career with IBM, where he served as an executive overseeing global IT service delivery, and with TELUS Canada, where he gained valuable experience in North American telecom and enterprise services between 1989 and 2009.

Park Weongi holds a Master's Degree of Public Administration at Yonsei University.

Expertise: Information Technology, IT Service Delivery, Network Infrastructure, Network Sustainability, Consulting

Senior Management

The following table sets forth the Company's incumbent executive officers (Senior Management) and corporate officers:

Name	Position	Citizenship
Dennis Anthony H. Uy	Chief Executive Officer, Founder & Executive Director	Filipino
Maria Grace Y. Uy	President, Chief Resources Officer, Founder and Executive Director	Filipino
Benjamin Rex Emilio B. Azada*	Executive VP, Chief Operations Officer	Filipino
Robert Leo A. Yu	Executive VP, Chief Finance Officer	Filipino
Paulo Martin G. Santos	Executive VP, Chief Technology Officer	Filipino
Christine Renee R. Blabagno	Senior VP, Treasurer and Chief Risk Officer	Filipino
Elvira C. Oquendo	Senior VP, Corporate Secretary, Head of Legal Services	Filipino
Ia Laurienne S. Ramiro - Castro	Assistant VP, Assistant Corporate Secretary	Filipino
Laurice P. Esteban-Tuason	Senior VP, Corporate Compliance Officer and Data Protection Officer; Corporate Sustainability Officer	Filipino
Anthony Vergel B. Velasco**	Senior VP, Head of Internal Audit	Filipino
Jenelyn M. Del Rosario**	Officer-in-Charge, Internal Audit	Filipino
Arlene G. San Juan	VP, Financial Controller, Treasurer	Filipino
Owen Kieffer D. Ocampo	VP, Head of Investor Relations	Filipino
Jesus C. Romero*	Senior Executive VP, Chief Operations Officer	Filipino

*Mr. Romero has retired from his position as Senior Executive VP and Chief Operations Officer effective July 1, 2025. Mr. Azada assumed the position of Chief Operations Officer after the appointment by the Board of Directors on the same date. Prior to being appointed as the Chief Operations Officer, Mr. Azada was the Company's Chief Commercial Officer and Chief Sustainability Officer.

**Mr. Velasco was appointed by the Board of Directors as the Head of Internal Audit on February 5, 2026. Ms. Del Rosario was the Officer-in-Charge of the Internal Audit Department for the full year 2025 until Mr. Velasco's appointment.

Mr. Benjamin Rex Emilio B. Azada, aged 52, was appointed as Chief Operations Officer (COO) effective July 1, 2025, following the retirement of the previous COO, Jesus C. Romero on June 30, 2025. Prior to his appointment, Mr. Azada held the roles of Chief Commercial Officer and Chief Sustainability Officer from 2023 until July 1, 2025 and the Chief Strategy Officer from April 2020 until 2023. Before joining Converge, Mr. Azada was a Partner with PwC's Southeast Asia Consulting practice, with P&L responsibility for operations in the Philippines. His clients included top enterprises in the telecommunications, media, technology and financial services sectors. He spent over a decade of his career with PwC Hong Kong, where he helped clients in Hong Kong and China transform their operations, comply with new regulations, and enter new markets. He has over 25 years of industry experience to date.

Mr. Azada holds a Bachelor of Science degree in Industrial Engineering from the University of the Philippines Diliman, a PgDip in Business Administration (with Merit) from the University of Durham, and an MSc in Sustainable Development (with Merit) from the University of Sussex. He has attended executive education courses at INSEAD and Cambridge University. He is a Global Reporting Initiative (GRI) Certified Sustainability Professional, and an IFRS Fundamentals of Sustainability Accounting (FSA) credential holder.

Mr. Paulo Martin G. Santos, aged 36, was appointed as the Chief Technology Officer effective on September 9, 2025. Prior to his appointment, he held the position of Chief Network Transformation Officer since May 2022. He brings to Converge a wealth of experience from the Government, Telecom & Network, and Banking industries, specializing and leading organizations in Digital Transformation, Information Technology, and Network Innovation.

He held various key leadership roles in Globe Telecom, Wifi Nation, Smart Communications Inc., and PLDT. In 2017, he also led the overall digital transformation of the Food and Drug Administration (FDA). Prior to joining Converge, Mr. Santos was part of Unionbank of the Philippines as Vice President and Head of Enterprise

Communications, Collaboration and Security, where he steered the transformation of Unionbank's IT arm and built its capabilities that helped transform the bank's network infrastructure to a cloud ready Software Defined Network (SDN).

Mr. Santos earned his bachelor's degree in Materials Engineering from the University of the Philippines Diliman.

Mr. Robert Leo A. Yu, aged 41, was appointed as the Chief Finance Officer in May 2024. Mr. Yu is a seasoned corporate finance professional with over 15 years of experience in investments and valuation. Prior to joining Converge as CFO, Robert was part of Malaysia-headquartered private equity firm Creador which handles \$2.3 billion in funds across South and Southeast Asia. He also served as a consultant at Converge from 2018 - 2019, putting in place a strategic and efficient capital structure plan for the company based on its performance and projected growth

Previously, Robert was an Investment Principal at Sierra Madre Advisers Inc., which makes equity investments in ambitious companies in the Philippines spanning a diverse range of sectors. Prior to that, he rose through the ranks at Morgan Stanley (Southeast Asia and Consumer Coverage), starting as an associate in 2015, and becoming a Vice President in 2017. Robert started his career in New York, focused on mergers, acquisitions and capital raising for Citigroup's consumer-sector clients. Robert holds a Bachelor's degree in Accountancy, Concentration in Finance from the University of Illinois at Urbana-Champaign, and a Master's Degree in Business Administration from the University of Chicago's Booth School of Business.

Ms. Christine Renee R. Blabagno, aged 52, was appointed as Treasurer in March 2021 and was subsequently appointed as the Chief Risk Officer on May 30, 2025. Prior to joining Converge, Ms. Blabagno was the Vice President for Consolidated Core Business Controllership of Globe Telecom and most recently held the position as CFO of the Philippine Business for Social Progress, a corporate membership non-profit organization. She also worked for 10 years with SGV's assurance practice and has over 30 years of experience to date.

Ms. Blabagno graduated from the Notre Dame University, Cotabato City with a degree of Bachelor of Science in Commerce, Major in Accounting. She is a Certified Public Accountant, a Certified Management Accountant and a Certified Enterprise Risk Manager. She completed her Master of Business Management Major in Finance at the Asian Institute of Management.

Ms. Elvira C. Oquendo, aged 59, was appointed as Corporate Secretary in June 2020 and is our Senior Vice President & Head of Legal Services. After graduation from law school in 1992, she joined Carpio Villaraza & Cruz Law Office where she specialized in Litigation, Commercial and Banking Law, Intellectual Property Law, Telecommunications Law, and Labor Law. In 2001, she joined the government as Solicitor III in the Office of the Solicitor General, and in 2002, she became the Chief of Staff/Head Executive Assistant of the Office of the Ombudsman. Prior to joining Converge, Ms. Oquendo served as Legal Director and Corporate Secretary of various corporations under the Cemex Philippines Group of Companies and was also a Board member of the CEMEX Philippines Foundation. Ms. Oquendo also participated in the Management Development Program of the Asian Institute of Management.

Ms. Oquendo holds a double degree in Physics and Computer Engineering from the Ateneo de Manila University, where she also later went on to receive her Juris Doctor degree. She was admitted to the Philippine Bar in 1992.

Ms. Ia Laurienne S. Ramiro - Castro, aged 46, was appointed as Assistant Corporate Secretary in May 2025. Prior to joining Converge, Ms. Ramiro-Castro was a Senior Counsel at Manila Water Company, Inc., where she worked on public-private partnership projects, cross-border transactions, and regulatory support matters.

Ms. Ramiro-Castro obtained her Bachelor of Laws degree from the University of the Philippines and her Master of Laws degree from the University of New South Wales as a recipient of the Endeavor Postgraduate Awards.

Ms. Laurice P. Esteban-Tuason, aged 44, was appointed as Corporate Compliance Officer in April 2021 and effective on May 30, 2025, she has now assumed the role of Corporate Sustainability Officer. She has fourteen (14) years of corporate experience in the legal and compliance space. She started her career in 2007 with highly reputable law firms as Junior Associate, then embarked in Government service with the Bangko Sentral ng Pilipinas in 2011 as Legal Officer II. In 2016, Atty. Tuason joined ABS-CBN Corporation and held leadership roles in legal and compliance with its various subsidiaries such as ABS-CBN E-Money Plus Inc., ABS-CBN Global Ltd., and U-Pay Digital Technologies, Inc. Prior to joining Converge, Atty. Tuason was the Compliance Officer–Director of ABS-CBN Corporation.

Atty. Tuason graduated from Ateneo de Manila University with a degree in BS Legal Management in 2002. She went on to obtain her Juris Doctor degree from the Ateneo School of Law in 2006 and was admitted to the Philippine Bar in 2007. She recently completed her degree in Master in Cybersecurity at the Asian Institute of Management.

Mr. Anthony Vergel B. Velasco, aged 50, was reappointed as Senior Vice President & Head of Internal Audit in the organizational meeting of the Board of Directors on February 5, 2026. Mr. Velasco has over 20 years of solid internal auditing experience from different industries. He worked for various reputable institutions where he obtained exposure in data analytics, risk management, operations, financial, and IT audits. He started his career in 1997 with Punongbayan and Araullo, then went to government service for more than 10-years at Philippine Health Insurance Corporation as Senior Auditing Systems Specialist. In 2012, Mr. Velasco joined 2GO Group, Inc., a publicly listed and largest end-to-end supply chain group of companies to lead its Internal Audit Group for more than six (6) years. He also became the Group Chief Audit Executive of Megawide, another listed company, for more than two (2) years. He also served as a Board of Trustee of the Institute of Internal Auditors - Philippines (IIAP) from 2015 to 2019 and has been an active resource speaker and lecturer since. He joined Converge in 2021 as Internal Audit Director prior to joining Meralco PowerGen Corporation in 2024 to lead their Internal Audit Department. He has since rejoined Converge in February 2026 and was reappointed to his current role.

Mr. Velasco graduated from San Beda College with a degree in BS Accountancy in 1997. He is a Certified Internal Auditor (CIA), Certified Information Systems Auditor (CISA), and a Certified ISO 31000 Lead Risk Manager.

Ms. Jenelyn M. Del Rosario, aged 43, is a Certified Public Accountant with 20 years' experience in the field of financial and operational audit. Prior to her appointment as Officer-in-Charge, Internal Audit, she served as the Assistant Vice President for Financial and Operations Audit of Converge wherein she designed and performed audit procedures in accordance with COSO Framework and Internal Audit Standards. She also developed risk-based audit plans, assessed control environments, and identified key audit areas. Moreover, she was responsible for and headed audit activities to test surrounding controls of various end-to-end processes such as billing and collection, revenue to receivables, purchase to payables, inventories, disbursements, order management to installation process, and aftersales process.

She joined ComClark Network Technology Corp. in 2004 as Junior Financial Analyst and rose from the ranks to become one of the most respected internal audit leaders in Converge. Ms. Del Rosario graduated from Holy Angel University in Angeles City with a degree in BSBA Major in Financial Management Accounting in 2002 and BS Accountancy in 2003. She became a Certified Public Accountant in May 2004.

Ms. Arlene G. San Juan, aged 49, is the Vice President and Financial Controller of Converge ICT Solutions Inc. and appointed as Treasurer in July 2025. She has over 25 years of experience in controllership, financial planning, treasury, compliance, taxation, and financial reporting across various industries, including real estate, hospitality, retail, and food and beverage. She started her career as an Audit Senior at a reputable audit firm and has since held key finance leadership roles at DM Consunji Group, Bistro Group, Hard Rock Café Guam, Robinsons Retail Group, and Robinsons Land Corporation.

Prior to joining Converge, she served as Senior Assistant Vice President and Head of Finance and Accounting at Filinvest Development Corporation, and concurrently as Treasurer for some of its subsidiaries.

Ms. San Juan is a Certified Public Accountant and a *cum laude* graduate of the Polytechnic University of the Philippines with a Bachelor of Science degree in Accountancy.

Mr. Owen Kieffer D. Ocampo, aged 35, was appointed as Investor Relations Officer in January 2021. He started his career with J.P. Morgan & Chase before moving to KPMG in the Philippines where he was part of the Deal Advisory Group for almost four years, specializing in transaction advisory and corporate finance. Immediately prior to joining Converge, he was the Investor Relations Manager of Metro Pacific Investments Corporation for more than three years.

Mr. Ocampo graduated from De La Salle University – Manila and holds a double degree in Applied Economics and Commerce.

Mr. Jesus C. Romero, aged 62, was appointed as Chief Operating Officer in February 2016 and served until his retirement effective July 1, 2025. He oversaw and managed our day-to-day operations, covering revenue generation, customer experience, product development, and organic growth initiatives through partnerships. Prior to joining Converge, Mr. Romero held senior leadership positions spanning all aspects of operation from Globe Telecom, DTSI Group, ComStream Corporation and Hughes Network systems. He has close to 40 years of industry experience to date and has led market entry, growth and transformation in the areas of Telecommunications, Systems Integration and IT services.

Mr. Romero received a Bachelor's degree in Electronics and Communications Engineering from the De La Salle University in Manila, the Philippines in 1984.

Involvement of Directors and Officers in Certain Legal Proceedings

To the best of the Company's knowledge, in the last five years, none of the above-named directors or members of senior management has been subject to the following:

- (i) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (ii) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (iii) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities, commodities, or banking activities; or
- (iv) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Significant Employees

Converge considers all employees as significant contributors to its success. Everyone works together as a team to successfully meet the Company's goals and objectives.

Family Relationships

Dennis Anthony H. Uy, CEO, Founder & Executive Director, is married to Maria Grace Y. Uy, President, Chief Resources Officer, Chief Risk Officer, Founder & Executive Director.

Item 10. EXECUTIVE COMPENSATION

The compensation for our executive officers for the years ended December 31, 2023, 2024, 2025, and 2026 (estimated) are shown below:

Names	Position	Year	Salary	Bonus
Aggregate executive compensation for the following key management officers:				
Mr. Dennis Anthony H. Uy	Chief Executive Officer			
Ms. Maria Grace Y. Uy	President			
Mr. Benjamin Rex Emilio B. Azada*	Chief Operations Officer	2023	₱92.0 million	₱73.9 million
Mr. Ronald G. Brusola (retired in 2023)	Chief Technology Officer	2024	₱103.4 million	₱323.8 million
Mr. Alberto L. Santos (resigned in 2024)	Chief Customer Experience Officer	2025	₱138.8 million	₱203.6 million
Mr. Ulysses C. Naguit (resigned in 2023)	Chief Information Officer	2026-E	₱103.8 million	₱41.6 million
Mr. Paulo Martin G. Santos	Chief Technology Officer			
Mr. Robert Leo Yu (starting 2024 only)	Chief Finance Officer			
Ms. Christine Renee Blabagno (starting in 2025 only)	Chief Risk Officer			
Mr. Jesus C. Romero*	Chief Operations Officer			
Aggregate executive compensation of all other Officers and Directors, unnamed		2023	₱26.0 million	₱4.6 million
		2024	₱35.4 million	₱29.8 million
		2025	₱26.2 million	₱13.5 million
		2026-E	₱30.5 million	₱11.9 million

*Mr. Azada was appointed as the Chief Operations Officer on July 1, 2025 after the retirement of Mr. Romero on the same date. Mr. Azada was the Chief Commercial Officer from February 1, 2024, concurrent to his role as Chief Sustainability Officer until his appointment as Chief Operations Officer. Prior to this, Mr. Azada held the position of Chief Strategy Officer and Chief Sustainability Officer.

Compensation of Directors

Directors' Arrangement:

Except for the executive directors, who do not receive compensation as directors, the following is the remuneration arrangement for the directors:

Board Meetings: Per diem of ₱50,000.00 every meeting

Committee Meetings: Per diem of ₱30,000.00 per meeting.

Stockholders Meeting: Per Diem of ₱50,000.00 per stockholders meeting

Variable remuneration: Minimum bonus of ₱2,000,000.00, subject to the performance of the company at year-end

The directors do not participate in discussions and/or deliberations involving their own remuneration.

Pursuant to the provisions of the Revised Corporation Code on the annual compensation of the directors, the table below indicates the gross compensation for the following non-executive and independent directors for FY 2025 – paid and adjustments. Executive Directors do not receive compensation as directors.

Director	Per Diem		Variable Director Remuneration	Total
	Board Meetings	Committee Meetings		
Jose P. de Jesus	650,000.00	270,000.00	2,000,000.00	2,920,000.00
Francisco Ed. Lim*	400,000.00	180,000.00	1,000,000.00	1,580,000.00
Park Weongi**/**	300,000.00	-	962,365.59	1,262,365.59
Amando M. Tetangco, Jr.	600,000.00	480,000.00	2,000,000.00	3,080,000.00
Roman Felipe S. Reyes	650,000.00	510,000.00	2,000,000.00	3,160,000.00
Estela M. Perlas-Bernabe	650,000.00	450,000.00	2,000,000.00	3,100,000.00
Dennis Anthony H. Uy	-	-	-	-
Maria Grace Y. Uy	-	-	-	-

*Atty. Lim was a board member from June 8, 2020 until June 9, 2025. Atty. Lim resigned as Non-Executive Director and was succeeded by Mr. Park Weongi on July 8, 2025 to serve the unexpired term of Atty. Francis Ed. Lim.

**Mr. Park's remuneration was paid to him in 2026.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS, AND EXECUTIVE OFFICERS

The following table sets forth the record owners and, to the best knowledge of the Board of Directors and Management of the Company, the beneficial owners of more than five percent of the Company's outstanding shares of Common Stock, the number of shares owned by, and percentage of shareholdings of, each of them, as at December 31, 2025.

Title of Class	Name of Record Owner	Name of Beneficial Owner	Citizenship	Number of Shares held	Percentage of Ownership
Common Shares	Comclark Network and Technology Corp.	Dennis Anthony H. Uy and Grace Y. Uy	Filipino	4,515,776,677	62.36%
Common Shares	PCD Nominee Corporation *	Comclark Network and Technology Corp**	Filipino	281,640,597	3.89%
Common Shares	PCD Nominee Filipino*	Public Ownership	Filipino	1,307,918,788	18.06%
Common Shares	PCD Nominee Corporation*	Cloud Gateway Limited	Foreign	222,757,739***	3.08%
Common Shares	PCD Nominee Non-Filipino*	Public Ownership	Foreign	911,443,353	12.59%

*PCD Nominee Corporation is not related to the Company

**These shares of Comclark Network and Technology Corp. in the amount of 281,640,597 are scrippless shares. The ultimate Beneficial Owners are Dennis Anthony H. Uy and Grace Y. Uy

***Dennis Anthony H. Uy and Grace Y. Uy are the ultimate beneficial owners of shares registered under Cloud Gateway Limited

The following table sets forth the beneficial ownership of individual directors and executive officers as of December 31, 2025. The following are the shareholdings of our Board of Directors and Senior Management. Under the Revised Corporation Code, each director is required to hold at least one share in his/her name in the books of the corporation to qualify as a member of the board of directors:

Title of Class	Name of Record Owner	Position	Citizenship	Amount and Nature of Beneficial Ownership (Direct or Indirect*)			% of Total Outstanding Shares
				2025 Beginning	Transactions in 2025 and 1Q2026	March 31, 2026 Ending	
Common	Jose P. de Jesus	Chairman of the Board	Filipino	1 common share (Direct)	-	1 common share (Direct)	0.00%
Common	Dennis Anthony H. Uy*	Chief Executive Officer	Filipino	1 common share (Indirect) 2,158,837,773* (Indirect) 111,378,869** (Indirect)	-	1 common share (Indirect) 2,158,837,773* (Indirect) 111,378,869** (Indirect)	31.35%
Common	Maria Grace Y. Uy*	President, Chief Risk Officer, and Chief Resource Officer	Filipino	1 common share (Indirect) 2,638,579,501* (Indirect) 111,378,870** (Indirect)	2,000,000 common shares (Indirect)	2,000,001 common share (Indirect) 2,638,579,501* (Indirect) 111,378,870** (Indirect)	38.00%
Common	Amando M. Tetangco, Jr.	Independent Director	Filipino	1 common share (Direct)	-	1 common share (Direct)	0.00%
Common	Roman Felipe S. Reyes	Independent Director	Filipino	1 common share (Direct)	-	1 common share (Direct)	0.00%
Common	Francisco Ed. Lim	Director	Filipino	1 common share (Direct)	-1 common share (Direct)	0	0.00%
Common	Estela M. Perlas-Bernabe	Independent Director	Filipino	3,000 common shares (Indirect)	-	3,000 common shares (Indirect)	0.00%
Common	Park Weongi	Director	Canadian	1 common share (Direct)	1 common share (Direct)	1 common share (Direct)	0.00%
Common	Benjamin Rex Emilio B. Azada***	Chief Operations Officer	Filipino	25,100 common shares (Indirect)	-	25,100 common shares (Indirect)	0.00%
Common	Paulo Martin G. Santos	Chief Network Transformation Officer	Filipino	0	-	0	0.00%
Common	Robert Leo A. Yu****	Chief Finance Officer	Filipino	24,000 common shares (Indirect)	80,000 common shares (Indirect)	104,000 common shares (Indirect)	0.00%
Common	Christine Renee R. Blabagno	Chief Risk Officer	Filipino	0	30,000 common shares (Indirect)	30,000 common shares (Indirect)	0.00%
Common	Elvira C. Oquendo	Corporate Secretary	Filipino	0	-	0	0.00%
Common	Laurice P. Esteban-Tuason	Compliance Officer	Filipino	0	-	0	0.00%
Common	Owen Kieffer D. Ocampo	Investor Relations Officer	Filipino	3,200 common shares (Indirect)	-	3,200 common shares (Indirect)	0.00%
Common	Anthony Vergel B. Velasco*****	Head of Internal Audit	Filipino	0	-	0	0.00%
Common	Jenelyn M. Del Rosario*****	Officer-in-Charge, Internal Audit	Filipino	0	-	0	0.00%
Common	Mr. Jesus Romero**	Chief Operations Officer	Filipino	0	-	0	0.00%

* Dennis Anthony H. Uy and Maria Grace Y. Uy, beneficially own 4,797,417,274 shares of the Company through ComClark Network and Technology Corp.

** Dennis Anthony H. Uy and Maria Grace Y. Uy are the ultimate beneficial owners of 222,757,739 shares registered under Cloud Gateway Limited.

****Mr. Azada was appointed as the Chief Operations Officer on July 1, 2025 after the retirement of Mr. Romero on the same date. Mr. Azada was the Chief Commercial Officer from February 1, 2024, concurrent to his role as Chief Sustainability Officer until his appointment as Chief Operations Officer. Prior to this, Mr. Azada held the position of Chief Strategy Officer and Chief Sustainability Officer.*

***** Robert Leo A. Yu was appointed Chief Finance Officer on May 10, 2024 with the specified number of shares*

***** Mr. Velasco resigned from Converge effective November 30, 2024 and was reappointed Head of Internal Audit on February 5, 2026*

******Jenelyn M. Del Rosario was appointed Officer-in-Charge, Internal Audit on November 12, 2024 until Mr. Velasco's reappointment with the specified number of shares*

Options Outstanding

For further details, please refer to Note 12 of our Audited Financial Statements.

Voting Trust Holders of 5% or More

There are no persons holding more than 5.0% of a class of shares under a voting trust or similar agreement.

Changes in Control

There have been no changes in control in the Company.

Item 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In the ordinary course of business, Converge enters into transactions with related parties and affiliates, principally consisting of construction, lease and services arrangements. The Company's policy with respect to related party transactions is to ensure that these transactions are entered on an arm's length basis and entered into on terms comparable to those available from or to unrelated third parties, as the case may be. Converge has established an Audit and Related Parties Transactions Committee to comply with the Board and shareholder voting mechanisms provided under the Philippine Corporation Code and the relevant regulations of the Philippine SEC for related party transactions.

Please see Note 20 of the consolidated financial statements for further discussion.

Summary of Related Party Transactions

For more information of our transactions and outstanding balances with related parties, see Note 20 to our audited consolidated financial statements as of and for the years ended December 31, 2023, 2024 and 2025.

Transfer Pricing Regulations

Under Section 50 of the National Internal Revenue Code, in the case of two or more businesses owned or controlled directly or indirectly by the same interests, the BIR Commissioner is authorized to distribute, apportion, or allocate gross income or deductions between or among such businesses. On January 23, 2013, the BIR issued Regulation No. 2-2013 on Transfer Pricing Regulations (the "Transfer Pricing Regulations") which adheres to the arm's length methodologies set out under the Organization for Economic Cooperation and Development Transfer Pricing Guidelines. The Transfer Pricing Regulations are applicable to cross-border and domestic transactions between related parties and associated enterprises. The BIR Transfer Pricing Regulations defines related parties as two or more enterprises where one enterprise participates directly or indirectly in the management, control, or capital of the other; or if the same persons participate directly or indirectly in the management, control, or capital of the enterprises. The arm's length principle requires the transaction with a related party to be made under comparable conditions and circumstances as a transaction with an independent party such that if two related parties derive profits at levels above or below comparable market levels solely by reason of the special relationship between them, the profits will be deemed as non-arm's length. In such a case, the BIR can make the necessary adjustments to the

taxable profits of the related parties so as to reflect the true value that would otherwise be derived on an arm's length basis.

PART IV – CORPORATE GOVERNANCE

Item 13. CORPORATE GOVERNANCE

In compliance with pertinent regulations, the Integrated Annual Corporate Governance Report (iACGR) will replace the Corporate Governance section of this Report, the previous SEC Form ACGR and PSE's CGR-1, and shall be submitted by the Company to pertinent regulatory agencies on or before May 30 of every year. The iACGR will be available on the Company website upon completion and submission to the regulatory agencies.

On October 8, 2021, the Board amended the Manual on Corporate Governance (Manual), to cover compliance of requirements under SEC Memorandum Circular No. 19, Series of 2016, which institutionalizes the principles of good corporate governance in the entire organization. We believe that it is a necessary component of sound strategic business management, hence, we undertake efforts to create awareness within the organization.

In 2023, the Board made additional amendments to the Manual to reflect the separation of the Audit and Related Party Transactions (ARPT) Committee to be standalone committees. The Company now has a separate Audit Committee and Related Party Transactions Committee. This separation enables the organization to ensure that the board's oversight responsibilities are well executed. Following this, the amended manual was made available publicly in February 2024. We strive and commit to improving the Company's corporate governance practices to align with industry and global best standards (such as the OECD Principles of Corporate Governance, ICGN Global Governance Principles, and ASEAN Corporate Governance Scorecard). We shall undertake efforts to enhance our corporate governance processes and procedures as we endeavor to regularly review and revisit our Manual to ensure that timely and relevant updates are reflected therein. In 2025, the Institute of Corporate Directors (ICD) awarded Converge with a Five-Arrow rating, making Converge a notable figure in the field of corporate governance. The Five-Arrow award is the highest distinction bestowed by ICD, recognizing the Company's strict adherence to corporate governance best practices and alignment of its business operations to global standards.

The Manual provides that it is the Board that has the primary responsibility for the governance of the corporation. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board is mandated to hold its regular and special meetings in person or through teleconferencing.

In adopting the Manual and its revisions, we understand the responsibilities of the Board and its members, in governing the conduct of our business, the Board Committees, in focusing on specific board functions to aid in the optimal performance of its roles and responsibilities, and the officers, in ensuring adherence to corporate principles and best practices. The Manual establishes, among others, the composition of the board committees, and principles on adequate and timely information, accountability and audit, stockholders' rights and protection of minority stockholders' interests, communication process, training, disclosures, self-assessment, and sustainability. An evaluation process of compliance with Manual has likewise been established.

The Company's Amended Manual on Corporate Governance and other governance documents may be found here: <https://corporate.convergeict.com/corporate-governance/>.

For further details on the Company's Corporate Governance initiatives, please refer to Exhibit 2 Sustainability Report – Sustainability at Converge section.

Independent Directors

In compliance with Section 22 of Republic Act No. 11232 or the Revised Corporation Code, which requires, among others, that the board of corporations vested with public interest shall have independent directors constituting at least twenty percent (20%) of such board, the Company's Board of Directors includes four independent directors

(representing almost **57%** of total board representation), all of whom have the necessary qualifications and without any disqualifications. The Board is composed of experienced individuals with different and complementing skills, experiences, perspectives, and backgrounds. Under the Board Charter, each independent director shall serve for a maximum of nine (9) years. For FY2025, Messrs. de Jesus, Tetangco, and Reyes have served for five (5) years since 2020, while Ms. Perlas-Bernabe is within her third year.

The Independent Directors, Mr. de Jesus, Mr. Tetangco, Mr. Reyes, and Ms. Perlas-Bernabe are independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company.

Specifically, Mr. de Jesus, Mr. Tetangco, Mr. Reyes, and Ms. Perlas-Bernabe: (i) are not directors or officers or substantial stockholders of the Company or its related companies or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two (2) years; (v) are not retained as professional advisers by the Company or with any of its related companies or with any of its substantial shareholders within the last two (2) years, either personally or through their firms; (vi) have not engaged and do not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arm's length and are immaterial; (vii) do not own more than two percent of the shares of the Company and/or its related companies or any of its substantial shareholders; (viii) are not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and (ix) are not employed as executive officers of another company where any of the Company's executives serve as directors.

The Board is composed of experienced individuals with different and complementing skills, experiences, perspectives, and backgrounds. Said directors were elected in the Annual Stockholders' Meeting (ASM) on May 30, 2025. Results of the said ASM were validated by SGV&Co. and published and disclosed on the same day via a submission to the SEC and PSE. Minutes of the Meeting were published the following day and posted in the website.

Board Performance for FY 2025

At the start of FY2025, the Corporate Secretary sets the meeting for the entire year in advance. Regular board meetings are held on the second Tuesday every other month with Special Board meetings set in between. Moreover, board committee meetings are likewise set at the start of each year. The board and committee meetings are set in the directors' calendars.

In accordance with our Amended Manual on Corporate Governance, the non-executive directors (NEDs) are required to hold separate periodic meetings with the external auditor, and the heads of internal audit, compliance, and risk functions, without any executives present. For FY2025, the NED meeting took place on May 6, 2025, with all NEDs in attendance. The meeting was chaired by the Chairman of the Board and served as a platform for the NEDs to provide independent judgment and ensure the company's adherence to high governance standards.

For FY2025, there were a total of ten (10) board meetings. The table below reflects the board meetings attended by the directors, including the breakdown as to the classification of meetings, and total attendance percentage.

Director	Jan 14	Mar 17	Apr 08	May 14	May 30	Jul 08	Aug 12	Sep 09	Nov 06	Dec 09	%
	Regular	Regular	Special	Regular	Org. Mtg.	Regular	Special	Regular	Regular	Special	
Jose P. de Jesus	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Dennis Anthony H. Uy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Maria Grace Y. Uy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Amando M. Tetangco, Jr.	✓	✓	✓	✓	✓	✓	✓		✓	✓	90
Roman Felipe S. Reyes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Estela M. Perlas - Bernabe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Park Weongi*	N/A	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓	100
Francis Ed. Lim*	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	100

* Atty. Lim was a Board member from June 8, 2020 until his resignation on June 9, 2025. He was succeeded by Park Weongi on July 8, 2025.

Breakdown of Board Meetings

Meeting Type	Frequency	Inclusive Date/s
Regular Board Meeting	6	January 14, March 17, May 14, July 8, September 9, November 6, 2025
Special Board Meeting	3	April 8, August 12, December 9, 2025
Annual Stockholders Meeting	1	May 30, 2025
Organizational Meeting	1	May 30, 2025
Non - Executive Directors Meeting	1	May 6, 2025

Board Committees and Committee Meetings for FY 2025

The Board has established board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. Below are the breakdown of each committee including the respective meetings conducted as required under the Code of Corporate Governance.

Audit Committee

Chairman : Roman Felipe S. Reyes (Independent, Non-Executive Director)
Members : Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
Estela M. Perlas-Bernabe (Independent, Non-Executive Director)

Director	January 14, 2025	February 26, 2025	March 14, 2025	May 7, 2025	%
Roman Felipe S. Reyes	✓	✓	✓	✓	100
Amando M. Tetangco, Jr.	✓	✓	✓	✓	100
Estela M. Perlas - Bernabe	✓	✓	✓	✓	100

Related Party Transactions Committee

Chairman : Roman Felipe S. Reyes (Independent, Non-Executive Director)
Members : Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
Estela M. Perlas-Bernabe (Independent, Non-Executive Director)
Francis Ed. Lim (Non-Executive Director)*

Director	March 10, 2025	May 6, 2025	%
Roman Felipe S. Reyes	✓	✓	100
Estela M. Perlas - Bernabe	✓	✓	100
Francis Ed. Lim*	✓	✓	100

*Francis Ed Lim was a Non-Executive Director and member of the Related Party Transactions Committee from June 8, 2020 until his resignation on June 9, 2025

Corporate Governance and Nominations Committee

Chairman : Jose P. de Jesus (Independent, Non-Executive Director)
Members : Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
Roman Felipe S. Reyes (Independent, Non-Executive Director)
Estela M. Perlas-Bernabe (Independent, Non-Executive Director)
Francis Ed Lim (Non-Executive Director)

Director	March 12, 2025	May 23, 2025	June 19, 2025	December 4, 2025	%
Jose P. de Jesus	✓	✓	✓	✓	100
Roman Felipe S. Reyes	✓	✓	✓	✓	100
Amando M. Tetangco, Jr.	✓	✓	✓	✓	100
Estela M. Perlas - Bernabe	✓	✓	✓	✓	100
Francis Ed. Lim*	✓	✓	N/A	N/A	100

*Francis Ed Lim was a Non-Executive Director and member of the Corporate Governance and Nominations Committee from June 8, 2020 until his resignation on June 9, 2025

Board Risk Oversight Committee

Chairman : Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
Members : Roman Felipe S. Reyes (Independent, Non-Executive Director)
Jose P. de Jesus (Independent, Non-Executive Director)
Park Weongi (Non-Executive Director)
Francisco Ed. Lim (Non-Executive Director)*

Director	February 21, 2025	March 27, 2025	June 27, 2025	December 9, 2025	%
Amando M. Tetangco, Jr.	✓	✓	✓	✓	100
Jose P. de Jesus	✓	✓	✓	✓	100
Roman Felipe S. Reyes	✓		✓	✓	75
Park Weongi*	N/A	N/A	N/A	✓	100
Francis Ed. Lim*	✓	✓	N/A	N/A	100

*Francis Ed Lim was a Non-Executive Director and a member of the Board Risk Oversight Committee from June 8, 2020 until his resignation on June 9, 2025. He was succeeded by Park Weongi on July 8, 2025. Mr. Park was made part of the Board Risk Oversight Committee thereafter.

Remuneration Committee

Chairman	:	Estela M. Perlas-Bernabe (Independent, Non-Executive Director)
Members	:	Jose P. de Jesus (Independent, Non-Executive Director)
		Park Weongi (Non-Executive Director)*
		Francis Ed. Lim (Non-Executive Director)*
		Dennis Anthony H. Uy (Executive Director)**
		Maria Grace Y. Uy (Executive Director)**

Director	May 23, 2025	December 4, 2025	%
Jose P. de Jesus	✓	✓	100
Estela M. Perlas - Bernabe	✓	✓	100
Park Weongi	N/A	✓	100
Francis Ed. Lim	✓	N/A	100
Dennis Anthony H. Uy	✓	N/A	100
Maria Grace Y. Uy	✓	N/A	100

*Francis Ed Lim was a Non-Executive Director and a member of the Remuneration Committee from June 8, 2020 until his resignation on June 9, 2025. He was succeeded by Park Weongi on July 8, 2025. Mr. Park was made part of the Remuneration Committee thereafter.

**Dennis Anthony H. Uy and Maria Grace Y. Uy were members of the Remuneration Committee until May 30, 2025 only.

Executive Committee

Chairman	:	Dennis Anthony H. Uy (Executive Director)
Members	:	Maria Grace Y. Uy (Executive Director)
		Amando M. Tetangco, Jr. (Independent, Non-Executive Director)
		Jose P. de Jesus (Independent, Non-Executive Director)
		Miles Tonn Chua (non-voting)
		Benjamin Rex Emilio Azada (non-voting)
		Robert Leo A. Yu (non-voting)

Each committee is governed by its own charter to govern each Committee's roles and responsibilities. Committee charters are available through the following link: <https://corporate.convergeict.com/corporate-governance>

Performance Appraisal for FY 2025

The Company's Amended Manual on Corporate Governance provides that the Board shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, Board members, committees, and key control officers. The self-assessment evaluation is conducted in accordance with Section 49(h) and Section 177 of the Revised Corporation Code of the Philippines, and pursuant to Principle 6 of the Code of Corporate Governance for Publicly Listed Companies (SEC Memorandum Circular No. 19 – 2016). Internally, this self-assessment aligns with the Converge Corporate Governance Framework and best practices of good governance

Furthermore, the assessment was comprehensive, covering evaluations of overall board performance, committee performance, and performance of each individual Director including the Chairman, President, CEO, and other key officers of the Company. For FY 2025, the Company was not required to enlist an external facilitator for the assessment, as this was done in 2023 and will be conducted every three years thereafter.

In the conduct of its assessment, the Company benchmarked on multiple principles, notably the ASEAN Corporate Governance Scorecard (ACGS) which scopes on; a) structure and composition, highlighting diversity and competencies b) responsibilities and duties, which include strategy, oversight, and accountability c) board processes, that highlights internal processes and d) dynamics and relationships, which shows how the board functions collectively. Following this, Converge observed the following assessment process:



In the above process, responses to the evaluation form cover overall performance for 2025. The same is measured through quantitative and qualitative means. A 4-point Likert scale is used to answer an enumeration of questions per evaluation segments while a freeform qualitative evaluation is used to supplement the quantitative responses and serves as a medium for directors to freely express their opinions on their ratings.

The evaluation was made part of discussions during the Corporate Governance Committee for 2025. The committee, which is also chaired by the Chairman of the board, was appraised of the evaluation process. The forms were handed out to the board through physical and digital versions which were then submitted back to the office of the Corporate Compliance Officer for tabulation and reporting. Tabulation of results was handled by the Corporate Compliance Officer and all responses submitted by the board were kept private and confidential.

The Corporate Compliance Officer provided the directors with the results of the assessment and outlined the methodology of evaluation, criteria and metrics, and the process of the assessment. Said assessment was discussed with the board's Corporate Governance Committee and the Board of Directors.

For 2025, the overall average performance rating of the Board, Committees, Directors, and Key Officers was 90%. The results affirm a solid and generally strong level of corporate governance performance across the Company, while also surfacing targeted areas for further improvement.

The assessment noted that the strength of its board remains to lie with its composition, competence, and overall experience in the business industry. The assessment likewise identified opportunities to enhance board processes, dynamics, and roles, while also touching on potential opportunities to improve committees and committee functions. Relatively, the assessment recognized opportunities arising from transitional challenges that may have affected

certain key officer roles, without prejudice to the strong self-evaluation of directors.

We acknowledge the need for continuous improvement in several key areas. The Company is undertaking focused initiatives to address these areas, including reinforcing board effectiveness through improved processes and engagement, supporting leadership transitions, and enhancing succession planning for management and C-suite roles. Continued emphasis will also be placed on strengthening directors' competencies in emerging technologies and aligning future board appointments with the Company's evolving strategic and digital priorities. These efforts form part of the Company's ongoing commitment to uphold and continuously improve its Corporate Governance practices.

Orientation and Continuing Education Programs and Trainings for Directors

The Company has prepared a Directors' Handbook as an onboarding guide for the board of directors compiling all the key governance policies of Converge.

Pursuant to the Code of Corporate Governance, the directors and senior management attended at least four (4) hours of training for FY 2025.

NAME	POSITION/ DESIGNATION	DATE	NO. OF HOURS
Jose P. De Jesus	Chairman of the Board / Independent Director	September 8, 2025	4 hours
Dennis Anthony H. Uy	Executive Director, Chief Executive Officer	October 20, 2025	4 hours
Maria Grace Y. Uy	Executive Director, President, Chief Resource Officer	October 20, 2025	4 hours
Estela M. Perlas – Bernabe	Independent Director	July 25, 2025	4.5 hours
Roman Felipe S. Reyes	Independent Director	October 20, 2025	4 hours
Amando M. Tetangco Jr.	Independent Director	October 3, 2025	4 hours
Park Weongi	Non – Executive, Non – Independent Director	October 7 – 8, 2025	8 hours
Benjamin Rex Emilio B. Azada	Chief Operations Officer	October 20, 2025	4 hours
Robert Leo A. Yu	Chief Finance Officer	August 5 - 6, 2025	8 hours
Paulo Martin G. Santos	Chief Technology Officer	October 20, 2025	4 hours
Arlene G. San Juan	Treasurer	October 20, 2025	4 hours
Christine Renee R. Blabagno	Chief Risk Officer	October 20, 2025	4 hours
Elvira C. Oquendo	Corporate Secretary	October 20, 2025	4 hours
Ia Laurienne S. Ramiro – Castro	Assistant Corporate Secretary	October 20, 2025	4 hours
Laurice P. Esteban – Tuason	Corporate Compliance Officer and Corporate Sustainability Officer	October 20, 2025	4 hours
Owen Kieffer D. Ocampo	Investor Relations Officer	October 20, 2025	4 hours
Jenelyn M. Del Rosario	Officer-in-Charge of Internal Audit	October 20, 2025	4 hours

Directorship in Other Listed Companies

In accordance with the Code of Corporate Governance, non-executive directors concurrently serve in a maximum of five publicly listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

None of the executive directors serve as directors in any other PLC.

The following non-executive directors of the Board are also directors of the PLCs below:

Name	Directorship in other PLCs
Amando M. Tetangco, Jr.	SM Investments Corporation (PSE:SM) SM Prime Holdings, Inc. (PSE:SMPH) Shell Pilipinas Corporation (PSE:SHLPH)
Estela M. Perlas-Bernabe	BDO Unibank (PSE:BDO) San Miguel Food and Beverage, Inc. (PSE:FB) SM Prime Holdings, Inc. (PSE:SMPH) Aboitiz Power Corporation (PSE: AP)

Nomination and Election Policy

The Company has in place its nomination and election policy to ensure transparency of the nomination process to the board. The policy likewise ensures that there is an alignment between the qualifications of the nominees with the strategic direction of the Company.

Relatedly, the policy also states that the Company shall endeavor to use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.

Board Diversity Policy

The Company adopts a Board Diversity Policy. The Company recognizes the importance of adhering with globally competitive governance frameworks. This includes being at the forefront of implementing a culture that values fairness and diversity, particularly, in selecting the members of its Board. The Company eliminates barriers of age, gender, race, and of nationality, with the clear intention of uniting highly skilled and capable individuals to lead. The conglomeration of diverse directors promotes and empowers appropriate representation. Women are given equal opportunity and footing without any sense of discrimination or belittlement. The same principle likewise applies to those of different race, nationality, and gender. The Company realizes that encompassing diversity will yield better sustainability and a stable corporate governance framework. Metrics on the achievements on board diversity will be reported to the Board annually.

The Board Diversity policy and report may be found here: <https://corporate.convergeict.com/wp-content/uploads/2022/09/ITEM-VII-A.1-Board-Diversity-Policy.pdf> and <https://corporate.convergeict.com/wp-content/uploads/2026/03/board-diversity-compliance-progress-report-2025.pdf>

Insider Trading Policy

The Company also adopts an Insider Trading Policy. The purpose of the Insider Trading Policy is to safeguard material non-public information of the Company and ensure that Insiders while in possession of such information shall not gain an unfair advantage in dealing and trading of the Company's securities. Under the said policy, trading activities by directors and officers must be reported within three (3) trading days from date of transaction.

Related Party Transactions Policy

The Board of Directors also adopted a Related Party Transactions Policy pursuant to SEC Memorandum Circular No. 10, Series of 2019. This Related Party Transactions Policy aims to ensure the integrity, arms' length status, and transparency of all Related Party Transactions of the Company, its subsidiaries, affiliates, and related parties. Related Party Transactions shall be reviewed, approved, ratified, and disclosed as required under relevant laws, rules, and regulations. The RPT policy outlines and defines material RPTs and how this should be reviewed and approved.

The decision to have a standalone board committee on Related Party Transactions shows the Company's adherence and governance in implementing the RPT policy. The RPT Committee is in charge of reviewing related party transactions.

Retirement Plan and Performance Incentive Framework

The Company has in place a Retirement Plan which is aligned with the market in order to attract and retain the best talents in the long-term perspective. The Company has also in place the Performance Incentive Framework (PIF) which specifically identifies the relationship between remuneration and performance. The Company recognizes the significance of linking performance and pay and in order to create and foster a "Pay for Performance" culture across the organization. Hence, it strives to create a rewards system that is directly proportional to the performance contribution and achievement levels. This PIF is created to drive the Company's goal to improve performance and retention with a competitive annual incentive strategy that is based on clear performance metrics in order to motivate and reward to achieve high levels of performance on an annual basis. Notwithstanding this, management may reserve the right to impose claw back and bonus deferral mechanisms, subject to internal deliberations and considerations.

Safeguarding Shareholders' and Creditors Rights

The Company upholds and safeguards rights of all shareholders and creditors by ensuring all stakeholders' interests are protected, including transparency, fair treatment and access to information, upholding nomination and voting rights, if any. Additionally, the Company abides by and adheres to all financial and non-financial covenants imposed by creditors.

Succession Planning Policy

In 2022, the Board approved the Succession Planning Policy which aims to ensure that the business of the Company will not be affected on account of voluntary or involuntary cessation from office or position of any member of the Board and Senior Management. To address the foregoing, the Company identified and created a talent pool of candidates and high performing personnel who can be considered for nomination, election, or appointment at the Board and Senior Management Level positions and to equip them to assume such leadership roles.

In 2023, the Company further strengthened its Succession Planning Policy by specifically recognizing the importance of benefitting from the expertise, experience, and wisdom of its Board of Directors. As a policy, directors may continue to serve based on their ability to perform and discharge their duties effectively and willingness to serve regardless of age. Any change in the Board of Directors (particularly relating to resignation and/or retirement) shall call for the implementation of this policy at the board of directors' level. The new succession planning policy was then approved by the board in February 2024.

Whistleblower Mechanisms, Conflict of Interest Policy, and Anti-Bribery and Anti-Corruption Policy

The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance. The Company is committed to ensuring that the principles of integrity, fair dealing, and honesty are incorporated in all its policies and processes. Thus, in 2022, the Company strengthened its resolve to fight bribery and corruption, deal with conflicts of interest, and empowered all its employees and other stakeholders to speak up and report any instance of wrongdoing without fear of retaliation by adopting the Whistleblowing Platform. The Whistleblowing Platform is managed by an independent external party – Grant Thornton Solutions. The Board likewise amended its Anti-Bribery and Anti-Corruption (ABAC) Policy to signify the Company's commitments in prohibiting acts related to bribery or corruption, as a participant to the

United Nations Global Compact (UNGC). The amended ABAC Policy also re-affirms our compliance with all applicable ABAC laws, including ESG standards enabling the Company to act with the highest standards of integrity and ethics. Through the ABAC policy, we aim to further guide our employees, stakeholders, and business partners on how to act in accordance with our Company values and understand how bribery and corruption greatly affects our organization, the industry, and the nation.

To know more about the Company's Whistleblowing Platform, you may access this link:

<https://corporate.convergeict.com/whistleblowing-platform/>

Human Rights Policy and Child Online Safeguarding Policy

For 2022, the Board has likewise adopted key policies such as the Human Rights Policy and Child Online Safeguarding Policy, pursuant to the United Nations key principles. The Human Rights Policy was created in order to show the Company's effort to elevate its operational standards to adhere to the best practices of ethics and integrity, particularly in ensuring that we observe and respect Human Rights pursuant to the United Nations (UN) Guiding Principles on Business and Human Rights, International Bill of Human Rights, and International Labor Organization's declaration on fundamental principles and rights at work. In 2025, updates to the policy were progressed to expand coverage of emerging material risks, including considerations to guide the responsible use of artificial intelligence (AI) in line with human rights principles such as non-discrimination, as well as the management of bribery and corruption risks. The Child Online Safeguarding Policy represents the Company's mandate to promote and foster a safer internet experience for its customers and end-users, particularly children who are vulnerable to malicious content, cyberattacks, and online exploitation. Converge established this policy to combat threats targeting children and build effective prevention and control measures within Converge's network. Through the implementation of this policy, the Company aims to uphold the rights of children and protect them against OSAEC/CSAEM, cyberattacks (including financial fraud) or online schemes targeting children. This policy signifies the Company's commitment to act on negative impacts brought about by the misuse and abuse of digital space, specifically targeting children.

Code of Business Ethics Policy

The Company through its Code of Business Ethics policy underscores the company's commitment to integrity, compliance, and ethical conduct in all business practices. It applies to all employees, directors, officers, and third parties acting on behalf of the company. The policy is built on core values such as integrity, empowerment, customer focus, excellence, teamwork, and velocity. Employees are expected to act ethically, comply with laws, and follow company policies, with violations leading to disciplinary actions. Communication and training are emphasized to foster a culture of integrity and ensure adherence to ethical standards. The policy and initiatives that are implemented related thereto are integrated into the governance, risk, compliance, and sustainability activities and objectives of the Company.

In 2025, Converge updated its Code of Business Ethics to reflect its evolving organizational culture, expanded business scope, and heightened regulatory and sustainability expectations. The updated Code of Business Ethics strengthens governance and compliance by integrating globally recognized ethical frameworks, formalizing governance, risk, and third-party oversight, and consolidating key integrity areas such as conflict of interest, anti-bribery and anti-corruption, and fraud management. It also advances sustainability commitments by embedding material topics and addressing ethical conduct in a digital, hybrid, and future-ready work environment.

The Company's policies and corporate governance initiatives can be found here:

<https://corporate.convergeict.com/corporate-governance/>

Item 14. AUDIT

Internal Audit

The Internal Audit function was formally established in February 2021 and follows the purpose, authority, and responsibility defined in the Internal Audit Charter. The Charter determines the internal audit activity's position within the organization, including the head of internal audit's reporting lines, access to records, people and property, and the scope of its activities. The Charter is periodically reviewed and presented to the Board of Director for approval if there are changes in scope of work.

The direct functional reporting line to the Audit Committee ensures that the Internal Audit is free to work independently and objectively and has the necessary access to resources and information to fulfill its mandate including providing independent assurance and consulting activities designed to add value to improve the company's operations. Guided by the Institute of Internal Auditors (IIA), the function follows a global standard for planning and performing the audit function and ensure that auditors have adequate skill set to perform its responsibilities. Internal Audit maintain integrity by strictly complying to the IIA Code of Ethics set by our profession and affiliations. In adhering to the IIA standard, Internal Audit establish its credibility and value as audit professionals to gain trust from our stakeholders through our issued audit reports and recommendations.



February 26, 2026

Report of the Audit and RPT Committee for the Year Ended December 31, 2025

To the Board of Directors

This is to inform the Board of Directors (BOD) that the Audit and RPT Committee (the "Committee") has fulfilled its roles and responsibilities as embodied in the Audit Charter as follows:

- All Committee members are independent directors, including the Chairman.
- Quarterly meetings were held and attended by the Chairman and members of the Committee.
- Special meeting was held and attended by the external auditor and internal audit director, compliance officer, and risk officer without anyone from Management present.
- The Committee reviewed and approved the internal audit scope, manpower resources, and competencies necessary to carry out the risk-based audit plan.
- The Committee reviewed the reports of the internal audit and discussed necessary corrective actions with Management.
- The Committee reviewed the Company's internal control environment and significant risks, including those reported by the Internal Audit Department and External Auditors.
- The Committee performed its oversight responsibilities related to the financial reporting process by ensuring that:
 - Management has taken responsibility for the preparation of the Company's consolidated and separate financial statements in conformity with the Philippine Financial Reporting Standards and the necessary internal control to ensure fairness of presentation; and
 - Isla Lipana & Co., the external auditor, has taken responsibility for performing the audit and expressing an opinion on the Company's audited consolidated and separate financial statements in accordance with the Philippine Standards on Auditing.
- The Committee endorsed the approval of the audited consolidated and separate financial statements to the BOD.
- The Committee reviewed and endorsed all relevant Related Party Transactions (RPTs) prior to their submission to the Board for approval, and observed that they were conducted in accordance with the Company's Related Party Transactions Policy.

Based on the foregoing and the related discussions undertaken, and subject to the limitations of our roles and responsibilities, the Committee presents this report to the BOD.

ORIGINAL SIGNED

ROMAN FELIPE S. REYES
Chairman

ORIGINAL SIGNED

HON. ESTELA PERLAS-BERNABE
Member

ORIGINAL SIGNED

GOV. AMANDO M. TETANGCO, JR.
Member



March 13, 2026

To The Chairman and Members of the Audit and RPT Committee of Converge Information and Communication Technology Solutions, Inc.

ATTESTATION OF INTERNAL CONTROL SYSTEMS

For the Year Ended 31 December 2025

***Pursuant to Securities and Exchange Commission's MC No. 15
Integrated Annual Corporate Governance Report (I-ACGR)***

The corporate governance system of Converge ICT Solutions, Inc. (the "Company") includes a combination of external and internal processes involving the structure of the Board of Directors and Committees, its oversight function over Management, and the establishment of sound controls and policies.

- The Board of Directors is responsible for providing governance and for overseeing the implementation of adequate internal control mechanisms and risk management processes.
- The Audit and RPT Committee assists the Board of Directors and Management by exercising oversight responsibility over the Company's financial reporting, internal control, internal and external audit activities, and compliance with applicable laws and regulations.
- The Management has the prime responsibility for designing and implementing adequate risk management, internal control, and compliance processes, and evaluating its adequacy and effectiveness. Further, Management is responsible for developing a system to monitor and manage risks. Considering the inherent nature, risk management and internal control systems/processes will only provide reasonable assurance as to the adequacy of controls in mitigating the risks.
- Isla Lipana & Co., the Company's external auditor, is responsible for assessing and expressing an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards and the overall quality of the financial reporting process.
- The Chief Audit Executive reports functionally to the Audit and RPT Committee to ensure independence and objectivity, allowing Internal Audit to fulfill its responsibilities.
- Internal Audit (IA) function conforms with the International Standards for the Professional Practice of Internal Auditing. The IA adopts a risk-based approach in developing the annual audit plan and in conducting its reviews in assessing the Company's governance, risk management, control, and compliance processes.
- The results of the IA engagements/reviews were communicated to the Audit and RPT Committee and Management, and were acted upon accordingly.

Based on the results of our reviews covering the period January 1 to December 31, 2025, as well as the assurance provided by external auditors, we attest to the overall adequacy and effectiveness of the internal control, risk management, compliance, and governance systems of the Company.

ORIGINAL

Maria Grace Y. Uy
President

ORIGINAL SIGNED

Jenelyn M. Del Rosario
OIC - Internal Audit Head

Item 15. INVESTOR RELATIONS

Investor Relations Office

Converge is committed to conducting business in an open and transparent manner. The Investor Relations Program aims to provide timely and relevant information to the Company's shareholders and the broader investor community. The program aims to articulate the Company's investment propositions, strategic objectives and financial and operational results.

The Investor Relations office was inaugurated in preparation for the listing of Converge in 2020. The Investor Relations team is responsible for keeping the Company's investors up to date with financial and operational affairs. As such, the team conducts/attends the following activities beyond the annual stockholders meeting:

- 1) Quarterly analyst and investor briefings
- 2) Quarterly non-deal roadshows
- 3) Adhoc conferences organized by third party financial institutions
- 4) Adhoc one-on-one meetings and asset tours with investors

In partnership with the Corporate Communications and Public Relations Department, the Company also utilizes media briefings as a mode of communication for quarterly financial and operational results.

The extensive disclosures of Converge are compiled within the investor relations page of the Company's website (<https://corporate.convergeict.com/investor-relations/>). These are appropriately categorized for ease of reference. Other information, including but not limited to Company Background, Corporate Governance, Sustainability, and news, are available on the corporate website (<https://corporate.convergeict.com/>). Converge also maintains other social media accounts as part of stakeholder engagement:

- LinkedIn: <https://www.linkedin.com/company/convergeict>
- Facebook: <https://www.facebook.com/ConvergePH/>
- Instagram: <https://www.instagram.com/convergeict>
- X (formerly Twitter): <https://x.com/ExperienceCNVRG>

Investor Relations Contact Information

Owen Kieffer D. Ocampo – Investor Relations Officer

Email: investor.relations@convergeict.com

PART V – EXHIBITS AND SCHEDULES

Item 16. EXHIBITS AND REPORTS ON SEC FORM 17-C

Exhibits

Exhibit 1 – Converge Full Year 2025 Consolidated Financial Statements – Audited

Exhibit 2 – Sustainability Report

Reports on SEC Form 17-C

The Company files various reports on SEC Form 17-C for various company disclosures. For the last 6 months of 2025, the Company filed various forms via 17-C:

Date	Title
November 7, 2025	Material Information/Transactions – 9M/3Q 2025 Financial and Operational Results
November 7, 2025	Material Information/Transactions – 9M/3Q 2025 Results Briefing Presentation Materials
November 6, 2025	Press Release - 9M/3Q2025 Financial and Operational Results
November 3, 2025	Notice of 9M/3Q 2025 Analysts'/Investors' Briefing
October 22, 2025	Clarification of News Reports - "Bifrost subsea link seen online by December" and "Converge eyes mega data center in Visayas, Mindanao"
September 25, 2025	Press Release - Surf2Sawa by Converge furthers drive for affordable internet services, surpasses 500,000 active prepaid broadband subscribers
September 10, 2025	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion) - Change in Designation of Mr. Paulo Martin G. Santos
September 2, 2025	Share Buy-Back Transactions - September 1, 2025
August 27, 2025	Share Buy-Back Transactions - August 26, 2025
August 26, 2025	Share Buy-Back Transactions - August 22, 2025
August 22, 2025	Material Information/Transactions – Share Buyback Program
August 14, 2025	Material Information/Transactions – 1H/2Q 2025 Results Briefing Presentation Materials
August 13, 2025	Press Release - 1H/2Q 2025 Company Results
August 13, 2025	Material Information/Transactions – 1H/2Q 2025 Financial and Operational Results
August 8, 2025	Clarification of News Reports - “Converge ICT lands Bifrost PH-US cable that's backed by Meta, Amazon; full activation soon”
August 1, 2025	Notice of 1H/2Q 2025 Analysts'/Investors' Briefing
July 28, 2025	Clarification of News Reports - “Converge transitioning from telco to ‘techco’”
July 22, 2025	Clarification of News Reports - “Converge’s Caloocan data center gets Philippines first Tier 3 certification”
July 9, 2025	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion) - Election of Mr. Park Weongi as Non-Executive Director to serve the unexpired term of Atty. Francis Lim; Appointment of Ms. Arlene G. San Juan as Treasurer
July 9, 2025	Material Information /Transactions – New Memberships on the Board Committees

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of PASIG CITY on APR 10 2025, 20__.

By:

ORIGINAL SIGNED

Dennis Anthony H. Uy
Chief Executive Officer

ORIGINAL SIGNED

Maria Grace Y. Uy
President

ORIGINAL SIGNED

Robert Leo A. Yu
Chief Finance Officer

ORIGINAL SIGNED

Elvira C. Oquendo
Corporate Secretary

APR 10 2025

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__ affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	ID. NO.	DATE OF ISSUE	PLACE OF ISSUE
Dennis Anthony H. Uy			DFA Manila
Maria Grace Y. Uy			DFA Manila
Robert Leo A. Yu			Philippines
Elvira C. Oquendo			Philippines

Notary Public

Doc. No. 47
Page No. 11
Book No. 4
Series of 2025



DANTE D. CASTILLO II
Appointment No. 257 (2025-2026)
Notary Public for Pasig City
Until December 31, 2026
11/F Tekkie Towers, East
Exchange Road, Ortigas Center, Pasig City
S.C. Roll of Attorney No. 93983
PTR No. 3919344/01.05.2026/Pasig
IBP No. 589606/01.06.2026/Masbate
Admitted to the Bar on January 24, 2025

Exhibit 1

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Consolidated Financial Statements

As at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025



COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	7	1	6	0	9	4
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COMPANY NAME

COMPLAINT NAME																												
C	O	N	V	E	R	G	E		I	N	F	O	R	M	A	T	I	O	N		A	N	D					
C	O	M	M	U	N	I	C	A	T	I	O	N	S		T	E	C	H	N	O	L	O	G	Y				
S	O	L	U	T	I	O	N	S	,		I	N	C	.														

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

Principal Office (No./Street/Balanga/City/Town/Province)																												
N	E	W		S	T	R	E	E	T		B	L	D	G	.	,		M	C	A	R	T	H	U	R			
H	I	G	H	W	A	Y	,		B	A	L	I	B	A	G	O	,		A	N	G	E	L	E	S			
C	I	T	Y	,		P	A	M	P	A	N	G	A															

Form Type

A	F	S	
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Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, if Applicable

N	A	
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COMPANY INFORMATION

Company's Email Address

converge.sec@convergeict.com

Company's Telephone Number/s

N/A

Mobile Number

09175774586

No. of Stockholders

Thirty-Five (35)

Annual Meeting (Month/Day)

Last Friday of May of each Year

Fiscal Year (Month/Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Owen Kieffer D. Ocampo

Email Address

okdocampo@convergeict.com

Telephone Number/s

N/A

Mobile Number

09328912603

CONTACT PERSON'S ADDRESS

Reliance IT Center Bldg., Annex 1, No. 99, E. Rodriguez Jr. Ave., Brgy. Ugong, Pasig City

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 of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



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

The management of **CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND SUBSIDIARIES** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2025 and 2024, and for each of the years ended December 31, 2025, 2024, and 2023, 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations or has no realistic alternative but to do so.

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

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

Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ORIGINAL SIGNED

JOSÉ P. DE JESÚS
Chairman of the Board

ORIGINAL SIGNED

DENNIS ANTHONY H. UY
Chief Executive Officer

ORIGINAL SIGNED

ROBERT LEÓ A. YU
Chief Finance Officer

Signed this 19 day of March 2026.

SUBSCRIBED AND SWORN to before me this 19 at PASIG CITY, by affiants who are personally known to me or identified through competent evidence of identity, to wit:

Name	Passport or ID No.	Date of Issue	Expiry Date
Jose P. De Jesus			
Dennis Anthony H. Uy			
Robert Leo A. Yu			

NOTARY PUBLIC

Doc No. 198
Page No. 9
Book No. 1
Series of 2026.

ATTY. GERARD P. RUBIO

Notary Public
Until December 31, 2026
Roll No. 4003
IBP OR N. 569611
PTR No. 3841789

Reliance IT Center Building,
#99 E. Rodriguez Jr. Avenue, Brgy. Ugong,
Pasig City, Philippines

Appointment No. 104 (2025-2026)
MCLE Compliance VIII-BEP002249
TIN No. 238-919-765

www.convergetct.com



Independent Auditor's Report

To the Board of Directors and Shareholders of
Converge Information and Communications Technology Solutions, Inc.
New Street Bldg., Mc Arthur Highway,
Balibago, Angeles City, Pampanga

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Converge Information and Communications Technology Solutions, Inc. (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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 Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the consolidated financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is revenue recognition.

Key audit matter	How the matter was addressed in our audit
Revenue recognition Refer to Note 14 and accounting policies in Note 26.15.1 to the consolidated financial statements. The Group recognized revenues amounting to P44,770 million for the year ended December 31, 2025. The Group's revenue comprises income from fixed broadband services. Revenue recognition has been identified as a key audit matter primarily due to the large volume of data and transactions processed through various complex systems.	Our audit procedures to address relevant assertions over revenue recognition included the following: • We obtained an understanding of the revenue recognition policy in accordance with PFRS 15, <i>Revenue from contracts with customers</i>, and the related business processes, including an understanding of the related Information Technology (IT) environment and relevant IT systems. • With the assistance of our IT specialists, we evaluated the design and tested the operating effectiveness of the IT general controls over the relevant IT systems, as well as the related automated and manual controls surrounding revenue recognition. In particular, we tested controls from account activation to termination, provisioning, billing and revenue recording. • We tested the reliability of key system-generated reports and reconciliations of revenues recognized in the business support systems to the general ledger. • We performed substantive audit procedures over revenues, which include independent recalculation of earned and unearned revenue and inspection of subscriber agreements, billings and official receipts on a sampling basis. • We evaluated journal entries posted to revenue accounts, on a specific risk-based sample basis, and compared the details of these journal entries with relevant underlying documentation.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group 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 or to cease operations of the Group, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report
To the Board of Directors and Shareholders of
Converge Information and Communications Technology Solutions, Inc.
Page 6

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 audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Nelson Charsegun L. Aquino.

Isla Lipana & Co.

ORIGINAL SIGNED

Nelson Charsegun L. Aquino
Partner

CPA Cert. No. 0102077

P.T.R. No. 0011078, issued on January 8, 2026, Makati City

SEC A.N (Individual) as general auditors 102077 -SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N (Firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

TIN 211-507-088

BIR A.N. 08-000745-127-2024, issued on October 30, 2024; effective until October 29, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
March 7, 2026



Isla Lipana & Co.

Statement Required by Rule 68, Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Converge Information and Communications Technology Solutions, Inc.
New Street Bldg., Mc Arthur Highway,
Balibago, Angeles City, Pampanga

We have audited the accompanying consolidated financial statements of Converge Information and Communications Technology Solutions, Inc. (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024 for each of the three years in the period ended December 31, 2025, on which we have rendered the attached report dated March 7, 2026. The supplementary information shown in the *Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration, Conglomerate Map and Schedules A, B, C, D, E, F and G*, as additional components required by the Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of the Group's management and has been subjected to auditing procedures applied in the audits of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised Rule 68 of the SRC.

Isla Lipana & Co.

ORIGINAL SIGNED

Nelson Charsegun L. Aquino
Partner

CPA Cert. No. 0102077

P.T.R. No. 0011078, issued on January 8, 2026, Makati City

SEC A.N (Individual) as general auditors 102077 -SEC, Category A;

valid to audit 2021 to 2025 financial statements

SEC A.N (Firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

TIN 211-507-088

BIR A.N. 08-000745-127-2024, issued on October 30, 2024; effective until October 29, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
March 7, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728



Isla Lipana & Co.

Statement Required by Rule 68, Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Converge Information and Communications Technology Solutions, Inc.
New Street Bldg., Mc Arthur Highway,
Balibago, Angeles City, Pampanga

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Converge Information and Communications Technology Solutions, Inc. (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 7, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The *Supplementary Schedule on Financial Soundness Indicators*, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

Isla Lipana & Co.

ORIGINAL SIGNED

Nelson Charsegun L. Aquino
Partner

CPA Cert. No. 0102077

P.T.R. No. 0011078, issued on January 8, 2026, Makati City

SEC A.N (Individual) as general auditors 102077 -SEC, Category A;

valid to audit 2021 to 2025 financial statements

SEC A.N (Firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

TIN 211-507-088

BIR A.N. 08-000745-127-2024, issued on October 30, 2024; effective until October 29, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
March 7, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Consolidated Statements of Financial Position **As at December 31, 2025 and 2024**

	Notes	2025	2024
		(In Thousand Pesos)	
Assets			
Current assets			
Cash and cash equivalents	2	7,712,822	8,453,706
Short-term cash placements	2	2,157,044	8,526,947
Trade and other receivables, net, current portion	3	4,979,211	4,132,065
Due from related parties, current portion	20	321,329	116,341
Network materials and supplies, net	4	1,311,682	1,560,244
Deferred contract costs, current portion	14	1,266,682	1,395,108
Other current assets	5	1,734,914	1,663,155
Total current assets		19,483,684	25,847,566
Non-current assets			
Property, plant and equipment, net	6	75,288,442	70,053,187
Right-of-use assets, net	21	8,837,802	2,236,584
Intangible assets, net	7	2,664,805	2,046,346
Advances to fixed asset suppliers	5	2,948,794	3,810,638
Due from related parties, net of current portion	20	141,620	145,827
Deferred contract costs, net of current portion	14	470,242	450,329
Deferred income tax assets, net	19	1,792,148	1,594,514
Other receivables, net of current portion	3	240,261	258,075
Financial asset at fair value through profit or loss (FVTPL)	20	54,937	54,143
Investment in associate and joint ventures	8	396,829	508,722
Other non-current assets		6,417	48,263
Total non-current assets		92,842,297	81,206,628
Total assets		112,325,981	107,054,194
Liabilities and Equity			
Current liabilities			
Trade payables and other liabilities, current portion	9	17,032,981	14,512,799
Due to related parties	20	102,313	28,798
Subscribers' deposits, current portion	14	1,173,517	1,343,855
Deferred revenue	14	805,321	720,267
Borrowings, current portion	10	5,601,225	5,572,452
Lease liabilities, current portion	21	537,554	425,910
Income tax payable		763,808	932,349
Total current liabilities		26,016,719	23,536,430
Non-current liabilities			
Trade payables and other liabilities, net of current portion	9	2,735,824	3,244,131
Borrowings, net of current portion	10	18,500,077	23,942,362
Lease liabilities, net of current portion	21	1,908,426	1,606,149
Retirement benefit obligation, net	11	39,123	17,014
Subscribers' deposits, net of current portion	14	-	17,512
Total non-current liabilities		23,183,450	28,827,168
Total liabilities		49,200,169	52,363,598
Equity			
Attributable to owners of the Parent Company			
Share capital	12	1,881,574	1,881,574
Additional paid-in capital	12	18,746,088	18,746,088
Treasury shares	12	(6,871,763)	(6,498,544)
Retained earnings	13		
Unappropriated		27,071,526	16,338,023
Appropriated		22,000,000	24,000,000
Other equity reserves	13	180,457	223,143
		63,007,882	54,690,284
Non-controlling interest		117,930	312
Total equity		63,125,812	54,690,596
Total liabilities and equity		112,325,981	107,054,194

(The notes on pages 1 to 67 are an integral part of these consolidated financial statements)

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Consolidated Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2025

	Notes	2025	2024	2023
		<i>(In Thousand Pesos, Except Per Share Figures)</i>		
Revenues	14	44,770,306	40,610,138	35,359,344
Cost of services	15	(15,742,263)	(14,384,096)	(12,710,404)
Gross profit		29,028,043	26,226,042	22,648,940
General and administrative expenses	16	(10,528,897)	(9,216,823)	(6,946,911)
Provision for impairment of trade receivables	3	(1,826,222)	(1,640,650)	(1,369,117)
Equity in net income of associate and joint ventures	8	44,244	123,826	248,085
Unrealized fair value gain on financial asset at FVTPL	25.1	839	1,762	3,602
Other income (expense), net	17	582,765	716,878	(383,958)
Profit from operations		17,300,772	16,211,035	14,200,641
Finance costs	18	(1,549,692)	(1,922,105)	(2,078,828)
Profit before income tax		15,751,080	14,288,930	12,121,813
Income tax expense	19	(3,896,160)	(3,476,241)	(3,022,979)
Profit after income tax		11,854,920	10,812,689	9,098,834
Other comprehensive loss				
<i>Item that will not be reclassified to profit or loss</i>				
Remeasurement loss on retirement benefit obligation, net of tax	11	(14,571)	(14,840)	(25,095)
Total comprehensive income		11,840,349	10,797,849	9,073,739
Profit attributable to:				
Owners of the Parent Company		11,858,129	10,812,689	9,096,805
Non-controlling interest		(3,209)	-	2,029
		11,854,920	10,812,689	9,098,834
Total comprehensive income attributable to:				
Owners of the Parent Company		11,843,558	10,797,849	9,071,710
Non-controlling interest		(3,209)	-	2,029
		11,840,349	10,797,849	9,073,739
Earnings per share	22			
Basic		1.63	1.49	1.25
Diluted		1.63	1.49	1.25

(The notes on pages 1 to 67 are an integral part of these consolidated financial statements)

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2025

	Share capital (Note 12)	Additional paid-in capital (Note 12)	Treasury shares (Note 12)	Retained earnings (Note 13)		Other equity reserves (Note 13)	Non- controlling interest	Total
				Unappropriated	Appropriated			
				<i>(In Thousand Pesos)</i>				
Balances at January 1, 2023	1,881,574	18,746,088	(6,498,544)	21,736,512	-	244,877	312	36,110,819
Comprehensive income								
Profit for the year	-	-	-	9,096,805	-	-	2,029	9,098,834
Other comprehensive loss for the year	-	-	-	-	-	(25,095)	-	(25,095)
Total comprehensive income for the year	-	-	-	9,096,805	-	(25,095)	2,029	9,073,739
Share-based reserve	-	-	-	-	-	63,159	-	63,159
Appropriation of retained earnings (Note 13)	-	-	-	(14,000,000)	14,000,000	-	-	-
Transaction with owners								
Declaration of dividends by Pentagon	-	-	-	-	-	-	(2,029)	(2,029)
Balances at December 31, 2023	1,881,574	18,746,088	(6,498,544)	16,833,317	14,000,000	282,941	312	45,245,688
Comprehensive income								
Profit for the year	-	-	-	10,812,689	-	-	-	10,812,689
Other comprehensive loss for the year	-	-	-	-	-	(14,840)	-	(14,840)
Total comprehensive income for the year	-	-	-	10,812,689	-	(14,840)	-	10,797,849
Share-based reserve	-	-	-	-	-	(44,958)	-	(44,958)
Appropriation of retained earnings (Note 13)	-	-	-	(10,000,000)	10,000,000	-	-	-
Transaction with owners								
Declaration of dividends (Note 13)	-	-	-	(1,307,983)	-	-	-	(1,307,983)
Balances at December 31, 2024	1,881,574	18,746,088	(6,498,544)	16,338,023	24,000,000	223,143	312	54,690,596

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity (continued)
For each of the three years in the period ended December 31, 2025

	Share capital (Note 12)	Additional paid-in capital (Note 12)	Treasury shares (Note 12)	Retained earnings (Note 13)		Other equity reserves (Note 13)	Non- controlling interest	Total
				Unappropriated	Appropriated			
				<i>(In Thousand Pesos)</i>				
Balances at January 1, 2025	1,881,574	18,746,088	(6,498,544)	16,338,023	24,000,000	223,143	312	54,690,596
Comprehensive income								
Profit for the year	-	-	-	11,858,129	-	-	(3,209)	11,854,920
Other comprehensive loss for the year	-	-	-	-	-	(14,571)	-	(14,571)
Total comprehensive income for the year	-	-	-	11,858,129	-	(14,571)	(3,209)	11,840,349
Share-based reserve	-	-	-	-	-	(28,115)	-	(28,115)
Appropriation of retained earnings (Note 13)	-	-	-	(22,000,000)	22,000,000	-	-	-
Release of appropriated of retained earnings (Note 13)	-	-	-	24,000,000	(24,000,000)	-	-	-
Transactions with owners								
Declaration of dividends (Note 13)	-	-	-	(3,124,626)	-	-	-	(3,124,626)
Acquisition of treasury shares (Note 12)	-	-	(373,219)	-	-	-	-	(373,219)
Recognition of non-controlling interest (Note 1.9)	-	-	-	-	-	-	120,827	120,827
Total transactions with owners	-	-	(373,219)	(3,124,626)	-	-	120,827	(3,377,018)
Balances at December 31, 2025	1,881,574	18,746,088	(6,871,763)	27,071,526	22,000,000	180,457	117,930	63,125,812

(The notes on pages 1 to 67 are integral part of these consolidated financial statements).

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Consolidated Statements of Cash Flows For each of the three years in the period ended December 31, 2025

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Cash flows from operating activities				
Profit before income tax		15,751,080	14,288,930	12,121,813
Adjustments for:				
Depreciation and amortization	15,16	7,998,220	7,558,142	6,444,987
Amortization of deferred contract costs	14	2,989,913	1,804,660	2,135,076
Provision for impairment of trade receivables	3	1,826,222	1,640,649	1,369,117
Finance costs	18	1,549,692	1,922,105	2,078,828
Gain on lease terminations	17	(13,255)	(63,396)	-
Gain on disposal of property, plant and equipment and intangible assets	17	(79,716)	(46,545)	(52,690)
Unrealized fair value gain on FVTPL	25.1	(839)	(1,762)	(3,602)
Interest income on finance lease receivable	17	(9,378)	(9,611)	(9,831)
Interest income on financial asset at FVTPL	17	(10,344)	(4,096)	(4,019)
Share-based reserve		(28,115)	(44,958)	63,159
Equity in net income of associate and joint venture	8	(44,244)	(123,826)	(248,085)
Unrealized foreign exchange gain, net	23	(80,740)	(74,714)	(113,508)
Interest income on cash in banks, cash equivalents and short-term cash placements	2,17	(313,621)	(386,041)	(374,188)
Provision for inventory obsolescence	17	-	108,146	145,457
Provision for impairment of property, plant and equipment	17	-	-	1,059,097
Operating income before changes in assets and liabilities		29,534,875	26,567,683	24,611,611
(Increase) decrease in assets:				
Trade and other receivables		(2,802,510)	(2,607,152)	(1,049,081)
Due from related parties		(68,567)	80,378	445,193
Network materials and supplies		(574,828)	(634,760)	(73,569)
Deferred contract costs		(2,881,400)	(2,394,947)	(2,119,781)
Other current assets and non-current assets		(29,913)	227,548	1,373,684
Increase (decrease) in liabilities:				
Trade payables and other liabilities		2,712,979	2,011,504	(1,007,469)
Subscribers' deposits		(187,850)	20,749	(784,835)
Due to related parties		73,515	(13,257)	(69,036)
Retirement benefit obligation		(8,817)	(40,656)	(173,798)
Deferred revenue		85,054	162,327	(305,919)
Cash from operations		25,852,538	23,379,417	20,847,000
Interest received		388,703	401,375	230,569
Income taxes paid, including creditable withholding taxes		(4,257,196)	(2,745,463)	(3,449,044)
Net cash from operating activities		21,984,045	21,035,329	17,628,525
Cash flows from investing activities				
Acquisition of property, plant, and equipment	6	(12,547,499)	(8,539,635)	(8,595,437)
Acquisition of intangible assets	7	(744,783)	(775,836)	(259,619)
Proceeds from disposals of property, plant and equipment	6	167,344	169,659	52,306
Dividend received	8	156,137	321,493	-
Proceeds from maturities of (investment in) short-term cash placements		6,374,489	(8,310,838)	-
Advance payments for right-of-use assets	21	(4,946,517)	-	-
Net cash used in investing activities		(11,540,829)	(17,135,157)	(8,802,750)
Cash flows from financing activities				
Payments of borrowings	10	(5,613,659)	(5,757,048)	(3,522,840)
Interest paid on borrowings	10	(1,499,953)	(1,771,891)	(1,937,541)
Payments on lease liabilities	21	(450,820)	(246,782)	(385,748)
Interest paid on lease liabilities	21	(148,326)	(165,434)	(176,476)
Dividends paid	13	(3,124,626)	(1,307,983)	-
Acquisition of treasury shares	12	(373,219)	-	-
Transaction with non-controlling interests		51,783	-	-
Proceeds from borrowings	10	-	-	500,000
Net cash used in financing activities		(11,158,820)	(9,249,138)	(5,522,605)
Net (decrease) increase in cash and cash equivalents		(715,604)	(5,348,966)	3,303,170
Cash and cash equivalents, beginning		8,453,706	13,694,146	10,214,066
Effects of exchange rate changes in cash and cash equivalents		(25,280)	108,526	176,910
Cash and cash equivalents, ending	2	7,712,822	8,453,706	13,694,146

(The notes on pages 1 to 67 are an integral part of these consolidated financial statements)

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

As at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025

1 General information

1.1 Business information

Converge Information and Communications Technology Solutions, Inc. (the “Parent Company”) is a domestic corporation registered with the Securities and Exchange Commission (SEC) on October 17, 2007 to construct, install, maintain and operate in the Philippines information and communications system, information and communications technology network and associated equipment and facilities for the purpose of supplying at competitive and reasonable cost and without discrimination of information and communications services within the Philippines to government agencies including all its instrumentalities, to corporations and consumers and all other entities and utilities that might use such information and communications services. The Parent Company is a grantee of a congressional franchise (under Republic Act No. 9707) to construct, install, establish, operate and maintain telecommunications systems throughout the Philippines and between the Philippines and other countries and territories. The term of the franchise is twenty-five (25) years effective until August 2034.

On September 24, 2020 and September 30, 2020, the Philippine SEC and Philippine Stock Exchange (PSE), respectively, approved the Parent Company’s application for its initial public offering. The Parent Company attained its status as a “public company” on October 26, 2020 when it listed its shares in the main board of the PSE. As a public company, it is covered by the Securities Regulation Code (SRC) Rule 68.

As at December 31, 2025 and 2024, there has been no follow-on offering after the initial public offering.

As at December 31, 2025, the Parent Company is 66.25% (2024 - 66.02%) owned by Comclark Network and Technology Corp. (Comclark or the “Immediate Parent Company”), a company organized and existing under the laws of the Philippines. Its ultimate parent company is Pentastar Holding Co. Inc. (Pentastar), a company organized and existing under the laws of the Philippines to, among others, purchase or otherwise acquire and own, hold, use, manage, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, without however engaging as an investment company under the Investment Company Act or a finance company or as a dealer in securities or stocks or as real estate broker or a real estate development company but only holds the foregoing assets for purely investment purposes. Pentastar’s ultimate beneficial owners are Dennis Anthony H. Uy and Maria Grace Y. Uy.

The total outstanding shares of the Parent Company are held by the following shareholders as at December 31:

	2025	2024
Comclark Network and Technology Corp. and Founders	69.36%	69.09%
Publicly held	30.64%	30.91%
	100.00%	100.00%

The Parent Company’s registered office address, which is also its principal place of business, is located at New Street Bldg., Mc Arthur Highway, Balibago, Angeles City, Pampanga. The Parent Company has 2,063 employees as at December 31, 2025 (2024 - 1,851).

1.2 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Parent Company's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Parent Company and Subsidiaries' (the "Group") various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of services and the type or class of customers. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Parent Company's most senior executive management assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily the operation of telecommunications systems throughout the Philippines. Therefore, the Parent Company's most senior executive management considers there is only one operating segment under the requirements of Philippine Financial Reporting Standards (PFRS) 8, Operating Segments. In this regard, no segment information is presented.

The Parent Company's most senior executive management uses a measure of revenue and earnings before interest, tax, depreciation and amortization, and amortization of subscriber acquisition costs (EBITDA) to assess the performance of the operating segment. The balances reported to the Parent Company's most senior executive management are consistent with the consolidated financial statements. Total segment assets and liabilities are not measures used by the Parent Company's most senior executive management since total assets and liabilities are managed on a group consolidated basis.

The Group has only one geographical operating segment. The Group derives all its operating revenues in the Philippines. Thus, geographical business information is not presented. The Group does not have a single customer that will meet the 10% reporting criteria.

Revenues

Information about revenues and the type of services from which revenue is generated is disclosed in Note 14.

EBITDA

The following are the segment EBITDA for the years ended December 31:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Profit for the year		11,854,920	10,812,689	9,098,834
Adjustments:				
Depreciation and amortization	15,16	7,998,220	7,558,142	6,444,987
Income tax expense	19	3,896,160	3,476,241	3,022,979
Finance costs	18	1,549,692	1,922,105	2,078,828
Amortization of subscriber acquisition costs	14	1,737,948	806,080	882,516
Segment EBITDA		27,036,940	24,575,257	21,528,144
Segment EBITDA margin		60%	61%	61%

1.3 Approval of the consolidated financial statements

The consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 have been approved and authorized for issue by the Parent Company's Board of Directors (BOD) on March 6, 2026.

1.4 Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries comprising, Pentagon Holding Co., Inc. (Pentagon), Converge ICT Solutions (Global) Limited (Converge Global), Converge Global Business Group Pte. Ltd. (Converge Singapore), Cyan Azurite Properties and Development Corp. (Cyan), and Converge Venture Holdings Company Inc. (Converge Venture).

Also consolidated are Pentagon's subsidiary, Metroworks ICT Construction Inc. (Metroworks), and its subsidiary, Myriad ICT Services, Inc. (Myriad). Included in the consolidation are Converge Venture's subsidiaries, namely, Rev21 Labs Inc. (Rev21), Pentagon Digital Global Corporation (Pentagon Digital), Ametrine Properties and Prime Development Corp. (Ametrine) and Converge Studios, Inc. (Converge Studios). Additionally, these consolidated financial statements include Converge Singapore's subsidiary, Hyperscal Digital Pte. Ltd. (Hyperscal Singapore) as well as Hyperscal Singapore's subsidiaries Hyperscal Digital Philippines, Inc. (Hyperscal Philippines) and PT Hyperscal Digital Indonesia (Hyperscal Indonesia). The Parent Company and its subsidiaries are collectively referred to here as the "Group".

The Group's subsidiaries as at December 31 are set out below. Unless otherwise stated, these have share capital consisting solely of ordinary shares that are held directly or indirectly by the Parent Company, and the proportion of ownership interests held equals the voting rights held by the Group.

Subsidiaries	Ownership interest held by the Group			Ownership interest held by non-controlling interest			Notes	Country of incorporation	Corporate information and main activity
	2025	2024	2023	2025	2024	2023			
Pentagon	99%	99%	99%	1%	1%	1%		Philippines	Pentagon was incorporated and registered with the SEC on July 7, 2011. Its primary purpose is to acquire by purchase, otherwise, and to invest, own, use, hold, administer, obtain an interest in, sell, pledge, mortgage, assign, deposit, hypothecate, create trust with respect to real and personal properties of every kind and description including all kinds of shares, stocks, voting trust certificates, bonds, mortgages, debentures, trust receipts, notes and other certificates. Pentagon's registered office address and place of business is at New Street Business Center, Barangay Balibago, Angeles City.
Converge Global	-	-	100%	-	-	-		Hong Kong	Converge Global was incorporated in Hong Kong on March 3, 2020. Converge Global was organized primarily to provide internet and investor relations services for customers outside the Philippines. Converge Global's registered office address and place of business is at 27/f Alexandra HSE 18 Charter Road Central, Hong Kong. On March 31, 2023, Converge Global ceased its operations and subsequently applied for tax clearance from Hong Kong's Inland Revenue Department on November 13, 2023. On August 30, 2024, Converge Global was deregistered from Hong Kong's Companies Registry and was accordingly dissolved.

(continued)

Subsidiaries	Ownership interest held by the Group			Ownership interest held by non-controlling interest			Notes	Country of incorporation	Corporate information and main activity
	2025	2024	2023	2025	2024	2023			
Converge Singapore	100%	100%	100%	-	-	-		Singapore	Converge Singapore was incorporated in Singapore on August 23, 2021. Converge Singapore was organized primarily to provide telecommunications solutions, including reselling of capacity. Converge Singapore's registered office address and place of business is at 38 Beach Road, #23-11 South Beach Tower, Singapore 189767. On January 3, 2023, Converge Singapore was granted the facilities-based operations license to provide telecommunications service in Singapore. On April 8, 2025 the Converge Singapore obtained approval from the Accounting and Corporate Regulatory Authority in Singapore to change its name from Converge ICT Singapore Pte. Ltd. to Converge Global Business Group Pte. Ltd. and updated its registered office address at 21B Bukit Pasoh Road, Singapore. As at December 31, 2025, Converge Singapore is operating with the Parent Company as its only customer. Converge Singapore does not meet the definition by the Philippine SEC of a significant subsidiary as at December 31, 2025 and 2024 due to the following: - The Parent Company's investment in and advances to Converge Singapore amounting to P290.45 million and P5,653.44 million, respectively, do not exceed 20% of the consolidated assets as at December 31, 2025 (2024 - P290.45 million and P219.48 million); and - Converge Singapore's net loss (after intragroup eliminations) amounting to P211.60 million does not exceed 20% of the total consolidated net income for the year ended December 31, 2025 (2024 - P45.10 million net income). Converge Singapore's assets and revenues (after intragroup eliminations) as at and for the year ended December 31, 2025 amounted only to P5,902.55 million and P14.13 million, respectively, and do not exceed 20% of the consolidated assets and revenues (2024 - P246.22 million and P69.06 million).

(continued)

Subsidiaries	Ownership interest held by the Group			Ownership interest held by non-controlling interest			Notes	Country of Incorporation	Corporate information and main activity
	2025	2024	2023	2025	2024	2023			
Metroworks	99.99%	99.99%	99.99%	.01%	.01%	.01%		Philippines	Metroworks was incorporated and registered with the SEC on June 10, 2013. Metroworks was organized primarily to construct, install, maintain, operate and manage in the Philippines a broadband information and communications system, information communication technology network and associated equipment and outside plant facilities for the purpose of supplying at competitive reasonable cost and without discrimination broadband information and communication facilities, products and services within the Philippines to government agencies including all its instrumentalities, to corporations and consumers and all other entities and utilities that might use broadband information and communications facility and/or other services. Metroworks' registered office address and place of business is at New Street Building, Mc Arthur Highway, Balibago, Angeles City, Pampanga.
Myriad	99.99%	99.99%	99.99%	.01%	.01%	.01%		Philippines	Myriad was incorporated and registered with the SEC on July 7, 2011 and became primarily engaged in the business of providing consultancy, administrative, technical and managed services beginning 2021. Myriad's registered office address and principal place of business is at #99 E. Rodriguez Jr. Ave., Ugong, Pasig City.
Cyan	100%	100%	100%	-	-	-	1.5	Philippines	Cyan was incorporated and registered with the SEC on May 17, 2023 primarily to engage in real estate activities. Cyan's principal office address and place of business is at New Street Building, Mc Arthur Highway, Balibago, Angeles City, Pampanga.
Converge Venture	100%	100%	-	-	-	-		Philippines	Converge Venture was incorporated and registered with the SEC on March 13, 2024, primarily to invest in, purchase, or otherwise acquire and own, hold, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real property and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidence of indebtedness and other securities or obligation of any corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized and to pay thereof in money or by exchanging thereof stocks, bonds, and other evidences of indebtedness or securities of this or any other corporation, stocks, bonds, debentures, contracts, or obligations, to receive, collect and dispose of interest, dividends, and income arising from such property, and while the owner or holder thereof, to exercise all the rights, powers and privileges of ownership, including all voting powers of any stock so owned; provided that it shall not act as stock broker or dealer in securities nor solicit, take, accept and/or issue investment contracts from public investors. Converge Venture's principal office address and place of business is at New Street Building, Mc Arthur Highway, Balibago, Angeles City, Pampanga.

(continued)

Subsidiaries	Ownership interest held by the Group			Ownership interest held by non-controlling interest			Notes	Country of incorporation	Corporate information and main activity
	2025	2024	2023	2025	2024	2023			
Rev21	100%	100%	-	-	-	-		Philippines	Rev21 was incorporated and registered with the SEC on October 21, 2024, primarily to engage in the business of information technology products and services, such as but not limited to the research, software development, production, management and operation of software and hardware technology, and other information technology applications, and to do all activities directly or indirectly connected therewith or incident thereto.
Pentagon Digital	100%	100%	-	-	-	-		Philippines	Rev21's registered office address is at Manibaug Pasig, Porac, Pampanga. Pentagon Digital was incorporated and registered with the SEC on December 2, 2024, primarily to install, maintain, operate plants, lines, instruments, cables, stations, exchanges, apparatus, internet data center and other types of data centers and any and all kinds of equipment or contrivances, for storage, computation, processing, communications and the transmission and reception of data, messages (including, but not limited to, voice, pictures, impressions, or any other means which may hereafter be used for storage, computation, processing, communications and the transmission and reception of data, messages, video, pictures and impressions in their stead, without necessarily acting as a public utility; provided that the corporation shall comply with the provision of Data Privacy Act and shall only engage in activities within the limits allowed by law.
Ametrine	100%	100%	-	-	-	-	1.6	Philippines	Pentagon Digital's principal office address and place of business is at New Street Building, Mc Arthur Highway, Balibago, Angeles City, Pampanga. Ametrine was incorporated and registered with the SEC on October 27, 2021, primary to acquire by purchase, lease, donation, or otherwise, lands or interest in lands and real property of all kinds, whether in the Philippines or elsewhere; to erect or cause to be erected on any lands, owned, held, occupied, or acquired by the Corporation, buildings and other structures with their appurtenances, including technological parks and buildings with infrastructure space and support facilities; to own, hold, improve, construct, develop, manage, operate, administer or otherwise deal in or dispose of, residential, commercial, industrial, recreational, mixed-used, and other kinds of real properties, for such consideration and in such manner or form, and under such manner or form, and under such terms and conditions as the Corporation may lawfully determine; and to exercise or undertake such other powers and purposes as may be required and necessarily implied from the foregoing purposes. Ametrine's principal office address and place of business is at New Street Building, Mc Arthur Highway, Balibago, Angeles City, Pampanga

(continued)

Subsidiaries	Ownership interest held by the Group			Ownership interest held by non-controlling interest			Notes	Country of incorporation	Corporate information and main activity
	2025	2024	2023	2025	2024	2023			
Converge Studios	100%	-	-	-	-	-		Philippines	Converge Studios was incorporated and registered with the SEC on April 2, 2025, primarily to engage in the business of information technology products and services, such as but not limited to the research, software development, production, management, and operation of software and hardware technology, system integration services and other information technology applications, and to do all activities directly or indirectly connected therewith or incident thereto. Converge Studios registered office address and place of business is at New Street Building, Mc Arthur Highway, Balibago, Angeles City, Pampanga.
Hyperscal Singapore	30%	-	-	70%	-	-	1.7, 1.9	Singapore	Hyperscal Singapore was incorporated in Singapore on October 9, 2024. Hyperscal Singapore was organized primarily to develop software and application (except games and cybersecurity). Hyperscal Singapore's registered office address and place of business is at 36 Robinson Road, #13-01 City House, Singapore. Hyperscal Singapore does not meet the definition by the Philippine SEC of a significant subsidiary as at December 31, 2025 due to the following: - There are no advances to Hyperscal Singapore as at December 31, 2025; and - Hyperscal Singapore's net loss (after intragroup eliminations) amounting to P1.63 million does not exceed 20% of the total consolidated net income for the year ended December 31, 2025. - Hyperscal Singapore's assets as at December 31, 2025 amounted only to P235.52 million do not exceed 20% of the consolidated assets. - There are no revenues after intragroup eliminations for the year ended December 31, 2025.
Hyperscal Philippines	30%	-	-	70%	-	-	1.8, 1.9	Philippines	Hyperscal Philippines (formerly: Chalcedony Trading Inc.) was incorporated and registered with the SEC on January 29, 2019, primary to engage in business of information technology products and services, such as but not limited to the research and development of software and applications, production, management, and operation of software and hardware technology, as well as other connected therewith or thereto (as amended on 20 September 2024). Hyperscal Philippines's principal office address and place of business is at New Street Building, Mc Arthur Highway, Balibago, Angeles City, Pampanga.

(continued)

Subsidiaries	Ownership interest held by the Group			Ownership interest held by non-controlling interest			Notes	Country of incorporation	Corporate information and main activity
	2025	2024	2023	2025	2024	2023			
Hyperscal Indonesia	30%	-	-	70%	-	-	1.9	Indonesia	Hyperscal Indonesia was incorporated in Indonesia on December 20, 2025. Hyperscal Indonesia was organized primarily to engage in the wholesale trading of software and conduct activities covering information technology, computer service activities, computer consulting, computer facilities management, other computer programming, and information security consulting activities. Hyperscal Indonesia's registered office address and place of business is in Central Jakarta, Indonesia.

1.5 Acquisition of Cyan

On June 22, 2023, the Parent Company acquired 100% equity interest in Cyan from an entity under common control. Accordingly, Cyan became a subsidiary of the Group.

The Group has assessed that the acquisition of Cyan qualifies as a 'common control business combination' as the combining entities are collectively controlled by the spouses Dennis Anthony H. Uy and Maria Grace Y. Uy, acting in concert in exercising the voting rights of the Group, both before and after the business combination.

Accordingly, the Group has applied the pooling of interest method in accounting for the acquisition.

The assets and liabilities are brought into the consolidated financial statements at the existing carrying amounts reported in the separate financial statements of Cyan. The deficit recognized in the consolidated financial statements is the deficit of Cyan immediately before the combination.

1.6 Acquisition of Ametrine

On December 12, 2024, Converge Venture acquired 100% equity interest in Ametrine from an entity under common control. Accordingly, Ametrine became a subsidiary of the Group.

The Group has assessed that the acquisition of Ametrine qualifies as a 'common control business combination' as the combining entities are collectively controlled by the spouses Dennis Anthony H. Uy and Maria Grace Y. Uy, acting in concert in exercising the voting rights of the Group, both before and after the business combination.

Accordingly, the Group has applied the pooling of interest method in accounting for the acquisition.

The assets and liabilities are brought into the consolidated financial statements at the existing carrying amounts reported in the separate financial statements of Ametrine. The deficit recognized in the consolidated financial statements is the deficit of Ametrine immediately before the combination.

1.7 Acquisition of Hyperscal Singapore

On May 16, 2025, Converge Global acquired 30% equity interest in Hyperscal Singapore. Accordingly, Hyperscal Singapore became a subsidiary of the Group.

The Group has assessed that the acquisition of Hyperscal Singapore qualifies as a 'common control business combination' as the combining entities are collectively controlled by the spouses Dennis Anthony H. Uy and Maria Grace Y. Uy, acting in concert in exercising the voting rights of the Group, both before and after the business combination.

Accordingly, the Group has applied the pooling of interest method in accounting for the acquisition.

The assets and liabilities are brought into the consolidated financial statements at the existing carrying amounts reported in the separate financial statements of Hyperscal Singapore. The equity recognized in the consolidated financial statements is the equity of Hyperscal Singapore immediately before the combination.

1.8 Acquisition of Hyperscal Philippines

On August 1, 2025, Hyperscal Singapore acquired 100% equity interest in Hyperscal Philippines from an entity under common control. Accordingly, Hyperscal Philippines became a subsidiary of the Group.

The Group has assessed that the acquisition of Hyperscal Philippines qualifies as a 'common control business combination' as the combining entities are collectively controlled by the spouses Dennis Anthony H. Uy and Maria Grace Y. Uy, acting in concert in exercising the voting rights of the Group, both before and after the business combination.

Accordingly, the Group has applied the pooling of interest method in accounting for the acquisition.

The assets and liabilities are brought into the consolidated financial statements at the existing carrying amounts reported in the separate financial statements of Hyperscal Philippines. The deficit recognized in the consolidated financial statements is the deficit of Hyperscal Philippines immediately before the combination.

1.9 Assessment of control over Hyperscal Singapore, Hyperscal Philippines and Hyperscal Indonesia

The Parent Company, through its wholly owned subsidiary, Converge Singapore, consolidates Hyperscal Singapore, Hyperscal Philippines and Hyperscal Indonesia, investees in which it holds directly and indirectly 30% of the voting shares.

The Parent Company has assessed that it controls the investees because it has the practical ability to direct the relevant activities, including key operating and financial decisions. A significant portion of the remaining voting rights is held by a shareholder whose investment was funded by the Parent Company, resulting in rights that are, in substance, aligned with the Parent Company. The Parent Company is also exposed to variable returns through its participation in the investee's results and through operational synergies arising from the investee's services, which primarily support the Group's business objectives.

Based on these factors, the Parent Company concluded that it controls the investees and has therefore included these in the consolidated financial statements.

As at December 31, 2025, the non-controlling interest over the investees' amounted to P120.83 million.

The subsidiaries are not considered material to the Group.

2 Cash and cash equivalents and short-term cash placements

Cash and cash equivalents as at December 31 consist of:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Cash in banks	7,187,674	6,049,304
Cash equivalents	513,824	2,394,947
Cash on hand	11,324	9,455
	7,712,822	8,453,706

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments with maturities of three months or less and earn interest at annual rates ranging from 3.25% to 4.50% in 2025 (2024 - 1.75% to 6.20%).

Short-term cash placements presented as part of current assets in the consolidated statement of financial position as at December 31, 2025 amounted to P2.16 billion (2024 - P8.53 billion). These are term deposits with maturity dates exceeding three (3) months but less than one (1) year and earn interest at annual rates ranging from 3.50% to 5.00% in 2025 (2024 - 4.00% to 5.85%).

Interest income earned from cash in banks, cash equivalents and short-term cash placements for the year ended December 31, 2025 amounted to P313.62 million (2024 - P386.04 million; 2023 - P374.19 million) (Note 17).

3 Trade and other receivables, net

Trade and other receivables, net as at December 31 consist of:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Trade receivables	5,647,413	5,339,282
Less: Allowance for impairment	(2,153,086)	(1,965,617)
Trade receivables, net	3,494,327	3,373,665
Receivables from partners and other parties, current portion	980,036	450,395
Advances to employees	38,455	56,365
Accrued interest receivable	38,298	127,615
Receivable from employees	97,390	33,286
Others	330,705	90,739
	4,979,211	4,132,065

Trade receivables consist of amounts due from residential and enterprise subscribers. These are short-term, unguaranteed, unsecured, non-interest bearing and collectible in cash with usual credit terms of 30 to 90 days.

Receivables from partners and other parties consist mainly of amounts due from the Group's managed service providers for the sale of various assets including transportation equipment, office equipment, and installation materials. These are unsecured, unguaranteed and with some portions bearing interest.

Current portion of receivable from partners and other parties represents amounts collectible within the next twelve (12) months from reporting date.

Non-current portion of receivables from partners and other parties amounting to P240.26 million as at December 31, 2025 (2024 - P258.08 million), presented within non-current assets in the consolidated statement of financial position, represent receivables from partners and other parties expected to be collected beyond 12 months from reporting date.

Accrued interest receivable represents accrued interest on cash equivalents and short-term money market placements.

Advances to employees pertain to advances for use in operations which are subject to liquidation within 30 to 60 days.

Receivables from employees represent advances and loans granted to employees which are subject to salary deductions within the next 12 months.

Other receivables consist of receivables from subcontracted services and colocation charges.

The movements in allowance for impairment of trade receivables for the years ended December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Beginning of the year	1,965,617	2,511,644
Provision for impairment	1,826,222	1,640,650
Write-off	(1,638,753)	(2,186,677)
End of the year	2,153,086	1,965,617

Provision for impairment of trade receivables recognized in profit or loss for the year ended December 31, 2025 amounted to P1.83 billion (2024 - P1.64 billion; 2023 - P1.37 billion).

Trade receivables written-off for the years ended December 31, 2025 and 2024 represent accounts deemed not recoverable by management after all collection efforts have been exhausted.

No allowance for impairment on other receivables was recognized as these are determined to be fully collectible as at December 31, 2025 and 2024.

Critical accounting estimates and assumptions and judgment: Recoverability of trade and other receivables and due from related parties

Allowances for impairment of trade and other receivables and due from related parties (Note 20) are calculated using expected credit losses (ECL). ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the receivables and due from related parties and incorporated forward-looking information, which involved significant estimates and judgements.

Any change in the Group's assessment of the collectability of trade and other receivables and amounts due from related parties could impact the recorded carrying amounts of trade and other receivables, due from related parties and related allowance for impairment.

4 Network materials and supplies, net

Network materials and supplies, net as at December 31 consist of:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Installation materials	1,251,170	1,241,871
Cable wires	343,880	601,741
	1,595,050	1,843,612
Less: Allowance for obsolescence	(283,368)	(283,368)
Network materials and supplies, net	1,311,682	1,560,244

The cost of network materials and supplies capitalized as part of property, plant and equipment and recognized in profit or loss within cost of services are as follows:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Capitalized as part of property, plant and equipment	6	823,390	990,678	2,288,947
Cost of services	15	278,584	273,678	187,636

No network materials and supplies are pledged as collateral for the Group's liabilities as at December 31, 2025 and 2024.

The movements in allowance for networks materials and supplies obsolescence for the years ended December 31 are as follows:

	Note	2025	2024
		<i>(In Thousand Pesos)</i>	
Beginning of the year		283,368	175,222
Provision for obsolescence	17	-	108,146
End of the year		283,368	283,368

No provision for inventory obsolescence was recognized for the year ended December 31, 2025 (2024 - P108.15 million; 2023 - P145.46 million) (Note 17).

Critical accounting judgment: Recoverability of network materials and supplies

Allowance for network materials and supplies obsolescence is maintained at a level considered adequate to provide for potential losses. The level of provision is based on past experience and other factors affecting the recoverability and obsolescence of network materials and supplies.

An evaluation of network materials and supplies, designed to identify potential charges to the provision, is performed on a continuous basis throughout the period.

Management uses judgment based on the best available facts and circumstances, including but not limited to nature of network materials and supplies and technology trends which would affect the network materials and supplies' future recoverability and utilization. The amount and timing of recorded expenses for any period would therefore differ based on the judgments made. A change in provision for network materials and supplies obsolescence would impact the Group's recorded expenses and current assets.

No provision for obsolescence in network materials and supplies was recognized for the year ended December 31, 2025, as the allowance for obsolescence is considered adequate (2024 – P108.15 million).

5 Other current and non-current assets

Other current assets as at December 31 consist of:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Advances to suppliers	454,573	1,065,721
Input value-added tax (VAT), net	385,783	13,804
Prepaid maintenance costs	258,975	70,640
Construction bonds	204,963	198,337
Deferred input VAT	184,127	191,042
Prepaid taxes	128,006	37,127
Rental deposits	70,646	51,579
Prepaid rent	28,814	13,154
Prepaid insurance	15,083	20,287
Others	3,944	1,464
	1,734,914	1,663,155

Current portion of advances to suppliers represents advances that will be applied as payments for inventory purchases within the next 12 months.

As at December 31, 2025, advances to suppliers related to fixed assets projects and intangible assets amounting to P2.95 billion (2024 - P3.81 billion) are presented as part of non-current assets in the consolidated statements of financial position. Advances to fixed assets suppliers include advance payments in relation to infeasible right-of-use (IRU) agreements which are reclassified to right-of-use (ROU) assets when the assets covered by the IRU become available for use (Note 21). For the year ended December 31, 2025, advances to fixed assets suppliers reclassified to ROU assets amounted to P1.46 billion (2024 - nil).

Prepaid maintenance costs represent upfront fee paid in relation to a software maintenance and support contract.

Construction bonds represent payment issued and deposited in favor of the local government in relation to on-going construction projects. The deposit shall be returned to the Group upon submission of required documents and approval by the local government.

Deferred input VAT relates to various purchases of goods and services which cannot be claimed yet as credits against output VAT liabilities, pursuant to existing VAT rules and regulations. Deferred input VAT as at December 31 which can be applied against future output VAT liabilities are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Due for credit within 12 months	184,127	191,042
Due for credit beyond 12 months	1,871	43,716
	185,998	234,758

6 Property, plant and equipment, net

Details and movements of property, plant and equipment, net as at and for the years ended December 31 are as follows:

	Land	Outside plant	Inside plant and facilities	Customer premises equipment	Transportation and heavy equipment	Office equipment and furniture	Leasehold improvements	Assets under construction	Total
<i>(In Thousand Pesos)</i>									
January 1, 2024									
Cost	1,909,866	54,078,634	16,782,010	8,757,794	818,689	694,783	575,321	3,063,011	86,680,108
Accumulated depreciation and impairment	-	(6,967,663)	(6,876,810)	(4,466,802)	328,342	(390,299)	(119,739)	-	(19,149,655)
Net carrying amount	1,909,866	47,110,971	9,905,200	4,290,992	490,347	304,484	455,582	3,063,011	67,530,453
For the year ended December 31, 2024									
Opening net carrying amount	1,909,866	47,110,971	9,905,200	4,290,992	490,347	304,484	455,582	3,063,011	67,530,453
Additions	29,393	-	690,468	1,555,870	179,093	29,096	481,281	5,765,910	8,731,111
Transfers	-	4,604,545	-	-	-	-	-	(4,604,545)	-
Disposals									
Cost	-	(229)	(38,534)	-	(282,303)	(6,408)	-	-	(327,474)
Accumulated depreciation and impairment	-	12	28,871	-	226,784	4,961	-	-	260,628
Depreciation	-	(2,249,414)	(1,773,989)	(1,891,899)	(33,203)	(107,042)	(85,984)	-	(6,141,531)
Closing net carrying amount	1,939,259	49,465,885	8,812,016	3,954,963	580,718	225,091	850,879	4,224,376	70,053,187
At December 31, 2024									
Cost	1,939,259	58,682,950	17,433,944	10,313,664	715,479	717,471	1,056,602	4,224,376	95,083,745
Accumulated depreciation and impairment	-	(9,217,065)	(8,621,928)	(6,358,701)	(134,761)	(492,380)	(205,723)	-	(25,030,558)
Net carrying amount	1,939,259	49,465,885	8,812,016	3,954,963	580,718	225,091	850,879	4,224,376	70,053,187
For the year ended December 31, 2025									
Opening net carrying amount	1,939,259	49,465,885	8,812,016	3,954,963	580,718	225,091	850,879	4,224,376	70,053,187
Additions	102,936	-	3,224,108	2,192,651	241,317	64,427	1,021,204	5,064,945	11,911,588
Transfers	-	1,116,720	-	-	-	-	-	(1,116,720)	-
Disposals									
Cost	-	(118,995)	(54,279)	-	(7,569)	(5,321)	-	-	(186,164)
Accumulated depreciation and impairment	-	28,539	7,669	-	7,447	-	-	-	43,655
Depreciation	-	(2,241,735)	(1,898,321)	(2,143,013)	(38,987)	(91,095)	(120,673)	-	(6,533,824)
Closing net carrying amount	2,042,195	48,250,414	10,091,193	4,004,601	782,926	193,102	1,751,410	8,172,601	75,288,442
At December 31, 2025									
Cost	2,042,195	59,680,675	20,603,773	12,506,315	949,227	776,577	2,077,806	8,172,601	106,809,169
Accumulated depreciation and impairment	-	(11,430,261)	(10,512,580)	(8,501,714)	(166,301)	(583,475)	(326,396)	-	(31,520,727)
Net carrying amount	2,042,195	48,250,414	10,091,193	4,004,601	782,926	193,102	1,751,410	8,172,601	75,288,442

None of these properties are used as collateral for the Group's liabilities as at December 31, 2025 and 2024.

Assets under construction include the Group's network equipment, fiber optic cabling projects and ongoing network upgrades which are reclassified to depreciable outside plant when the assets become available for use, which are normally between six (6) months to three (3) years after the balance sheet date. It also includes data centers, and the cost of the Group's ownership share in the capacity of certain cable systems under a joint undertaking or a consortium.

Acquisitions of property, plant and equipment as shown in the consolidated statements of cash flows for the years ended December 31 were determined as follows:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Additions to property, plant and equipment		11,911,588	8,731,111	11,746,194
Movements in unpaid portion of property, plant and equipment		1,022,105	742,412	(31,348)
Movements in advances to fixed asset suppliers		754,617	205,827	(712,504)
Capitalized costs for self-constructed assets by a subsidiary	11, 21	(45,380)	(58,709)	(33,536)
Capitalized borrowing costs	10	(129,453)	(90,328)	(84,422)
Availment of car loans	10	(142,588)	-	-
Network materials and supplies capitalized as part of property, plant and equipment	4	(823,390)	(990,678)	(2,288,947)
Acquisitions of property, plant and equipment per consolidated statements of cash flows		12,547,499	8,539,635	8,595,437

Movements in advances to fixed asset suppliers for the year ended December 31, 2025 exclude transfers to intangible assets and ROU assets.

Self-constructed assets represent outside plant constructed by the Group or under management by the Group's in-house construction management company, Metroworks.

Capitalized borrowing costs are presented as part of financing activities in the consolidated statements of cash flows for each of the three years in the period ended December 31, 2025. The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the Group's general borrowings during the year ended December 31, 2025 of 5.16% (2024 - 5.13%; 2023 - 4.85%).

Network materials and supplies capitalized as part of property, plant and equipment are considered as non-cash movements for operating and investing activities in the consolidated statements of cash flows for each of the three years in the period ended December 31, 2025.

Depreciation expense for the years ended December 31 are recorded as follows:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Cost of services	15	6,401,692	6,002,886	5,182,249
General and administrative expenses	16	132,132	138,645	185,575
		6,533,824	6,141,531	5,367,824

During the year ended December 31, 2025, various items of property, plant and equipment with net carrying amount of P142.51 million (2024 - P66.85 million; 2023 - P322.84 million) were disposed for a total cash consideration of P222.23 million (2024 - P119.87 million; 2023 - P375.53 million). This resulted in a gain on disposal amounting to P79.72 million (2024 - P53.02 million; 2023 - P52.69 million) (Note 17). Outstanding receivables from the sale of property and equipment presented within trade and other receivables and due from related parties as at December 31, 2025 amounted to P328.32 million (2024 - P273.43 million).

Critical accounting estimates and assumptions: Estimated useful lives of property, plant and equipment, intangible assets, and ROU assets

The useful lives of each of the Group's property, plant and equipment, intangible assets (Notes 7 and 26.10) and ROU assets (Notes 21 and 26.11) are estimated based on the period over which these assets are expected to be available for use. Such estimation is based on a collective assessment of internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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 asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful life of any property, plant and equipment, intangible assets, and ROU assets would impact the recorded expenses and carrying amounts of non-current assets.

Allowance for impairment of property, plant and equipment as at December 31, 2025 and 2024 amounted to P1.06 billion.

No provision for impairment was recognized for the years ended December 31, 2025 and 2024, as the allowance for impairment is considered adequate. The provision for the year ended December 31, 2023 amounting to P1.06 billion mainly pertains to the Hybrid Fiber Coaxial (HFC)-related equipment due to its expected technical and commercial obsolescence. As a result of the global technological advancement through the advent of Fiber-powered connectivity, the HFC Cable Network has become a sunset technology with its deployment already halted. The Group has been upgrading the connection of its current HFC-based subscribers to Fiber to the Home (FTTH) Technology to enhance their total subscriber experience. Portion of the provision is also attributable to customer premises equipment deployed to subscribers who have been permanently disconnected from the network. The Group exerts all efforts to recover the deployed equipment from disconnected subscribers in accordance with the terms of their subscription agreements. The net carrying amount was recognized as provision for impairment of property, plant and equipment within other expenses in profit or loss (Note 17).

No property, plant and equipment were written-off for the years ended December 31, 2025 and 2024.

Critical accounting judgment: Recoverability of property, plant and equipment, intangible assets, and ROU assets

Property, plant and equipment, intangible assets (Note 7) and ROU assets (Note 21) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable.

Management believes that the remaining carrying amount of its property, plant and equipment, intangible assets and ROU assets are recoverable as at December 31, 2025 and 2024.

Commitments

The Group has entered into agreements with various suppliers for the construction, delivery and installation of property and equipment. As at December 31, 2025, the Group has commitments amounting to P13.25 billion (2024 - P12.95 billion) related to future capital expenditures.

7 Intangible assets, net

Intangible assets, net as at December 31 consist of:

	Customer list	Telecommunication franchise	Software and licenses	Trademark	Others	Assets under construction	Total
<i>(In Thousand Pesos)</i>							
At January 1, 2024							
Cost	739,698	50,152	2,685,388	-	90,000	-	3,565,238
Accumulated amortization	(243,870)	(24,073)	(1,152,466)	-	-	-	(1,420,409)
Net carrying amount	495,828	26,079	1,532,922	-	90,000	-	2,144,829
For the year ended December 31, 2024							
Opening net carrying amount	495,828	26,079	1,532,922	-	90,000	-	2,144,829
Additions	-	-	678,068	89,286	-	-	767,354
Retirement							
Cost	(5,720)	-	(148,668)	-	-	-	(154,388)
Accumulated amortization	-	-	147,909	-	-	-	147,909
Amortization	(69,998)	(2,006)	(768,753)	(18,601)	-	-	(859,358)
Closing net carrying amount	420,110	24,073	1,441,478	70,685	90,000	-	2,046,346
At December 31, 2024							
Cost	733,978	50,152	3,214,788	89,286	90,000	-	4,178,204
Accumulated amortization	(313,868)	(26,079)	(1,773,310)	(18,601)	-	-	(2,131,858)
Net carrying amount	420,110	24,073	1,441,478	70,685	90,000	-	2,046,346
For the year ended December 31, 2025							
Opening net carrying amount	420,110	24,073	1,441,478	70,685	90,000	-	2,046,346
Additions	750,000	-	488,018	-	-	180,273	1,418,291
Amortization	(69,171)	(2,006)	(665,411)	(63,244)	-	-	(799,832)
Closing net carrying amount	1,100,939	22,067	1,264,085	7,441	90,000	180,273	2,664,805
At December 31, 2025							
Cost	1,483,978	50,152	3,702,806	89,286	90,000	180,273	5,596,495
Accumulated amortization	(383,039)	(28,085)	(2,438,721)	(81,845)	-	-	(2,931,690)
Net carrying amount	1,100,939	22,067	1,264,085	7,441	90,000	180,273	2,664,805

Customer list represents a list of known, identifiable subscribers that contains information about these subscribers, such as name and contact information. Costs of acquiring customer list are capitalized as intangible assets given the expected future cash flows from subscriptions.

Telecommunication franchise represents costs to obtain its franchise to construct, install, establish, operate and maintain telecommunications systems throughout the Philippines, which includes direct lawyers' fees, registration fees, application fees and other direct costs incurred by the Group.

Assets under construction include software internally developed subject to amortization only when the assets become available for use.

Others relate to a franchise over a local professional basketball team.

Acquisitions of intangible assets as shown in the consolidated statements of cash flows for the years ended December 31 were determined as follows:

	2025	2024	2023
<i>(In Thousand Pesos)</i>			
Additions to intangible assets	1,418,291	767,354	293,820
Contribution from non-controlling interest	(69,044)	-	-
Movement in advances to fixed asset suppliers	(152,444)	-	-
Movement in unpaid portion of intangible assets	(452,020)	8,482	(34,201)
Acquisition of intangible assets per consolidated statements of cash flows	744,783	775,836	259,619

Amortization expense for the years ended December 31 recognized in profit or loss are as follows:

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Cost of services	15	723,665	857,352	531,597
General and administrative expenses	16	76,167	2,006	2,006
		799,832	859,358	533,603

For the year ended December 31, 2025, the Group recognized loss on retirement of intangible assets amounting to nil (2024 - P6.48 million; 2023 - nil) (Note 17).

Commitments

The Group has entered into an agreement with a supplier for the acquisition of intangible assets, and as at December 31, 2025, it has outstanding commitments amounting to P765.24 million (2024 - P1.40 billion) related to the future acquisition of these intangible assets.

8 Investment in associate and joint ventures

Investment in associate and joint ventures as at December 31 consist of:

		Percentage ownership by the Group	No. of shares	Amount	
	Nature of operations			2025	2024
(In Thousand Pesos)					
Joint venture Telstra Converge Inc. (formerly Digitel Crossing, Inc.) (TCI)	TCI was incorporated in the Philippines and registered with the Philippine SEC on June 28, 2001 primarily to own, maintain, operate and manage or lease commercial telecommunications systems and equipment within and outside the Philippines. TCI's principal place of business is at Ground Floor, New Street Building, McArthur Highway, Balibago, Angeles City, Pampanga.	40%	10,000,000	170,864	262,570
Joint venture Asia Netcom Philippines Corporation (ANPC)	ANPC was incorporated in the Philippines and registered with the Philippine SEC on April 19, 2001 as Philippine Crossing Land Corporation primarily to invest , hold, purchase, acquire, lease, contract and generally engage in any commerce relating to any and all kinds and description of real and personal properties. On March 19, 2003, the corporate name was amended to Asia Netcom Philippines Corporation. ANPC's principal place of business B2 Robinsons Summit Center, 6738 Ayala Avenue, Salcedo Village, Makati City.	60%	300,000	212,269	232,456
Associate PBA Properties, Inc. (PBA)	PBA was incorporated in the Philippines and registered with the Philippine SEC on February 14, 2001 to market, license and distribute programs for entities or enter into licensing and sub-licensing agreements. PBA's principal place of business is at 186 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City.	8.33%	3,333,332	13,696	13,696
				396,829	508,722

The Group exercises joint control over TCI and ANPC with other venturers. ANPC holds 20% in TCI. This results in the Group's effective ownership in TCI of 52%.

The Group determined it has significant influence over PBA as it has representation on the governing body of the investee and participates in policy-making processes of the investee.

The investments are accounted using the equity method in the consolidated financial statements.

The movements in investment in associate and joint ventures for the years ended December 31 are as follows:

	TCI	ANPC	PBA	Total
	<i>(In Thousand Pesos)</i>			
2025				
Beginning of the year	262,570	232,456	13,696	508,722
Equity in net income (loss) for the year	57,427	(20,187)	7,004	44,244
Dividend received	(149,133)	-	(7,004)	(156,137)
	170,864	212,269	13,696	396,829
2024				
Beginning of the year	493,746	207,360	5,283	706,389
Equity in net income for the year	84,470	25,096	14,260	123,826
Dividend received	(315,646)	-	(5,847)	(321,493)
End of the year	262,570	232,456	13,696	508,722

Equity in net income of associate and joint ventures for the year ended December 31, 2025 amounted to P44.24 million (2024 - P123.83 million; 2023 - P248.09 million).

Dividend income earned and collected from the investment in associate and joint ventures during the year ended December 31, 2025 amounted to P156.14 million (2024 - 321.49 million; 2023 - nil).

No summarized financial information are presented as the associate and joint ventures are not considered material to the Group.

9 Trade payables and other liabilities

Trade payables and other liabilities as at December 31, shown under current liabilities, consist of:

	Notes	2025	2024
		<i>(In Thousand Pesos)</i>	
Trade payables, current portion		10,339,851	8,305,893
Accruals for:			
Contracted services		1,978,326	1,616,622
Pole rental		957,764	1,036,403
Commissions and installation costs		488,855	366,224
Repairs and maintenance		374,786	434,910
Rent		246,100	50,534
Interest payable	10	215,879	242,572
Payroll and employee benefits		138,805	134,487
Bandwidth and leased line		98,772	67,359
Service fees	20	47,906	62,229
Others		784,058	480,922
Provision for employee benefits		489,274	638,555
Payable to government agencies		872,605	1,076,089
		17,032,981	14,512,799

Trade payables are unguaranteed, unsecured and non-interest bearing. Current portion of trade payables are normally settled within 30 days to 90 days.

Non-current portion of trade payables amounting to P2.74 billion, presented within non-current liabilities in the consolidated statement of financial position as at December 31, 2025 (2024 - P3.24 billion), represent payables to subcontractors expected to be settled beyond 12 months from reporting date.

Accruals for contracted services mainly pertain to accruals for unbilled contracted projects completed as at reporting date. Accruals for rent represent accruals for short-term leases. Accruals of service fees and bandwidth include amounts owed to related parties (Note 20). Other accrued expenses mainly pertain to accruals for promotions and advertising, outside services, professional fees and utilities.

Provision for employee benefits pertains to estimated amounts of bonuses and other incentives for employees, the final amount of which, including specific qualified employees will be determined in the following year. The movements in provision for employee benefits for the years ended December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Beginning of the year	638,555	95,412
Provision during the year	299,989	697,787
Payout	(449,270)	(154,644)
End of the year	489,274	638,555

Provision for employee benefits recognized in profit or loss as part of personnel costs under cost of services and general and administrative expenses for the year ended December 31, 2025 amounted to P299.99 million (2024 - P697.79 million provision; 2023 - P10.22 million reversal) (Notes 15 and 16).

The carrying amounts of trade payables and other liabilities as at December 31, 2025 and 2024 approximate its fair values as the impact of discounting is not considered significant.

10 Borrowings

The Group's borrowings as at December 31 consists of the following:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Term loans	14,015,228	19,587,671
Fixed-rate bonds	9,957,136	9,927,134
Car loans	128,938	9
	24,101,302	29,514,814

Term loans

	Interest rate		Amount	
	2025	2024	2025	2024
			<i>(In Thousand Pesos)</i>	
a. Variable-rate 7-year loan with principal amount of P6.50 billion issued on May 25, 2022, payable in equal quarterly payments beginning May 3, 2024.	5.35% - 6.01%	5.58%	4,212,427	5,504,015
b. Variable-rate 7-year loan with principal amount of P5.00 billion issued on August 6, 2021, payable in equal quarterly payments beginning November 6, 2023. Expected repricing is on August 2026.	3.98%	3.98%	2,743,598	3,738,156
c. Fixed-rate 7-year loan with principal amount of P2.00 billion issued on March 18, 2022, payable in equal quarterly installments beginning June 18, 2024.	6.44%	6.44%	1,296,030	1,693,463
d. Variable-rate 7-year loan with principal amount of P2.00 billion issued on December 10, 2021, payable in equal quarterly payments beginning September 16, 2023.	5.41% - 6.30%	4.54% - 6.53%	997,430	1,395,166
e. Variable-rate 7-year loan with principal amount of P1.50 billion issued on February 3, 2022, payable in equal quarterly payments beginning May 3, 2024. Expected repricing is on February 2025.	4.20% - 6.01%	4.20%	972,330	1,270,470
f. Variable-rate 7-year loan with principal amount of P2.00 billion issued on November 27, 2020, payable in equal quarterly payments beginning February 27, 2023.	4.75% - 5.37%	4.75%	798,538	1,196,806
g. Variable-rate 7-year loan with principal amount of P1.50 billion issued on June 16, 2021, payable in equal quarterly payments beginning September 16, 2023. Expected repricing is on June 2026.	4.50%	4.50%	748,254	1,046,718
h. Variable-rate 7-year loan with principal amount of P1.50 billion issued on February 8, 2022, payable in equal quarterly payments beginning September 16, 2023.	5.41% - 6.30%	4.40% - 6.53%	748,191	1,046,595
i. Fixed-rate 7-year loan with principal amount of P3.00 billion issued on December 26, 2019, payable in equal quarterly payments beginning March 23, 2022.	4.92%	4.92%	600,000	1,200,000
j. Variable-rate 7-year loan with principal amount of P1.00 billion issued on June 1, 2021, payable in equal quarterly payments beginning September 1, 2023.	5.69% - 6.52%	4.50% - 6.51%	498,870	697,839
k. Fixed-rate 7-year loan with principal amount of P2.00 billion issued on January 17, 2020, payable in equal quarterly payments beginning March 23, 2022.	5.25%	5.25%	399,560	798,443
			14,015,228	19,587,671

All term loans availed from the banks are unsecured, with no assets pledged as collateral.

As at December 31, 2025 the Group has unused credit lines from the local banks totaling P4.00 billion (2024 - P5.50 billion).

The term loans as at December 31, 2025 is net of unamortized bond issue cost amounting to P34.78 million (2024 - P62.33 million).

Fixed-rate bonds

On April 8, 2022, the Parent Company issued P10.00 billion unsecured fixed rate bonds. The amount is due on April 8, 2027, with a fixed interest rate of 5.59%. The net proceeds of the issue were used for capital expenditures and general corporate purposes.

The bonds may be redeemed by the Parent Company in whole, but not in part only, starting two (2) years before maturity date and on the anniversary thereafter at a price equal to 101.00% and 100.50%, respectively, of the principal amount of the bonds and all accrued interest to the date of the redemption.

The foregoing fixed-rate bonds represent the only tranche that forms part of the P20.00 billion Debt Securities Shelf Program of the Parent Company.

The fixed rate bonds as at December 31, 2025 is net of unamortized bond issue cost amounting to P42.86 million (2024 - P72.87 million).

Car loans

The Group availed multiple vehicle loans payable monthly for five (5) years from the date of availment with interest rate of 9.25%. These vehicles include cars, utility vans and trucks used for day-to-day operations. These loans are secured by the availed vehicles.

The movements of borrowings presented in the consolidated statements of financial position and statements of cash flows as at and for the years ended December 31 are as follows:

	Note	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Beginning of the year		29,514,814	35,243,584	38,239,770
Payments		(5,613,659)	(5,757,048)	(3,522,840)
Amortization of debt issuance costs	18	57,559	28,278	26,654
Availment of car loans		142,588	-	-
Proceeds from availments of term loans		-	-	500,000
End of the year		24,101,302	29,514,814	35,243,584

Amortization of debt issuance costs are recognized as part of finance costs in the consolidated statements of total comprehensive income.

The current and non-current portion of the borrowings as at December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Current	5,601,225	5,572,452
Non-current	18,500,077	23,942,362
	24,101,302	29,514,814

The movements in accrued interest payable presented under the current portion of trade payables and other liabilities in the consolidated statements of financial position and statements of cash flows as at for the years ended December 31 are as follows:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Beginning of the year		242,572	195,742	173,163
Finance costs recognized in profit or loss	18	1,343,807	1,728,393	1,875,698
Capitalized borrowing costs	6	129,453	90,328	84,422
Payments		(1,499,953)	(1,771,891)	(1,937,541)
End of the year	9	215,879	242,572	195,742

Covenants

The bonds and term-loan agreements provide for certain restrictions and requirements. The more significant covenants are as follows:

- prohibition on the payment of dividends or distribution of any other income or capital to its shareholders at any time, without prior consent of the banks and bondholders, when its financial covenants under the agreement are not complied with;
- prohibition on the payment of any discretionary management bonuses or profit sharing at any time, without prior consent of the banks and bondholders, when any amount due and payable by the Parent Company under the agreement is in arrears;
- prohibition to materially change its ownership structure, control and management whether direct or indirect, without prior consent of the banks and bondholders;
- prohibition to sell, transfer or dispose all or substantially all of its assets outside the ordinary course of business, without prior consent of the banks and bondholders; and
- requirement to maintain a specific level of debt service coverage ratio, debt to equity ratio and debt to EBITDA ratio.

The Group is in full compliance with its covenants as at and for the years ended December 31, 2025 and 2024.

11 Retirement benefit obligation, net

The Group has adopted Conworks Multiemployer Retirement Plan (the "Plan") jointly established by the Parent Company, Metroworks and other affiliates effective September 1, 2021. The Plan is a non-contributory and of the final salary defined benefit type. The Plan provides a retirement benefit equal to 104% of the plan salary for every year of credited service. Benefits are paid in lump sum upon retirement or separation in accordance with the terms of the Plan. As at December 31, 2025 and 2024, the Plan is partially funded.

An independent actuary conducts a periodic actuarial valuation of the defined benefit plan using the projected unit credit method.

The retirement benefit obligation, net recognized in the consolidated statements of financial position as at December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Defined benefit obligation	270,945	215,209
Fair value of plan assets	(231,822)	(198,195)
	39,123	17,014

The movements in the present value of the defined benefit obligation for the years ended December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Beginning of the year	215,209	162,820
Current service cost	46,524	39,935
Interest cost	14,913	10,903
Settlement loss	19,091	21,650
Past service cost	-	14,837
Benefits paid from plan assets	(15,183)	-
Benefits paid directly from book reserve	(25,056)	(52,170)
Remeasurement loss (gain):		
Effect of changes in financial assumptions	(6,187)	(32,141)
Experience adjustments	20,593	22,321
Demographic assumptions	1,041	27,054
End of the year	270,945	215,209

Settlement loss was recognized for the years ended December 31, 2025 and 2024 due to non-routine benefit payments.

Past service cost recognized for the year ended December 31, 2024 represents curtailment due to the significant decrease in the number of employees covered by the Plan.

There was no plan amendment recognized for the years ended December 31, 2025 and 2024.

The movements in the fair value of plan assets for the years ended December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Beginning of the year	198,195	150,621
Contributions	39,402	39,402
Interest income	13,671	10,710
Benefits paid from plan assets	(15,183)	-
Remeasurement (loss) gain:		
Effect of the asset ceiling	1,513	(4,576)
Remeasurement on plan assets	(5,776)	2,038
End of the year	231,822	198,195

Plan assets as at December 31 consist of:

	2025		2024	
	Percentage	Amount	Percentage	Amount
	<i>(In Thousand Pesos, Except for Percentage)</i>			
Debt instruments - government bonds	75.04%	173,959	90.38%	179,128
Unit investment trust funds	17.04%	39,502	2.20%	4,360
Debt instruments - other bonds	3.76%	8,717	2.76%	5,470
Equity instruments	3.21%	7,441	3.67%	7,274
Others	0.95%	2,203	0.99%	1,963
	100.00%	231,822	100.00%	198,195

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in Philippine government securities such as treasury notes and bonds, although the retirement fund also invests in listed equity securities and mutual funds.

The Plan is being administered by a trustee-bank which is authorized to invest the fund as it deems proper under the investment policies approved by the Retirement Plan Trustee.

The movements in retirement benefit obligation for the years ended December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Beginning of the year	17,014	12,200
Retirement benefit expense	66,857	76,615
Benefits paid	(25,056)	(52,171)
Contributions	(39,402)	(39,402)
Remeasurement loss, net	19,710	19,772
End of the year	39,123	17,014

The components of retirement benefit expense and remeasurements for the years ended December 31 consists of:

	Note	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Current service cost		46,524	39,935	24,433
Settlement loss		19,091	21,650	39,656
Net interest cost		1,242	193	4,038
Past service cost		-	14,837	4,791
Retirement benefit expense capitalized or recognized in profit or loss		66,857	76,615	72,918
Remeasurement loss on defined benefit obligation		15,447	17,234	31,072
Remeasurement loss on plan assets		4,263	2,538	1,898
Remeasurement loss, gross of tax		19,710	19,772	32,970
Deferred income tax	19	(5,139)	(4,932)	(7,875)
Remeasurement loss, net of tax recognized in other comprehensive income		14,571	14,840	25,095

The retirement benefit expense for the years ended December 31 are allocated as follows:

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Cost of services	15	19,882	12,711	16,948
General and administrative expenses	16	35,759	38,206	55,970
Capitalized as part of self-constructed assets	6	11,216	25,698	-
		66,857	76,615	72,918

Movements in the reserve for remeasurements of retirement benefit obligation for the years ended December 31 are as follows:

	2025	2024
<i>(In Thousand Pesos)</i>		
Beginning of the year	5,478	20,318
Remeasurement loss, net of tax	(14,571)	(14,840)
End of the year	(9,093)	5,478

The principal actuarial assumptions used as at December 31 are as follows:

	2025	2024
Discount rate	6.32% - 6.44%	6.09% - 6.14%
Salary increase rate	4.00% - 6.00%	4.00% - 6.00%

Discount rate

The discount rate is determined by reference to yields on long-term Philippine treasury bonds and adjusted to reflect the term similar to the estimated term of the benefit obligation as determined by the actuary as at the end of the reporting period as there is no deep market in high quality corporate bonds in the Philippines.

Salary increase rate

Salary increase rate is the expected long-term average rate of salary increase taking into account general inflationary measure plus a factor increase for individual productivity, merit and promotion. The salary increase rate is set by management over the period which benefits are expected to be paid.

Demographic assumptions

Assumptions regarding future mortality and disability are set based on published statistics and experience in the Philippines.

Other key assumptions for retirement benefit obligation are based in part on current market conditions.

Expected maturity analysis of undiscounted retirement benefits as at December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
One year to five years	205,544	162,206
More than five years to ten years	168,581	130,333
Total expected payments	374,125	292,539

The weighted average duration of the defined benefit obligation as at December 31, 2025 is 4.9 years to 13.5 years (2024 - 5.3 years to 13.5 years).

The sensitivity of the retirement benefit obligation to changes in the principal actuarial assumptions as at December 31 is as follows:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		<i>(In Thousand Pesos)</i>	
2025			
Discount rate	+/- 100 bps	(19,806)	23,269
Salary increase rate	+/- 100 bps	23,167	(20,079)
2024			
Discount rate	+/- 100 bps	(16,407)	19,338
Salary increase rate	+/- 100 bps	19,194	(16,589)

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement benefit obligation recognized within the consolidated statements of financial position.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous periods.

12 Share capital, additional paid-in capital and treasury shares

Details of capital as at December 31, 2025 and 2024 are as follows:

	2025		2024	
	Number of shares	Amount	Number of shares	Amount
	<i>(In Thousand Pesos, except par value and number of shares)</i>			
Authorized				
Common shares at P0.25 par value per share	16,900,000,000	4,225,000	16,900,000,000	4,225,000
Preferred shares at P0.25 par value per share	3,060,000,000	765,000	3,060,000,000	765,000
Preferred B shares at P0.0025 par value per share	4,000,000,000	10,000	4,000,000,000	10,000
Total	23,960,000,000	5,000,000	23,960,000,000	5,000,000
Issued common shares	7,526,294,461	1,881,574	7,526,294,461	1,881,574
Treasury shares	(284,914,400)	(6,871,763)	(259,721,400)	(6,498,544)
Additional paid-in capital	-	18,746,088	-	18,746,088
Issued and outstanding	7,241,380,061	13,755,899	7,266,573,061	14,129,118

On June 10, 2020, the Parent Company's BOD and stockholders approved, among others, the following amendments to the Articles of Incorporation:

- The authorized capital stock of the Parent Company is P5.00 billion divided into: (i) 16.90 billion common shares with a par value of P0.25 per share; (ii) 3.06 billion preferred shares with a par value of P0.25 per share; and (iii) 4.00 billion preferred B shares with a par value of P0.0025 per share;
- The preferred shares and preferred B shares of each and any series may or may not be convertible, and may or may not be redeemable, as well as may or may not be entitled to any other participation or share in the retained earnings after dividend payments shall have been made on the preferred shares and preferred B shares; and
- The stockholders of the Parent Company shall have no pre-emptive right to subscribe to any issue or disposition of shares of any class of the Parent Company.

The amendments to the Articles of Incorporation was approved by the SEC on September 28, 2020.

Each holder of a common and preferred share is entitled to one vote.

Each preferred B share confers upon a holder thereof: a) the right to vote at any shareholders' meeting or on any resolution of the shareholders other than with respect to matters requiring the vote of a particular class of shares in accordance with applicable law and b) if dividends are declared by the BOD, dividends on the preferred B shares shall be at the fixed rate of 0.01% per annum. Further, holders of the preferred B shares shall: (a) not be entitled to participate in any other or future dividends beyond the dividends specifically payable on the preferred B shares and (b) have no right to convert the preferred B shares to any other preferred shares or common shares of the Parent Company.

Each holder of a common share and preferred share is entitled to a pro rata share in the assets available for distribution to the shareholders in the event of dissolution, liquidation and winding up.

In the event of a return of capital in respect of the Parent Company's winding up or otherwise (whether voluntarily or involuntarily) but not on a redemption or purchase by the Parent Company of any of its share capital, the holders of the preferred B shares at the time outstanding will be entitled to receive, in Philippine Pesos out of the assets of the Parent Company available for distribution to shareholders, together with the holders of any other securities of the Parent Company ranking, as regards repayment of capital, in pari passu with the preferred B shares; and, before any distribution of assets is made to holders of any class of the securities of the Parent Company ranking after the preferred B shares as regards repayment of capital, liquidating distributions in of the preferred B shares plus an amount equal to any dividends declared but unpaid in respect of the previous dividend period.

If, upon any return of capital in the winding up of the Parent Company, the amount payable with respect to the preferred B shares and any other securities of the Parent Company ranking as to any such distribution in pari passu with the preferred B shares is not paid in full, the holders of the preferred B shares and of such other securities will share ratably in any such distribution of the assets of the Parent Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the preferred B shares will have no right or claim to any of the remaining assets of the Parent Company and will not be entitled to any further participation or return of capital in a winding up.

Treasury shares

On May 23, 2022, the Parent Company's BOD approved a share buy-back program as part of its objective to increase shareholder value. As part of this buy-back program, on May 24, 2022, the Parent Company has acquired 259.72 million common shares at P25 per share aggregating to P6.50 billion including transaction costs.

On September 22, 2022, the Parent Company's BOD approved a share buy-back program as part of its objective to increase shareholder value. Details of the Parent Company's acquisition of the shares are as follows:

	Issue price	Number of shares	Amount
			<i>(In Thousand Pesos)</i>
August 22, 2025	P14.91	13,650,000	203,479
August 26, 2025	P15.00	6,400,000	95,974
September 1, 2025	P14.34	5,143,000	73,766
Total		25,193,000	373,219

The Parent Company's record of registration of its securities follows:

Number of shares registered	7,526,294,461
Issue/offer price	P16.80
Date of approval	September 24, 2020
Number of shareholders as at December 31:	
2025	35
2024	29

13 Retained earnings and other equity reserves

Appropriation of retained earnings

On March 15, 2023, the Parent Company's BOD approved the appropriation of retained earnings of P14.00 billion for capital acquisitions in 2023 and 2024 in relation to the management's plan to continue its nationwide expansion of its network infrastructure.

On March 17, 2024, the Parent Company's BOD approved an additional appropriation of retained earnings of P10.00 billion for planned capital expenditures in 2024 related to data center, submarine cables and other network expansion activities.

On March 17, 2025, the Parent Company's BOD approved the reversal of appropriated retained earnings of P24.00 billion. On the same date, the Parent Company's BOD approved an appropriation of retained earnings amounting to P22.00 billion for planned capital expenditures in 2025 related to submarine cables, network expansion activities and construction of data centers.

On March 6, 2026, the Parent Company's BOD approved the reversal of appropriated retained earnings of P12.00 billion. On the same date, the Parent Company's BOD approved an additional appropriation of retained earnings amounting to P21.00 billion for planned capital expenditures in 2026 related to submarine cables, network expansion activities and construction of data centers.

Dividends

On September 10, 2024, a special cash dividend amounting to P1.31 billion (P0.18 per share) was declared to stockholders on record as of September 24, 2024. The cash dividend was paid on October 10, 2024.

On March 17, 2025, the Parent Company's BOD approved a cash dividend amounting to P3.12 billion (P0.43 per share) to stockholders on record as at April 2, 2025 for payout on April 16, 2025.

On March 6, 2026, the Parent Company's BOD approved a cash dividend amounting to P3.55 billion (P0.49 per share) to stockholders on record as at March 23, 2026 for payout on April 1, 2026.

Other equity reserves

Other equity reserves consist of share-based compensation reserve, reserve for remeasurements of retirement benefit obligation (Note 11).

14 Revenue from contracts with customers

Disaggregation of revenue

Below is the disaggregation of the Group's revenue from contracts with customers recognized over time for the years ended December 31:

	2025	2024	2023
	<i>(In Thousand Pesos)</i>		
Residential	37,325,023	34,422,460	30,282,092
Enterprise	7,445,283	6,187,678	5,077,252
	44,770,306	40,610,138	35,359,344

Deferred contract costs

Deferred contract costs pertain to incremental costs incurred to obtain and fulfill the contract with subscribers. These are capitalized and subsequently amortized on a straight-line basis over the estimated subscriber relationship period. Details as at December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
<i>Costs to obtain contracts with customers:</i>		
Subscribers acquisition costs, net of amortization	934,315	895,401
<i>Costs to fulfill contracts with customers:</i>		
Installation costs, net of amortization	802,609	950,036
	1,736,924	1,845,437

These are presented as deferred contract costs in the consolidated statements of financial position as at December 31 as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Current	1,266,682	1,395,108
Non-current	470,242	450,329
	1,736,924	1,845,437

Movements in the deferred contract costs for the years ended December 31 are as follows:

	Note	2025	2024
		<i>(In Thousand Pesos)</i>	
Beginning of the year		1,845,437	1,255,150
Amounts capitalized during the year		2,881,400	2,394,947
Amortization	15	(2,989,913)	(1,804,660)
End of the year		1,736,924	1,845,437

The components of amortization of deferred contract costs for the years ended December 31 are as follows:

	Note	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Subscriber acquisition costs		1,737,948	806,080	882,516
Deferred installation costs		1,251,965	998,580	1,252,560
	15	2,989,913	1,804,660	2,135,076

Critical accounting estimates, assumptions and judgment: Estimated amortization period of deferred contract costs

The Group's deferred contract costs are amortized over the period during which the future economic benefits are expected to be obtained. This is estimated based on a collective assessment of practices of similar business and historical subscriber relationship period. The carrying value of deferred contract costs at reporting date and the amount and timing of recorded amortization expense for any period could be materially affected by changes in estimates brought about by changes in the factors mentioned above.

As at December 31, 2025 and 2024, management has assessed that the estimated useful lives of deferred contract costs is two (2) years.

Contract liabilities

Contract liabilities, recorded as deferred revenues under current liabilities in the consolidated statement of financial position, amounting to P805.32 million under current liabilities as at December 31, 2025 (2024 - P720.27 million) represent outright payments of installation service fees which are recognized as revenue on a straight-line basis over the term of the subscription contract, monthly recurring subscription fees received but not yet earned and unused load subscriptions.

The following table shows the rollforward analysis of contract liabilities for the years ended December 31:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Beginning of the year	720,267	557,939
Additions during the year	3,040,653	2,633,527
Recognized as revenues	(2,955,599)	(2,471,199)
End of the year	805,321	720,267

Revenue from amortization of contract liabilities recognized in profit or loss for the year ended December 31, 2025 amounted to P2.96 billion (2024 - P2.47 billion; 2023 - P2.17 billion).

Subscribers' deposits

Subscribers' deposits pertain to cash bonds paid by the subscribers as deposits to cover for any loss or damage to certain network assets (e.g. customer premises equipment) and other accessories installed in their premises, as well as to cover anticipated losses on default payments (Note 25.2.1). These are presented in the consolidated statements of financial position as at December 31 as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Current	1,173,517	1,343,855
Non-current	-	17,512
	1,173,517	1,361,367

15 Cost of services

The components of cost of services for the years ended December 31 are as follows:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Depreciation and amortization	6,7,21	7,405,472	7,074,091	6,014,904
Amortization of deferred contract costs	14	2,989,913	1,804,660	2,135,076
Repairs and maintenance		1,876,324	1,867,247	1,585,160
Rent	21	939,810	1,513,461	797,199
Personnel costs		705,611	536,651	358,253
Bandwidth and leased line costs		549,188	515,045	672,008
Utilities		524,314	466,536	451,339
Service fees		300,153	251,907	443,988
Network materials and supplies used	4	278,584	273,678	187,636
Retirement benefit expense	11	19,882	12,711	16,948
Others		153,012	68,109	47,893
		15,742,263	14,384,096	12,710,404

Bandwidth and leased line costs mainly pertain to the costs for transmitting data through signals from both local and foreign suppliers.

Rent consists of costs incurred in relation to short-term leases and other agreements for the use of third-party structures necessary in providing services to subscribers that did not qualify as leases under PFRS 16, Leases.

16 General and administrative expenses

The components of general and administrative expenses for the years ended December 31 are as follows:

	Notes	2025	2024	2023
			<i>(In Thousand Pesos)</i>	
Managed service fees		3,518,191	3,005,553	2,167,901
Personnel costs		1,831,502	1,886,018	1,418,437
Outside services		1,331,639	1,352,910	1,080,334
Promotions		1,134,581	879,005	439,037
Depreciation and amortization	6,7,21	592,748	484,051	430,083
Repairs and maintenance		540,956	251,361	254,249
Taxes and licenses		321,201	305,032	321,025
Professional fees		268,782	130,630	130,047
Meals and transportation		207,134	211,749	175,906
Office supplies		178,715	109,254	177,430
Utilities		129,991	105,568	127,977
Insurance		87,209	75,971	65,595
Retirement benefit expense	11	35,759	38,206	55,970
Rent	21	21,296	110,604	62,345
Reversal of provision for probable losses		-	-	(152,775)
Others		329,193	270,911	193,350
		10,528,897	9,216,823	6,946,911

Managed service fees refer to charges from managed service providers for subscriber service activities outsourced by the Group.

Rent represents costs incurred in relation to short-term leases.

During the year ended December 31, 2023, the Group has assessed that the anticipated loss is no longer probable based on management's reassessment of the specific circumstances associated with the previously recognized loss. As such, the Group has reversed the provision for probable losses amounting to P152.78 million. The disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position. Thus, as allowed by PAS 37, Provisions, Contingent Liabilities and Contingent Assets, only a general description is provided.

Others mainly include postage and delivery expenses, operational bank charges and fees, membership dues, representation expenses, permits, penalties and surcharges and training costs.

17 Other income (expense), net

The components of other (income) expense, net for the years ended December 31 are as follows:

	Notes	2025	2024	2023
			<i>(In Thousand Pesos)</i>	
Interest income on cash and cash equivalents and short-term placements	2	313,621	386,041	374,188
Gain on disposal of property, plant and equipment and intangible assets	6, 7	79,716	46,545	52,690
Net foreign exchange gain	23	50,982	58,051	77,418
Gain on sale of network assets		39,683	84,967	-
Gain on lease terminations	21	13,255	63,396	-
Interest income on financial asset at FVTPL	25.1	10,344	4,096	4,019
Interest income on finance lease receivable	21	9,378	9,611	9,831
Provision for inventory obsolescence	4	-	(108,146)	(145,457)
Provision for impairment of property, plant and equipment	6	-	-	(1,059,097)
Miscellaneous		65,786	172,317	302,450
		582,765	716,878	(383,958)

Miscellaneous income includes revenue from installation services, earnings as a landing party, and gains from the reversal of long-standing payables, as these obligations were determined to no longer exist.

18 Finance costs

The components of finance costs for the years ended December 31 are as follows:

	Notes	2025	2024	2023
<i>(In Thousand Pesos)</i>				
Interest on borrowings	10	1,343,807	1,728,393	1,875,698
Amortization of debt issue cost	10	57,559	28,278	26,654
Finance cost on leases	21	148,326	165,434	176,476
		1,549,692	1,922,105	2,078,828

19 Income taxes

Income tax expense

The components of income tax expense as shown in the consolidated statements of total comprehensive income for the years ended December 31 are as follows:

	2025	2024	2023
<i>(In Thousand Pesos)</i>			
Current tax expense	4,088,655	3,517,724	2,763,010
Deferred tax (benefit) expense	(192,495)	(41,483)	259,969
	3,896,160	3,476,241	3,022,979

On a per entity basis, the Group claimed deductible expenses through itemized deductions or optional standard deduction (OSD) for the years ended December 31 as follows:

	2025	2024	2023
Converge	Itemized	Itemized	Itemized
Pentagon	Itemized	Itemized	Itemized
Metroworks	Itemized	Itemized	Itemized
Myriad	Itemized	Itemized	OSD
Cyan	Itemized	Itemized	Itemized
Converge Venture	Itemized	Itemized	-
Rev21	Itemized	Itemized	-
Pentagon Digital	Itemized	Itemized	-
Ametrine	Itemized	Itemized	-
Converge Studios	Itemized	Itemized	-
Hyperscal Philippines	Itemized	-	-

The reconciliation of income tax expense computed at the statutory income tax rate to the income tax expense as reflected in the consolidated statements of total comprehensive income for the years ended December 31 are as follows:

	2025	2024	2023
<i>(In Thousand Pesos)</i>			
Income tax at statutory income tax rate of 25%	3,937,770	3,572,232	3,030,453
Adjustments for:			
Interest income subjected to final tax	(78,405)	(96,189)	(93,547)
Equity in net income of joint ventures	(11,061)	(30,957)	(62,021)
Unrecognized benefit from net operating loss carry-over (NOLCO)	13,411	8	60
Non-deductible expenses	34,445	31,147	25,688
Availment of OSD	-	-	(313)
Change in income tax rate	-	-	122,659
	3,896,160	3,476,241	3,022,979

Deferred income tax (DIT)

DIT assets, net as at December 31 represent the tax effects of the following temporary differences:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Property, plant and equipment	610,803	566,200
Allowance for impairment of trade and other receivables	538,272	491,404
Leases	381,826	320,336
Provision for impairment of property, plant and equipment	264,774	264,774
Deferred revenue	201,331	180,067
Provision for employee benefits	116,023	159,639
Retirement benefit obligation	60,723	50,405
Allowance for inventory obsolescence	70,842	70,842
Shared-based reserve	47,388	54,416
Unrealized fair value loss on financial asset at FVTPL	11,578	11,786
Unrealized foreign exchange gain, net	(93,026)	(109,239)
Deferred contract costs	(418,386)	(466,732)
NOLCO	-	616
	1,792,148	1,594,514

The Tax Reform Act of 1997 (the "Act") introduced NOLCO as a deduction from taxable income for the three consecutive years immediately following the year such loss was incurred. Pursuant to Republic Act no. 11494, otherwise known as the Bayanihan to Recover as One Act (Bayanihan II), the net operating losses of a business or enterprise incurred for taxable years 2021 and 2022 can be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

For the year ended December 31, 2025, the recognized DIT asset on Myriad's NOLCO of P0.62 million was fully applied against 2025 income tax.

The Group did not recognize DIT assets arising from certain subsidiaries' NOLCO because management has assessed there will be no future taxable income against which the benefits of these tax assets can be utilized. Details of the Group's unrecognized DIT assets as at December 31 arising from the subsidiaries' NOLCO are as follows:

Year incurred	Year of expiration	2025	2024
		<i>(In Thousand Pesos)</i>	
2020	2025	150	150
2021	2026	402	402
2022	2025	192	192
2023	2026	240	240
2024	2027	31	31
2025	2028	53,645	-
		54,660	1,015
Expired during the year		(342)	-
		54,318	1,015
Tax rate		25%	25%
		13,580	254

Deferred income tax credited (charged) to profit or loss and other comprehensive income for the years ended December 31, are as follows:

	Note	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Profit for the year		192,495	41,483	(259,969)
Other comprehensive income for the year	11	5,139	4,932	7,875

The tax rate used in computing the DIT assets as at December 31, 2025 and 2024 is 25%. This is the applicable rate at which the Group expects the related DIT assets to be realized (settled).

Critical accounting judgment: Income taxes

Significant judgment is required in determining the income tax expense recognized in profit or loss. There are some transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group recognizes liabilities for anticipated tax assessment issues when it is probable. The liabilities are based on assessment and judgment of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the Group's income tax and related liability in the period in which such determination is made.

The recognition of DIT assets depends on management's assessment of the probability and available future taxable income against which the temporary difference can be applied. The Group reviews the carrying amount of its DIT assets at the end of each reporting period and reduces the amounts to the extent it is no longer probable that sufficient taxable profit will allow all or part of its DIT assets to be utilized.

The Group's assessment on the recognition of DIT assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting period. This forecast is based on the past results and future expectations on revenues and expenses as well as future tax planning strategies. Management reviews the levels of taxable income that the Group expects to achieve and assesses the future tax consequences for the recognition of DIT assets.

Management has assessed during the reporting periods that the Group will be able to generate sufficient future taxable income against which the temporary differences can be applied.

20 Related party transactions and balances

Transactions and balances with related parties are presented as follows:

	Transactions			Outstanding balances		Ref.
	2025	2024	2023	2025	2024	
	(In Thousand Pesos)					
Due from related parties						
<i>Collections made on behalf of the Group</i>						(a)
Immediate parent company	55,415	72,685	63,113	16,434	25,010	
Entities under common control	4,143	4,829	14,538	588	7,945	
				17,022	32,955	
<i>Reimbursements of expenses from related parties</i>						(b)
Ultimate parent company	798	-	-	33	-	
Immediate parent company	338,596	5,375	78,822	42,610	335	
Joint ventures	1,265	1,559	272	607	701	
Entities under common control	85,347	54,010	500	85,347	54,010	
				128,597	55,046	
<i>Sale of property, plant and equipment</i>						(c)
Immediate parent company	-	-	31,208	-	-	
Entity under common control	6,226	1,804	-	-	1,804	
				-	1,804	
<i>Transfer of network materials and supplies</i>						(d)
Immediate parent company	7,784	23,155	125	23,250	21,639	
<i>Management service fees (Note 17)</i>						(e)
Joint ventures	-	-	3,600	-	-	
<i>Advances to related parties</i>						(f)
Immediate parent company	-	938	-	-	938	

(continued)

	Transactions			Balances		Ref.
	2025	2024	2023	2025	2024	
	(In Thousand Pesos)					
Due from related parties, continued						
<i>Asset construction</i>						(g)
Joint ventures	128,558	-	-	128,558	-	
<i>Finance lease receivable (Note 21)</i>						(h)
Entities under common control	9,378	9,611	9,831	145,827	149,786	
<i>Interest income from financial asset at FVTPL</i>						(i)
Ultimate parent company	10,344	-	-	19,695	-	
				462,949	262,168	
Due from related parties, net - current				321,329	116,341	
Due from related parties, net - non-current				141,620	145,827	
				462,949	262,168	
Trade and other receivables						
<i>Interest income from financial asset at FVTPL</i>						(i)
Ultimate parent company	-	4,096	4,019	-	14,235	
Financial asset at FVTPL (Notes 25.1)						(i)
Ultimate parent company	-	-	-	54,937	54,143	

Due from related parties are generally unguaranteed and unsecured, non-interest bearing and collectible in cash on a gross basis.

No allowance for impairment from related parties was recognized as these are determined to be fully collectible as at December 31, 2025 and 2024.

Specific terms for each related party transactions are as follows:

- These are collections made on behalf of the Group by related parties or on behalf of the related parties by the Group from common subscribers. These are unsecured, unguaranteed and non-interest bearing.
- In the ordinary course of business, the Group pays certain expenses on behalf of its related parties. Such expenses are accordingly reimbursed at cost from related parties. All outstanding balances are unguaranteed, unsecured, non-interest bearing and collectible in cash at given amount upon demand.
- The Group has sold property, plant and equipment to related parties at agreed mark-up. These are collectible upon demand, unsecured, unguaranteed and non-interest bearing.

- (d) The Group has transferred network materials and supplies to related parties at an agreed mark-up. Gross amounts presented above are collectible upon demand, unsecured, unguaranteed and non-interest bearing. Net gain or loss on the aforementioned transfer of network assets are recognized as part of other income (expense), net in profit or loss (Note 17).
- (e) The Group has management service agreements with related parties whereby the Group provides general management services such as administrative and finance support. The fee for the management services are based on agreed fixed rate per month. These are collectible upon demand, unsecured, unguaranteed and non-interest bearing. Presented under Miscellaneous as part of other income (expense), net in profit or loss (Note 17).
- (f) The Group has made advances to its related parties for use in normal operations. These are generally non-interest bearing and are collectible in cash upon demand.
- (g) During the year ended December 31, 2025, the Group performed network backhaul construction services for a related party. This is presented as part of gain on sale of property, plant and equipment and intangible assets within other income, net (Note 17).
- (h) During the year ended December 31, 2020, the Group entered into an agreement with entities under common control for the purchase of outside plant assets for a total consideration of P199.06 million (Note 21). The same assets were subsequently leased back to the related parties for an indefinite period which the Group can unilaterally terminate. Portion of finance lease receivable amounting to P141.62 million is presented as non-current portion of amounts due from related parties in the consolidated statement of financial position as at December 31, 2025 (2024 - P145.83 million). Interest income from finance lease receivable amounted to P9.38 million for the year ended December 31, 2025 (2024 - P9.61 million) (Note 17). Refer to Note 21 for further details on the finance lease receivable.
- (i) On May 18, 2021, the Group has purchased 10 exchangeable bonds from its ultimate parent for USD2.00 million (P104.51 million). The exchangeable bonds have an aggregate face value of USD2.00 million, a term of 30 years and with interest rate of 3% per annum. Each exchangeable bond note confers the right to purchase 5,000 common shares of certain entities under common control. Refer to Note 25.1 for further details. The investment earned interest income amounting to P10.34 million for the year ended December 31, 2025 (2024 - P4.10 million; 2023 - P4.02 million) presented under other income (expense), net of Note 17.

	Transactions			Outstanding balances		Ref.
	2025	2024	2023	2025	2024	
	(In Thousand Pesos)					
Accruals						
<i>Service fees (Note 9)</i>						(j)
Entities under common control	344,094	238,420	443,985	47,906	62,229	
<i>Bandwidth cost</i>						(k)
Immediate parent company	12,412	16,887	14,281	12,412	1,081	
Joint ventures	1,552	-	-	1,552	-	
				13,964	1,081	
				61,870	63,310	
Due to related parties						
<i>Collections made on behalf of related parties</i>						(a)
Entities under common control	9,546	17,981	21,023	452	10,151	
<i>Reimbursements of expenses to related parties</i>						(l)
Ultimate parent company	-	16	-	-	16	
Immediate parent company	711,645	470,934	-	6,146	10,099	
Entities under common control	173,017	-	103,550	95,403	8,220	
Joint ventures	3,225	-	-	-	-	
	887,887	470,950	103,550	101,549	18,335	
<i>Advances from a related party</i>						(m)
Shareholder	-	-	-	312	312	
				102,313	28,798	
Lease liabilities						(n)
Immediate parent company	313,253	353,720	238,469	974,773	1,476,234	
Entities under common control	151,260	22,053	93,314	182,548	43,254	
				1,157,321	1,519,488	
Key management compensation						(o)
Salaries and other short-term benefits	380,097	466,613	184,914	216,193	280,746	
Retirement benefits	28,784	34,529	9,615	-	76,899	
Share-based compensation	-	-	18,579	-	95,065	
				216,193	452,710	

Due to related parties are generally unguaranteed and unsecured, non-interest bearing and payable in cash on a gross basis. Specific terms for each related party transactions are as follows:

- (j) The Group pays a fixed fee to related parties for providing services to common subscribers. These accrued expenses when billed are payable upon demand, unguaranteed and non-interest bearing.
- (k) Amounts due for bandwidth costs are based on actual expenses incurred plus margin. These are included under accrued expenses and when billed are settled in cash upon demand and non-interest bearing.
- (l) Reimbursements of expenses are determined based on actual expenses incurred by the Group, such as personnel costs (salaries and benefits and travel expenses), operating expenses, professional fees, technical support and IT-related expenses, which are paid in advance by the related parties. These are recorded as part of the related expenses in the consolidated statements of total comprehensive income. Due to related parties are settled in cash, billed and payable upon demand, unsecured, unguaranteed and non-interest bearing.
- (m) The Group received advances from a shareholder. The advances are unsecured, non-interest bearing and payable on demand.
- (n) The Group has existing agreements with its immediate parent company and certain entities under common control for the lease of certain office space and warehouse. The Group has accounted for this lease agreements under PFRS 16 and has recognized ROU asset and the related lease liability (Note 21) except for certain short-term leases which are still accounted for under operating leases as allowed under PFRS 16. Rental rates are based on contracts agreed with related parties in the lease agreements as discussed in Note 21. These are billed and settled in cash and payable on demand.
- (o) Key management compensation covering salaries and wages and other short-term benefits are determined based on contract of employment and payable in accordance with the Group's payroll process. The Group has not provided termination benefits and other long-term benefits for its key management personnel other than retirement benefits which are determined and recorded as part of the retirement liability in accordance with policies disclosed in Note 11 and share-based benefits for the years ended December 31, 2025, 2024 and 2023.

Material related party transactions policy

The Group has an approved material related party transactions policy that sets forth the required thresholds for approval for related party transactions as part of the Group's corporate governance policy.

As at December 31, 2025, total related party receivables with subsidiaries that were eliminated at consolidation against related party payables amounted to P7.47 billion (2024 - P454.80 million).

21 Lease agreements and commitments

• As lessee

The Group leases various network assets and co-located sites, land, office and buildings, and transportation equipment. Network assets include IRU and investments in bandwidth capacity. Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. Lease agreements include rent escalation clauses ranging from 3% to 10% beginning on specified periods in the agreements. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Critical accounting judgement: Determining whether or not a contract contains a lease

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. Management considers the following evaluations, all of which must be met in order to conclude that a contract is or contains a lease:

- a. Whether there is an identified asset - An identified asset is an asset that is either explicitly identified in the contract or is implicitly specified by being identified at the time that the asset is made available for use by the Group. Even if an asset is explicitly specified, the Group does not have the right to use an identified asset if the supplier has a substantive substitution right throughout the period of use.
- b. Whether the Group have the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use - When making this evaluation, the Group considers its rights within the defined scope of the contract.
- c. Whether the Group have the right to direct the use of the identified asset throughout the period of use - In making this evaluation, the Group considers the decisions that most directly impact the economic benefits to be derived from the use of the asset, including: (i) rights to decide the type of output to be produced by the assets (ii) rights to decide when the output is produced (iii) rights to decide where the output is produced, and (iv) rights to decide whether the output is produced and the quantity thereof.

Based on the factors discussed above, the Group has identified leases of network assets, including agreements where the Group has the right to use dark fiber, specified wavelengths, co-located sites, office and buildings, and transportation equipment and concluded that certain data capacity contracts and joint pole arrangements (Notes 15 and 16) do not qualify as leases under PFRS 16.

In August 2020, the Group has entered into an agreement for the use of major international connectivity networks for a period of 15 years where the Group has the right to use specified wavelengths. The Group is entitled to transmit traffic over a specific wavelength within the networks. The right to use of specified wavelengths meets the definition of an intangible asset. As allowed by PFRS 16, the Group has treated the arrangement as containing a lease of an intangible asset and recognized fees paid on the agreement start date as part of ROU assets (within network assets and co-located sites) in the consolidated statements of financial position.

The Group reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed. Any change in the Group's assessment of whether a contract contains a lease or not, could impact the recorded carrying amount of ROU assets and lease liabilities.

(i) Amounts recognized in the consolidated statements of financial position

Leased assets are presented as a separate line item in the consolidated statement of financial position. The consolidated statements of financial position show the following amounts relating to leases as at December 31:

	2025	2024
	(In Thousand Pesos)	
ROU assets		
Network assets and co-located sites	7,192,858	645,947
Office space and warehouse	1,599,268	1,509,432
Transportation equipment	45,676	81,205
	8,837,802	2,236,584
Lease liabilities		
Current	537,554	425,910
Non-current	1,908,426	1,606,149
	2,445,980	2,032,059

Movements in ROU assets for the years ended December 31 are as follows:

	Network assets and co-located sites	Office space and warehouse	Transportation equipment	Total
	(In Thousand Pesos)			
At January 1, 2024				
Cost	953,324	3,180,008	489,087	4,622,419
Accumulated amortization	(240,179)	(1,318,437)	(210,603)	(1,769,219)
Net carrying amount	713,145	1,861,571	278,484	2,853,200
For the year ended December 31, 2024				
Opening net carrying amount	713,145	1,861,571	278,484	2,853,200
Additions	-	474,131	-	474,131
Lease modification	-	69,497	(115,990)	(46,493)
Terminations				
Cost	-	(727,920)	(113,159)	(841,079)
Accumulated amortization	-	303,577	83,512	387,089
Depreciation	(67,198)	(471,424)	(51,642)	(590,264)
Closing net carrying amount	645,947	1,509,432	81,205	2,236,584
At December 31, 2024				
Cost	953,324	2,995,716	259,938	4,208,978
Accumulated amortization	(307,377)	(1,486,284)	(178,733)	(1,972,394)
Net carrying amount	645,947	1,509,432	81,205	2,236,584
For the year ended December 31, 2025				
Opening net carrying amount	645,947	1,509,432	81,205	2,236,584
Additions	6,793,619	528,892	67	7,322,578
Terminations				
Cost	(9,638)	(122,983)	(7,895)	(140,516)
Accumulated amortization	5,476	104,916	7,492	117,884
Depreciation	(242,546)	(420,989)	(35,193)	(698,728)
Closing net carrying amount	7,192,858	1,599,268	45,676	8,837,802
At December 31, 2025				
Cost	7,737,305	3,401,625	252,110	11,391,040
Accumulated amortization	(544,447)	(1,802,357)	(206,434)	(2,553,238)
Net carrying amount	7,192,858	1,599,268	45,676	8,837,802

Amortization for the years ended December 31 is recognized as follows:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Recognized in profit or loss	15,16	664,564	557,253	543,560
Capitalized as part of self-constructed assets	6	34,164	33,011	33,536
		698,728	590,264	577,096

The movements in lease liabilities presented in the consolidated statements of financial position and consolidated statements of cash flows for the years ended December 31 are as follows:

	Note	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Beginning of the year		2,032,059	2,368,590	2,617,611
Increase in lease liabilities		900,628	474,131	136,727
Lease modifications		-	(46,494)	-
Lease terminations		(35,887)	(517,386)	-
Finance costs	18	148,326	165,434	176,476
Cash flows - payment of lease liabilities		(450,820)	(246,782)	(385,748)
Cash flows - interest paid on lease liabilities		(148,326)	(165,434)	(176,476)
End of the year		2,445,980	2,032,059	2,368,590

During the year ended December 31, 2025, the Group recognized ROU asset related to an international cable system covered by an IRU completed during the year, with a total cost of P6.41 billion. Of this amount, P1.46 billion, paid in prior years, was reclassified from advances to fixed asset suppliers (Note 5), while the remaining P4.95 billion was paid at the completion date during the year ended December 31, 2025. The IRU has a term of 25 years from completion of the construction of the fiber optic cable network.

During the year ended December 31, 2024, the Group entered into lease modification agreements with related parties to update the consideration for the lease of certain office space and warehouse without increasing or decreasing the scope of the lease. As such, the Group remeasured the lease liabilities using the Group's incremental borrowing rate at the effective date of the modifications and made a corresponding adjustment to the ROU assets.

During the years ended December 31, 2025 and 2024, several leases relating to office space and warehouse and transportation equipment were pre-terminated. As a result, the Group derecognized carrying amounts of ROU assets and lease liabilities related to the pre-termination and recognized gain on termination amounting to P13.26 million in 2025 (2024 - P63.40 million) (Note 17).

(ii) Amounts recognized in the consolidated statements of total comprehensive income

The consolidated statements of total comprehensive income for the years ended December 31 show the following amounts relating to leases:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Amortization expense	15,16	664,564	557,253	543,560
Finance costs	18	148,326	165,434	176,476
Expense relating to short-term leases	15,16	961,106	1,624,065	859,544
Gain on lease terminations	17	(13,255)	(63,396)	-
		1,760,741	2,283,356	1,579,580

Amortization expense for the years ended December 31 recognized in profit or loss are as follows:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Cost of services	15	280,115	213,853	301,058
General and administrative expenses	16	384,449	343,400	242,502
		664,564	557,253	543,560

The total cash outflows for lease liabilities and short-term leases for the year ended December 31, 2025 amounted to P1.44 billion (2024 - P1.24 billion; 2023 - P1.42 billion).

(iii) Discount rate

The lease payments for lease of transportation equipment are discounted using the interest rate implicit in the lease. Payments for leases of network assets and co-located sites, office space and warehouse are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

Critical accounting estimates and assumptions: Determining incremental borrowing rate

To determine the incremental borrowing rate, the Group uses the government bond yield, adjusted for the (1) credit spread specific to the Group and (2) security using the ROU asset. The discount rates applied by the Group ranges from 3% to 8% for the years ended December 31, 2025 and 2024.

(iv) Extension and termination options

Extension and termination options are included in several property and equipment leases of the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held are exercisable by both the Group and the respective lessor.

Critical accounting judgment: Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended. The Group considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate, the Group is reasonably certain to extend.
- If any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend.
- The Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Extension options in leases have not been included in the lease liabilities because the Group could replace the assets without significant cost or business disruption. The assessment is reviewed if a significant change in circumstances occurs which affects this assessment and that is within the control of the lessees.

• **As lessor**

During the year ended December 31, 2020, the Group entered into an agreement with certain related parties for the purchase of outside plant assets for a total consideration of P199.06 million (Note 20). Accordingly, the Group has obtained control of the outside plant assets since it has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the assets, or to restrict the access of other entities to those benefits.

Subsequent to the sale, the same assets were leased back to the related parties at an agreed rate for an indefinite period which the Group can unilaterally terminate. The lease was accounted as finance lease since substantially all of the risk and rewards of the ownership were transferred to the seller-lessees.

At the inception of the lease, the Group derecognized the carrying amount of assets directly related to the lease and recognized finance lease receivables.

Finance lease receivables presented as part of due from related parties in the consolidated statements of financial position as at December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Gross investment	253,404	266,741
Unearned interest income	(107,577)	(116,955)
Net investment	145,827	149,786
Current	4,207	3,959
Non-current	141,620	145,827
	145,827	149,786

Interest income from the finance lease recognized in profit or loss for the year ended December 31, 2025 amounted to P9.38 million (2024 - P9.61 million, 2023 - P9.83 million) (Notes 17 and 20).

Expected maturity analysis of the undiscounted finance lease receivables as at December 31 are as follows:

	Gross investment	Unearned interest	Net investment
	<i>(In Thousand Pesos)</i>		
2025			
Not later than 1 year	4,207	-	4,207
Later than 1 year not later than 5 years	49,141	(34,873)	14,268
Later than 5 years	200,056	(72,704)	127,352
	253,404	(107,577)	145,827
2024			
Not later than 1 year	3,959	-	3,959
Later than 1 year not later than 5 years	49,389	(35,962)	13,427
Later than 5 years	213,393	(80,993)	132,400
	266,741	(116,955)	149,786

22 Earnings per share

The following tables present basic and diluted earnings per share for the years ended December 31:

Basic earnings per share (EPS)

	Note	2025	2024	2023
		<i>(In Thousand Pesos, Except for Shares and EPS)</i>		
Consolidated net income attributable to common equity holders of the Parent Company		11,858,129	10,812,689	9,096,805
Issued common shares as at January 1	12	7,526,294,461	7,526,294,461	7,526,294,461
Weighted average number of treasury shares	12	(268,621,252)	(259,721,400)	(259,721,400)
Weighted average number of common shares for basic EPS		7,257,673,209	7,266,573,061	7,266,573,061
Basic EPS attributable to common equity holders of the Parent Company		1.63	1.49	1.25

Diluted earnings per share

The share options granted were considered in the diluted earnings per share calculation for the years ended December 31, 2025, 2024 and 2023 using the treasury stock method. However, inclusion of the shares to be issued under the share-based reserve plan has an insignificant effect. As such, basic and diluted EPS are stated at the same amount for the years ended December 31, 2025, 2024 and 2023.

23 Foreign currency denominated monetary assets and liabilities

The Group's US Dollar denominated monetary assets and liabilities as at December 31 are as follows:

	2025	2024
	<i>(In Thousand)</i>	
Cash and cash equivalents	15,411	22,398
Short-term cash placements	5,400	81,839
Other receivables	64	-
Financial asset at FVTPL	1,036	1,047
Total current assets	21,911	105,284
Trade payables and other liabilities	(29,127)	(24,287)
Net US Dollar denominated monetary (liabilities) assets	(7,216)	80,997
Exchange rate at year end	58.79	57.85
Philippine Peso equivalent	(424,229)	4,685,665

Details of net foreign exchange gain presented as part of other income (expense), net in the consolidated statements of total comprehensive income for the years ended December 31 are as follows:

	Note	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Realized foreign exchange loss, net		(29,758)	(16,663)	(36,090)
Unrealized foreign exchange gain, net		80,740	74,714	113,508
	17	50,982	58,051	77,418

24 Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are enumerated below:

(a) Critical accounting estimates and assumptions

- Recoverability of trade and other receivables and due from related parties (Notes 3 and 20)
- Estimated useful lives of property, plant and equipment, intangible assets and ROU assets (Notes 6, 7, 21)
- Estimated amortization period of deferred contract costs (Note 14)
- Determining incremental borrowing rate (Note 21)

(b) *Critical accounting judgments*

- Recoverability of trade and other receivables and due from related parties (Notes 3 and 20)
- Recoverability of network materials and supplies (Note 4)
- Recoverability of property, plant and equipment, intangible assets and ROU assets (Notes 6, 7 and 21)
- Income taxes (Note 19)
- Determining the lease term (Note 21)
- Determining whether or not a contract contains a lease (Note 21)

25 Financial risk and capital management

25.1 Components of financial assets and financial liabilities

Financial assets

Details of the Group's financial assets as at December 31 are as follows:

	Notes	2025	2024
		<i>(In Thousand Pesos)</i>	
<i>At amortized cost</i>			
Cash and cash equivalents	2	7,712,822	8,453,706
Short-term cash placements	2	2,157,044	8,526,947
Trade and other receivables	3	7,334,103	6,299,392
Due from related parties	20	462,949	262,168
Constructions bonds and rental deposits	5	275,609	249,916
		17,942,527	23,792,129
<i>At financial assets at FVTPL</i>	20	54,937	54,143
		17,997,464	23,846,272

Trade and other receivables above exclude advances to employees which are subject to liquidation as at December 31, 2025 amounting to P38.46 million (2024 - P56.37 million) and are presented gross of allowance for impairment amounting to P2.15 billion (2024 - P1.97 billion) (Note 3).

As at December 31, 2025 and 2024, financial asset at FVTPL pertains to the Group's investment in exchangeable bonds issued by its Ultimate Parent (Note 20). On August 23, 2019, the Group entered into an exchangeable bond agreement with the Ultimate Parent Company. The exchangeable bonds have an aggregate face value of US\$ 2.00 million, a term of 30 years and with interest rate of 3% per annum. Each exchangeable bond confers the right to purchase 5,000 common shares of a certain entity under common control. On May 18, 2020, the Group was issued 10 exchangeable bonds for US\$ 2.00 million (P104.51 million). The Group has classified these debt instruments as financial assets at FVTPL considering the contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in financial assets at FVTPL during the years ended December 31 are as follows:

	2025	2024
	<i>(In Thousand Pesos)</i>	
Beginning of the year	54,143	53,405
Amortization	825	745
Unrealized foreign exchange loss	(870)	(1,769)
Unrealized fair value gain	839	1,762
End of the year	54,937	54,143

Amounts recognized in profit or loss from financial assets at FVTPL for the years ended December 31 consists of:

	Notes	2025	2024	2023
		<i>(In Thousand Pesos)</i>		
Interest income	17, 20	10,344	4,096	4,019
Unrealized foreign exchange loss		(870)	(1,769)	(7,623)
Unrealized fair value gain		839	1,762	3,602
		10,313	4,089	(2)

Financial liabilities

The Group's financial liabilities, categorized as liabilities at amortized cost, at December 31 are as follows:

	Notes	2025	2024
		<i>(In Thousand Pesos)</i>	
Trade and other liabilities	9	18,896,200	16,680,841
Subscribers' deposits	14	1,173,517	1,361,367
Due to related parties	20	102,313	28,798
Borrowings	10	24,101,302	29,514,814
Lease liabilities	21	2,445,980	2,032,059
		46,719,312	49,617,879

Trade and other liabilities presented above exclude non-financial liabilities pertaining to payable to government agencies amounting to P872.61 million (2024 - P1.08 billion).

25.2 Financial risk factors

The Group's activities expose it to a variety of financial risks and these activities involve the analysis, evaluation and management of some degree of risk or combination of risks. The Group's over-all risk management program focuses on the unpredictability of financial markets, aims to achieve an appropriate balance between risk and return and seeks to minimize potential adverse effects on the Group's financial performance.

The most important types of risk the Group manages are credit risk, market risk and liquidity risk. Market risk includes foreign currency exchange risk, interest rate risk and price risk.

25.2.1 Credit risk

Credit risk is the risk of financial loss to the Group if a subscriber or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from its subscribers.

The Group continuously reviews credit policies and processes and implements various credit actions, depending on assessed risks, to minimize credit exposure. Applications for service are subjected to standard credit evaluation and verification procedures. Receivable balances of subscribers are being monitored on a regular basis and appropriate credit treatments are applied at various stages of delinquency.

The maximum exposure to credit risk equals the carrying amount of the financial assets, except for trade receivables secured by subscribers' deposits which cover for anticipated losses on default payments.

The Group has the following financial assets as at December 31 where the expected credit losses (ECL) model has been applied:

	At gross amounts	Allowance provided	Net carrying amount	Internal credit rating	Basis for recognition of ECL
<i>(In Thousand Pesos)</i>					
2025					
Cash and cash equivalents	7,701,498	-	7,701,498	Performing	12-month ECL
Short-term cash placements	2,157,044	-	2,157,044	Performing	12-month ECL
Trade receivables					
Residential - Group 2	1,714,528	(112,100)	1,602,428	Collective assessment	Lifetime ECL
Residential - Group 3	1,440,089	(1,163,104)	276,985	Credit impaired	Lifetime ECL
Enterprise - Group 2	1,744,620	(213,237)	1,531,383	Collective assessment	Lifetime ECL
Enterprise - Group 3	748,176	(664,645)	83,531	Credit impaired	Lifetime ECL
Other receivables - Group 1	1,686,690	-	1,686,690	Performing	12-month ECL
Due from related parties					
Group 1	462,949	-	462,949	Performing	12-month ECL
Construction bonds and rental deposits - Group 1	275,609	-	275,609	Performing	12-month ECL
	17,931,203	(2,153,086)	15,778,117		
2024					
Cash and cash equivalents	8,444,251	-	8,444,251	Performing	12-month ECL
Short-term cash placements	8,526,947	-	8,526,947	Performing	12-month ECL
Trade receivables					
Residential - Group 2	2,312,843	(205,154)	2,107,689	Collective assessment	Lifetime ECL
Residential - Group 3	548,044	(430,840)	117,204	Credit impaired	Lifetime ECL
Enterprise - Group 2	1,574,554	(518,692)	1,055,862	Collective assessment	Lifetime ECL
Enterprise - Group 3	903,841	(810,931)	92,910	Credit impaired	Lifetime ECL
Other receivables - Group 1	960,110	-	960,110	Performing	12-month ECL
Due from related parties					
Group 1	262,168	-	262,168	Performing	12-month ECL
Construction bonds and rental deposits - Group 1	249,916	-	249,916	Performing	12-month ECL
	23,782,674	(1,965,617)	21,817,057		

Credit quality of subscribers and counterparties are classified as follows:

- Group 1 - Subscriber and counterparty balances without history of default and assessed to be fully recoverable.
- Group 2 - Subscriber and counterparty balances with some defaults in the past.
- Group 3 - Individually assessed subscribers and counterparties with defaults and which the Group no longer expects to recover the balance despite its collection efforts.

Cash and cash equivalents exclude cash on hand as at December 31, 2025 amounting to P11.32 million (2024 - P9.46 million) (Note 2) which is not subject to credit risk.

As at December 31, 2025 and 2024, the Group is also exposed to credit risk in relation to its investment in exchangeable bonds that are measured at fair value through profit or loss. The maximum exposure as at December 31, 2025 is the carrying amount of the investments aggregating to P54.94 million (2024 - P54.14 million). The Group's investments in exchangeable bonds is considered to be a low risk investment. The credit rating of the investment is monitored for credit deterioration.

Trade receivables from residential and enterprise subscribers are partially secured by subscribers' deposits which cover anticipated losses on default payments. The Group does not hold any collateral as security for the rest of the financial assets.

None of the fully performing financial assets have been renegotiated in 2025 and 2024.

- Cash and cash equivalents and short-term placements

To minimize credit risk exposure from cash, the Group deposits its cash and short-term time deposits in universal banks with good credit ratings.

- Trade receivables

Residential subscribers

To measure the ECL, residential subscription receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of subscribers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as gross domestic product and inflation rate affecting the ability of the subscribers to settle the receivables.

On that basis, the loss allowances as at December 31 were determined as follows:

	Current	1-30 days	31-60 days	61-90 days	Total
	<i>(In Thousand Pesos)</i>				
2025					
Carrying amount, gross	1,154,585	343,683	109,880	106,380	1,714,528
Loss allowance	24,666	5,733	2,024	79,677	112,100
2024					
Carrying amount, gross	1,366,536	613,132	180,765	152,411	2,312,844
Loss allowance	14,533	19,506	44,629	126,486	205,154

As at December 31, 2025, credit impaired receivables from certain residential subscribers amounting P1.44 billion (2024 - P548.04 million) which are deemed uncollectible despite collection efforts have been fully provided with an allowance for impairment. In calculating the allowance, subscribers' deposits as at December 31, 2025 amounting to P276.99 million (2024 - P117.20 million) which will be applied against any outstanding balance from defaulted residential subscribers were considered.

Enterprise subscribers

In relation to enterprise subscription receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each enterprise subscriber. The credit quality of enterprise subscription receivables is further classified and assessed by reference to historical information about each of the counterparty's historical default rates.

Group 1 enterprise subscribers have no history of default and assessed to be fully recoverable. ECL on these balances have therefore been assessed to be insignificant.

For Group 2 enterprise subscribers, expected loss rates are based on the payment profiles of subscription and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on factors such as gross domestic product and inflation rate affecting the ability of the subscribers to settle the receivables.

On that basis, the loss allowances as at December 31 were determined as follows:

	Current	1-30 days	31-60 days	61-90 days	Over 90 days	Total
	<i>(In Thousand Pesos)</i>					
<i>2025</i>						
Carrying amount, gross	534,073	278,819	12,550	205,021	714,157	1,744,620
Loss allowance	56,535	29,665	1,329	21,910	103,798	213,237
<i>2024</i>						
Carrying amount, gross	451,277	285,349	19,384	184,025	634,519	1,574,554
Loss allowance	56,350	36,118	2,447	23,473	400,304	518,692

As at December 31, 2025, credit impaired receivables from certain enterprise subscribers (Group 3) amounting P748.18 million (2024 - P903.84 million) which are deemed uncollectible despite collection efforts have been fully provided with an allowance for impairment. In calculating the allowance, subscribers' deposits as at December 31, 2025 amounting to P83.53 million (2024 - P92.91 million) which will be applied against any outstanding balance from defaulted enterprise subscribers were considered.

- Other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The credit quality of other receivables is further classified and assessed by reference to historical information about each of the counterparty's historical default rates.

Credit risk on other receivables have been assessed to be insignificant considering no historical defaults and counterparties' high credit ratings.

- Due from related parties

Based on assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, availability of accessible highly liquid asset and internal and external funding of related parties, the Group has assessed that the outstanding balances are generally exposed to low credit risk. ECL on these balances have therefore been assessed to be insignificant.

- Construction bond and rental deposits

The Group's constructions bonds and rental deposits are fully collectible at the end of the agreements and are subject to insignificant expected credit loss.

25.2.2 Market risks

Foreign currency exchange risk

Foreign currency exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Group has transactional currency exposures. Such exposures arise mainly from cash and cash equivalents, short-term placements, other receivables, financial assets at FVTPL and trade payables and other liabilities denominated in US Dollar as at December 31, 2025 and 2024 (Note 23).

The Group manages its US Dollar exchange risk by maintaining sufficient cash in US Dollar to cover its maturing obligations.

At December 31, 2025, if the US Dollar had strengthened or weakened by 0.12% (2024 - 0.89%; 2023 - 1.84%) against the Philippine Peso, with all other variables held constant, pre-tax profit for the year ended December 31, 2025 and equity would have been P0.51 million lower or higher mainly as a result of foreign exchange losses or gains on translation of net US Dollar denominated monetary liabilities (2024 - P24.37 million higher or lower; 2023 - P63.73 million higher or lower mainly as a result of foreign exchange gains or losses on translation of net US Dollar denominated monetary assets). The assumed shift in foreign currency exchange rate used in the sensitivity analysis is the rate of change between the US Dollar and the Philippine Peso at the end of the reporting period and the Philippine Peso equivalent determined 30 days after the reporting period, by which management is expected to settle or receive the Group's foreign currency denominated monetary assets or liabilities.

Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of financial assets and liabilities will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of financial assets and liabilities will fluctuate because of changes in market interest rates.

The Group's exposure to cash flow interest rate risk relates to borrowings which are subject to interest rates that are repriced at periodic intervals in accordance with the terms of the agreement. The Group's practice is to manage its interest cost by reference to current market rates in borrowings.

As at December 31, 2025, if interest rates increased/decreased by 10 basis points, with all other variables held constant, profit for the year ended December 31, 2025 would have been P11.72 million (2024 -10 basis points; P0.75 million; 2023 - 10 basis points; P25.42 million) lower/higher, mainly as a result of higher/lower interest expense based on variable rates.

Changes in the market interest rates of the Group's borrowing with fixed interest rates only affect income if these are measured at their fair value. As such, the Group's financial liabilities with fixed interest rates that are measured at amortized cost are not subject to fair value interest rate risk as defined in PFRS 7.

As at December 31, 2025, the Group is exposed to fair value interest rate risk in relation to its investment in financial asset carried at fair value through profit or loss amounting to P54.94 million (2024 - P54.14 million). Profit or loss would increase or decrease as a result of gains or losses on this financial asset measured at fair value at the end of each reporting period. Management monitors such financial asset based on discounted value of future cash flows using the applicable Bloomberg Valuation (BVAL) rates adjusted for the issuer's credit spread and premium on the embedded exchange option or which in this case is at 6.39% as at December 31, 2025 (2024 - 6.74%). This financial asset is managed on an individual basis thereby reducing the Group's exposure to fair value interest rate risk at an acceptably low level.

The sensitivity of the FVTPL to changes in the principal assumptions as at December 31 follows:

	2025			2024		
	Impact on FVTPL			Impact on FVTPL		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
			(In Thousand Pesos)			
Adjusted BVAL rate	+/-1.00%	(6,284)	10,704	+/-1.00%	(7,146)	8,686

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the FVTPL to significant assumptions, the same method has been applied as when calculating the FVTPL recognized within the consolidated statement of financial position.

Price risk

As at December 31, 2025 and 2024, the Group has no financial assets and liabilities that are price sensitive nor does it hold significant equity investments that are subject to price fluctuations. As such, the Group is not exposed to significant price risk.

25.2.3 Liquidity risk

Liquidity risk arises from the possibility that the Group will encounter difficulty in raising funds to meet associated commitments with financial instruments.

The Group manages the liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves and reserve borrowing facilities as necessary in accordance with internal policies. Short-term loans are availed to cover for immediate expenses and maturing obligations. The Group is also able to defer payments of some of its due to related party balances.

The table below presents the Group's financial liabilities as at December 31:

	Within 12 Months	More than 12 months	Total
	<i>(In Thousand Pesos)</i>		
2025			
Trade and other liabilities	16,160,376	2,735,824	18,896,200
Subscribers' deposits	1,173,517	-	1,173,517
Due to related parties	102,313	-	102,313
Borrowings	5,601,225	18,500,077	24,101,302
Lease liabilities, gross of discount	695,889	2,191,870	2,887,759
Future interest payable	1,173,782	739,802	1,913,584
	24,907,102	24,167,573	49,074,675
2024			
Trade and other liabilities	13,436,710	3,244,131	16,680,841
Subscribers' deposits	1,343,855	17,512	1,361,367
Due to related parties	28,798	-	28,798
Borrowings	5,572,452	23,942,362	29,514,814
Lease liabilities, gross of discount	543,681	2,196,735	2,740,416
Future interest payable	1,470,248	2,041,344	3,511,592
	22,395,744	31,442,084	53,837,828

Lease liabilities disclosed above represents the contractual undiscounted cash flows.

The Group expects to settle the above financial obligations in accordance with their contractual maturity dates.

25.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, obtain borrowings from banks or related parties, and issue new shares. The capital that the Group manages is the total equity attributable to owners of the Parent Company less other reserves as shown in the consolidated statements of financial position.

The Group's borrowings include compliance with certain ratios (Note 10).

Further, under Republic Act (R.A.) No. 9707, the Parent Company is mandated to offer at least 30% of its outstanding share capital or a higher percentage that may hereafter be provided by law in any securities exchange in the operations in compliance with the constitutional provision to encourage public participation in public utilities. As at December 31, 2025, the Parent Company has reached 30.64% (2024 - 30.91%) public float.

26 Summary of material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

26.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- Philippine Accounting Standards (PAS), and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

These consolidated financial statements have been prepared under the historical cost convention except for financial assets at FVTPL and retirement benefit plan where plan assets are measured at fair value.

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 24.

26.2 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

There are no standards, amendments and interpretations which are effective for the financial year beginning January 1, 2025 that are relevant to and have a material impact on the Group's financial statements.

(b) New and amended standards not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group.

The Group's assessment of the impact of relevant new standards and amendments is set out below:

- Amendments to the classification and measurement of financial instruments - Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after January 1, 2026)

Targeted amendments to PFRS 9 and PFRS 7 were issued to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- a. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its operations or consolidated financial statements.

- PFRS 18 *Presentation and disclosure in financial statements* (effective for annual periods beginning on or after January 1, 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's financial statements.

From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of total comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated within 'other income and expenses, net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- The line items presented on the primary consolidated financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statement of total comprehensive income - this break-down is only required for certain nature expenses; and
 - and for the first annual period of application of PFRS 18, a reconciliation for each line item in the consolidated statement of total comprehensive income between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.
- From a cash flow statement perspective, there will be changes to how interest received is presented. Interest received will be presented as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

26.3 Financial assets

26.3.1 Classification

The Group classifies its financial assets in the following measurement categories: (a) those to be measured subsequently at fair value (either through OCI or through profit or loss), and (b) those to be measured at amortized cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortized cost are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI). The Group's financial assets at amortized cost category include cash and cash equivalents, short-term cash placements, trade and other receivables, due from related parties, construction bonds and rental deposits.

The Group's financial asset at FVTPL consists of debt instruments in the form of exchangeable bonds for which the SPPI test was not met. The Group did not hold financial assets at fair value through OCI during and as at December 31, 2025 and 2024.

The Group's financial assets are detailed in Note 25.1.

26.3.2 Measurement

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequently, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is recognized using the effective interest rate method.

Changes in the fair value of financial assets at FVTPL are recognized in profit or loss.

Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income or expenses together with foreign currency exchange gains and losses.

26.3.3 Impairment

The Group assesses on a forward-looking basis the ECL associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses are presented separately in the consolidated statement of total comprehensive income.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECL for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL. The expected loss rates are based on the payment profiles of subscribers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as gross domestic product and inflation rate affecting the ability of the subscribers to settle the receivables.

General approach

Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

26.3.4 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

26.4 Financial liabilities

26.4.1 Classification

The Group classifies its financial liabilities at amortized cost.

The Group's financial liabilities at amortized cost consist of trade payable and other liabilities (excluding deferred output VAT and amounts payable to government agencies), due to related parties, subscribers' deposits, borrowings and lease liabilities.

26.4.2 Measurement

The Group's financial liabilities are measured at amortized cost using the effective interest method. Any difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognized in profit or loss.

26.5 Determination of fair value

The Group's financial asset at FVTPL representing investment in exchangeable bonds issued by a related party is carried at fair value determined based on Level 3 category. The fair value measurement of investment in exchangeable bonds was computed based on the discounted value of future cash flows using the applicable BVAL rates adjusted for the issuer's credit spread and premium on the embedded exchange option. Disclosure of valuation method, significant inputs to the valuation, and sensitivity analysis relating to the exchangeable bonds are disclosed in Note 25.2.2 cash flow and fair value interest rate risks.

The carrying value of the financial assets and liabilities classified as current approximates its fair values as the impact of discounting is not considered significant as these financial assets and liabilities generally have short-term maturities. The fair value of long-term borrowings also approximates its carrying value as the nominal interest rates approximate market interest rates.

26.6 Common control business combinations

A business combination is a common control combination if (a) the combining entities are ultimately controlled by the same party (or parties) both before and after the combination; and (b) common control is not transitory. Common control combinations are not restricted to combinations between entities that are part of the same group. Entities controlled by the same individual shareholder (or group of shareholders acting together in accordance with a contractual concert arrangement) are also regarded as under common control.

Common control business combinations are excluded from the scope of PFRS 3, Business Combinations. However, there are no specific rules under existing PFRS which prescribe how such transactions shall be accounted for. In August 2011, the PIC issued Question and Answer (Q&A) No. 2011-02, PFRS 3.2 - Common Control Business Combinations, to provide guidance in accounting for common control business combinations in order to minimize diversity in the current practices until further guidance is provided by the International Accounting Standards Board (IASB).

The consensus in Q&A No. 2011-02 provides that common control business combinations shall be accounted for using either (a) the pooling of interests method, or (b) the acquisition method in accordance with PFRS 3. However, where the acquisition method of accounting is selected, the transaction must have commercial substance from the perspective of the reporting entity.

In accordance with PIC Q&A No. 2011-02, the Parent Company's acquisitions of businesses under common control are accounted for using either the acquisition method or the pooling of interest method, depending on the specific circumstance of the acquisition.

The Group applied the pooling of interest method when it acquired Myriad, Cyan, Ametrine and Hyperscal Philippines. Refer to Notes 1.5, 1.6, 1.7, 1.8 and 1.9 for details of management's assessment.

There are no acquisitions accounted for under the acquisition method as at and for each of the years ended December 31, 2025 and 2024.

Pooling of interest method

In September 2012, PIC issued PIC Q&A No. 2012-01, PFRS 3.2 - Application of the Pooling of Interests Method for Business Combinations of Entities under Common Control in Consolidated Financial Statements, to provide guidance in applying the pooling of interests method once this method is selected by an entity to account for the common control business combination (after considering the guidance in PIC Q&A 2011-02).

The pooling of interests method is generally considered to involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination that otherwise would have been done under the acquisition method. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No 'new' goodwill is recognized as a result of the combination. Any difference between the consideration paid or transferred and the equity 'acquired' is reflected within retained earnings and other equity reserves.
- The consolidated statement of total comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are presented as if the entities had always been combined.

26.7 Cash and cash equivalents; short-term cash placement

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value. For term deposits with maturity terms of more than three months but less than one year, these are classified as short-term cash placements within current assets in the consolidated statement of financial position. Term deposits with maturity terms exceeding one year are classified as non-current assets.

26.8 Network materials and supplies

Network materials and supplies which include installation materials and cable wires are measured initially at cost. Cost is determined using the moving average method.

Provision for obsolescence is provided for damaged, obsolete and slow-moving network materials and supplies based on physical inspection and management evaluation. Network materials and supplies and the related allowance for obsolescence are written-off when the Group has determined that the network materials and supplies is damaged, obsolete or has become slow-moving for a specified period of time. Write-offs represent the release of previously recorded provision using the allowance account and credited the related inventory account following the disposal of network materials and supplies. Reversals of previously recorded provision are charged to profit or loss as credit to cost of services based on the result of management's update assessment, considering the available facts and circumstances, including but not limited to net realizable value at the time of disposal.

Network materials and supplies are derecognized when these are sold, issued for installation at subscriber's premises, used for repairs and maintenance or used in construction of certain property, plant and equipment. The carrying amount of network materials and supplies issued for installation at subscriber's premises is capitalized as deferred contract costs (Note 26.15.1). Upon issuance for ordinary repairs and maintenance of the network, network materials and supplies are derecognized and reported as part of network materials and supplies used within cost of services. Upon issuance for construction of certain property, plant and equipment, assets are also derecognized and transferred as part of assets under construction.

26.9 Other current and non-current assets

Claims for input VAT and prepaid taxes are stated at face value less provision for impairment, if any. Provision for unrecoverable input VAT, if any, is maintained by the Group at a level considered adequate to provide for potentially uncollectible portion of the claim. The Group, on a continuing basis, reviews the status of the claim designed to identify those that may require provision for impairment losses.

A provision for unrecoverable input VAT and prepaid taxes is established when there is objective evidence that the Group will not be able to recover the claims. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss within general and administrative expenses.

Claims for input VAT and prepaid taxes is derecognized when actually collected, applied against taxes due or disallowed by tax authority.

Advances to suppliers that will be applied as payments for property, plant and equipment are classified as non-current assets.

26.10 Property, plant and equipment, net

Depreciation is computed using the straight-line method to allocate the cost of each asset, less its residual value, if any, over its estimated useful life, determined based on the Company's historical experience with similar assets, expected patterns of usage, maintenance programs, anticipated technological developments, and prevailing market conditions, as follows:

	In years
Outside plant	25
Inside plant and facilities	5-25
Customer premises equipment	3
Transportation and heavy equipment	4-5
Office equipment and furniture	5
Tools and facility equipment	5
Leasehold improvements	Lease term or 5 (whichever is shorter)

26.11 Intangible assets, net

Definite lived intangible assets are amortized using the straight-line method over the following estimated useful lives:

	In years
Customer list	5-10
Telecommunication franchise	25
Software and licenses	5
Trademark	2

The Company's intangible assets that have indefinite useful life pertain to an acquired franchise.

26.12 Impairment of non-financial assets

Non-financial assets that have definite useful lives, such as property, plant and equipment, intangible assets and ROU assets are subject to depreciation or amortization and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value in use requires the Group to make estimates of future cash flows to be derived from the particular asset and discount them using a pre-tax market rate that reflects current assessments of the time value of money and the risks specific to the asset.

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's intangible assets that have indefinite useful life pertain to an acquired franchise.

Impairment losses, if any, are recognized in profit or loss within other expenses in the consolidated statement of total comprehensive income. Non-financial assets that have been impaired are reviewed for possible reversal of the impairment at each reporting period. When impairment loss subsequently reverses, the carrying amount of the assets or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss has been recognized for the asset or cash-generating unit in prior years. Reversals of previously recorded impairment provisions are credited against provision account in profit and loss.

26.13 Equity

Share capital and additional paid-in capital

The Group's share capital is composed of common and preferred shares with par or stated value. The amount of proceeds from the issuance or sale of shares representing the aggregate par or stated value is credited to share capital. Proceeds in excess of the aggregate par or stated value of shares, if any are credited to additional paid-in capital. Incremental cost directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds, net of tax.

Treasury shares

Treasury shares are shares of the Group that were reacquired under the Group's share buy-back program. No gain or loss are recognized on the purchase, sale, issue or cancellation of such shares. Treasury shares are deducted from equity and is presented as a separate line item in the consolidated statements of financial position.

Retained earnings

Retained earnings pertain to the accumulated profit from the operations of the Group.

Appropriation of retained earnings is recognized based on the provisions of the Corporation Code of the Philippines and by approval of the Parent Company's BOD. The Parent Company's BOD release retained earnings from appropriation when the purpose of such appropriation has been completed.

Other equity reserves

Other equity reserves consist of share-based compensation reserve and reserve for remeasurements of retirement benefit obligation.

26.14 Dividend distribution

Dividend distribution to the Parent Company's shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are approved by the Parent Company's BOD.

26.15 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a product or service to a customer.

The following is a description of principal activities from which the Group generates its revenues.

26.15.1 Service revenues

Revenues are principally derived from providing the following telecommunications services: data services from internet and installation and corporate services including network service solutions. When determining the amount of revenue to be recognized in any period, the overriding principle followed is to match the revenue with the provision of service. Services may be rendered separately or together with goods or other services.

The specific recognition criteria are as follows:

Subscribers

Postpaid service arrangements include fixed monthly charges generated from postpaid data services through postpaid plans primarily from data and other network services and leased line services. Services provided to postpaid subscribers are billed throughout the month according to the billing cycles of subscribers. Fees are recognized over time based on a straight-line or monthly basis as services are provided essentially on a pro-rata basis and the terms of the contract support monthly basis accounting. Services availed by subscribers in addition to these fixed fee arrangements are charged separately and recognized as the additional service is provided or as availed by the subscribers.

Non-recurring upfront fees such as installation fees charged to subscribers for connection to the Group's network are deferred and recognized as revenue over the term of the subscription contract. The related incremental costs are similarly deferred and recognized over the same period in the Group's consolidated statement of total comprehensive income, if such costs are expected to be recovered.

Subscriptions to prepaid promotional offers are recognized as service revenue over the promotional period.

Contract assets and liabilities

Subscription and other service fees are normally billed according to the bill cycle of a subscriber. The subscriber pays the fixed amount based on the bill cycle. If the performance obligations fulfilled by the Group exceed the total payments received to date, a contract asset is recognized. If the total payments received to date exceed the performance obligation fulfilled, a contract liability is recognized and is presented as deferred revenue. The contract assets are transferred to trade receivables when the Group's rights to the contract consideration become unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Proceeds from sale of prepaid load subscription, net of any discounts given, are recognized as contract liabilities and presented as deferred revenues. These are recognized as revenue upon actual usage or upon the expiration of the subscription period, which coincides with the lapse of the subscription service.

Deferred contract costs

Incremental costs to obtain a contract with customers such as subscriber acquisition costs and costs to fulfill the contract such as installation costs are capitalized as deferred contract costs if the Group expect to recover those costs. Deferred contract costs are stated at cost less accumulated amortization and impairment losses. Deferred contract costs are amortized on a straight-line basis over the estimated subscriber relationship period from the date of activation of the subscription. Amortization of deferred contract costs are presented as part of cost of services in profit or loss.

Impairment losses are recognized to the extent that the carrying amount of the deferred contract costs exceed the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

26.15.2 Non-service revenues

Revenues from sale of materials, accessories and other peripherals are recognized at the point in time when the goods are delivered. The related cost or net realizable value of these materials, sold to subscribers are presented as part of cost of services in the consolidated statement of total comprehensive income.

26.15.3 Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. Interest income from bank deposits, cash equivalents and short-term cash placements is presented net of applicable tax withheld by the banks.

26.15.4 Other income

Other income is recognized when earned.

26.16 Employee benefits

(a) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Retirement benefit obligation

The Group has a defined benefit retirement plan in accordance with the local conditions and practices in the Philippines. The plan is generally funded through payments to trustee-administered funds as determined by periodic actuarial on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability (or asset) recognized in the consolidated statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in Philippine Peso, the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement obligation.

When the Group has a surplus in a defined benefit plan, the Group measures the net defined benefit asset at the lower of the surplus in the defined benefit plan, and the asset ceiling determined using the same discount rate in determining the present value of defined benefit obligations. The amount of the asset recognized should not exceed the aggregate of the present values of any refunds expected from the plan; and any expected reduction in future contributions arising from the surplus.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Past-service costs and gain or losses on settlements are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in profit or loss.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

26.17 Leases

26.17.1 Where the Group is the lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(i) Measurement of lease liabilities

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

(ii) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it.

The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iii) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise certain IT-equipment.

(iv) Agreements for the use of connectivity networks

Agreements for the use of connectivity networks where the Group has the right to use specified wavelengths meet the definition of an intangible asset. As allowed by PFRS 16, the Group treats such arrangements as containing lease of intangible assets and are recognized as part of ROU assets (within network assets and co-located sites) in the consolidated statement of financial position.

Agreements where the Group uses only a portion of capacity of the cable which is not physically distinct from the remaining capacity of the cable, does not represent substantially all of the capacity of the cable and where the Group has no right to use a specific wavelength are treated as arrangements for the delivery of a service.

26.17.2 Where the Group is the lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating lease. Operating lease payments received are recognized as an income on a straight-line basis over the lease term.

Leases in which substantially all the risks and rewards of ownership are transferred to the lessee are classified as finance leases. When assets are leased out under a finance lease, the net investment in the lease is recognized as a finance lease receivable. Net investment in the lease is equal to the minimum lease payments receivable by the lessor discounted at the interest rate implicit in the lease at the inception date plus any unguaranteed residual value accruing to the lessor. Initial direct costs as included in the initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Finance lease income is recognized over the term of the lease using the effective interest method, which reflects a constant periodic rate of return.

26.17.3 Sale and leaseback transactions where the Group is the buyer-lessor

A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. When a seller-lessee has undertaken a sale and lease back transaction with a buyer-lessor, both the seller-lessee and the buyer-lessor must first determine whether the transfer qualifies as a sale. This determination is based on the requirements for satisfying a performance obligation in PFRS 15 'Revenue from contracts with customers'. If the transfer qualifies as a sale and the transaction is on market terms, the buyer-lessor accounts for the purchase in accordance with the applicable standards (e.g. PAS 16 'Property, plant and equipment' if the asset is property, plant or equipment or PAS 40 'Investment property' if the property is investment property). The lease is then accounted for as either a finance lease or an operating lease using PFRS 16's lessor accounting requirements.

Adjustments are required if consideration for the sale is not at fair value and/or payments for the lease are not at market rates. These adjustments result in recognition of:

- a prepayment to reflect below-market terms
- additional financing provided by the buyer-lessor to the seller-lessee to reflect above-market terms.

If the transfer does not qualify as a sale the parties account for it as a financing transaction. This means that the buyer-lessor has not purchased the underlying asset and therefore does not recognize the transferred asset on the consolidated statement of financial position. Instead, the buyer-lessor accounts for the amounts paid to the seller-lessee as a financial asset in accordance with PFRS 9. From the perspective of the buyer-lessor, this arrangement is a financing transaction.

26.18 Provisions and contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized in profit or loss.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized in the consolidated statement of financial position.

Provisions are derecognized when the related legal or contractual obligation is discharged, cancelled or expired.

26.19 Current and deferred income tax

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the uncertainty.

DIT assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized. DIT liabilities are recognized in full for all taxable temporary differences.

26.20 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

**CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND
SUBSIDIARIES**

SUPPLEMENTARY SCHEDULES AS REQUIRED BY SRC RULE 68, AS AMENDED
DECEMBER 31, 2025

Schedules	Description
A	Financial Assets
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
C	Amounts Receivable from Related Parties which are eliminated during the consolidation of the financial statements
D	Long Term Debt
E	Indebtedness to Related Parties (Long-Term loans from Related Companies)
F	Guarantees of Securities of Other Issuers
G	Share Capital
H	Schedule of Financial Soundness Indicator
I	Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration
J	A Map Showing the Relationships between and among the Parent Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates
K	External Auditor Fee

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2025

Name of issuing entity and association of each issue	Principal amount of bonds and notes	Amount shown in the consolidated statement of financial position (<i>In Thousand Pesos</i>)	Income received and accrued
Financial assets at amortized cost			
Cash on hand	-	11,324	-
Cash in banks	-	7,187,674	60,883
Cash equivalents	-	513,824	85,873
Total cash and cash equivalents	-	7,712,822	146,756
Short-term cash placements	-	2,157,044	166,865
Trade and other receivables, gross	-	7,334,103	-
Due from related parties	-	462,949	9,378
Constructions bonds and rental deposits	-	275,609	-
	-	17,942,527	322,999
Financial assets at fair value through profit or loss (FVTPL)			
Pentastar Holding Co. Inc.	104,510	54,937	10,344
Total financial assets	104,510	17,997,464	333,343

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND SUBSIDIARIES**SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2025**

Name and Designation of Debtor	Balances at beginning of year	Additions/ Reclassifications	Collection/ Reclassifications	Amounts written off	Current	Non-current	Balances at end of year
<i>(In Thousand Pesos)</i>							
Advances to directors, officers and employees*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Trade and other receivables							
Pentastar Holding Co. Inc.	14,235	-	(14,235)	-	-	-	-
Due from related parties							
Comclark Network & Tech. Corp.	47,922	123,831	(89,458)	-	82,295	-	82,295
Telstra Converge Inc., and Asia							
Netcom Philippines Corporation	701	129,823	(1,358)	-	129,166	-	129,166
South Luzon CATV, Inc.	105,742	9,347	(64,220)	-	1,941	48,928	50,869
Central Luzon Cable Television							
Network, Inc.	51,989	57,320	(13,763)	-	2,854	92,692	95,546
Hyperscal Digital Pte. Ltd.	54,010	-	(54,010)	-	-	-	-
Pentastar Holding Co. Inc.	-	20,595	(868)	-	19,727	-	19,727
Reliance Broadcasting Unlimited Inc.	-	96,894	(11,548)	-	85,346	-	85,346
Telecommunications Technology							
Solutions, Inc.	1,804	-	(1,804)	-	-	-	-
Total Due from related parties	262,168	437,810	(237,029)	-	321,329	141,620	462,949

**As required by SRC Rule 68, this schedule shall be filed with respect to each person among the directors, officers and employees from whom an aggregate indebtedness of more than P1 million or one percent (1%) of total assets, whichever is less, is owed for items arising outside the ordinary course of business. There were no advances with respect to each person among the directors, officers and employees amounting to more than P1 million outside the ordinary course of business as at December 31, 2025.*

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND SUBSIDIARIES**SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS****DECEMBER 31, 2025**

Name and Designation of Debtor	Balances at beginning of year	Additions/ Reclassifications	Collection/ Reclassifications	Amounts written off	Current	Non-current	Balance at the end of the period
<i>(In Thousand Pesos)</i>							
Metroworks ICT Construction, Inc.	31,488	485	(2)	-	31,971	-	31,971
Pentagon Holding Co. Inc.	5,000	198,003	(198,003)	-	5,000	-	5,000
Converge Global Business Group Pte. Ltd.	219,480	5,588,037	(154,081)	-	221,156	5,432,280	5,653,436
Hyperscal Digital Philippines, Inc.	-	1,330	-	-	1,330	-	1,330
Myriad ICT Services, Inc	190,622	17,355	(69,469)	-	138,508	-	138,508
Cyan Azurite Properties and Development Corp.	403	19	(19)	-	403	-	403
Converge Venture Holdings, Inc.	5,793	50,011	(55,804)	-	-	-	-
Rev21 Labs Inc.	2,011	14,740	(2,011)	-	14,740	-	14,740
Pentagon Digital Global Corporation	-	2,057,908	(521,796)	-	1,536,112	-	1,536,112
Ametrine Properties and Prime Development Corp,	-	111,384	(20,189)	-	91,195	-	91,195
Converge Studios, Inc.	-	229	-	-	229	-	229
	454,797	8,039,501	(1,021,374)	-	2,040,644	5,432,280	7,472,924

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND SUBSIDIARIES
SCHEDULE D - LONG TERM DEBT
DECEMBER 31, 2025

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under current portion of long-term debt in the statement of financial position*	Amount shown under non-current portion of long-term debt in the statement of financial position*	Notes
		<i>(In Thousand Pesos)</i>		
Bank Borrowings	5,000,000	999,560	-	Interest rate ranges from 4.92% to 5.25% per annum based on prevailing market interest rate Payable in equal quarterly installments starting March 23, 2022 and matures on December 23, 2026
Bank Borrowings	15,000,000	2,987,350	5,739,543	Interest rate ranges from 3.98% to 6.01% per annum based on prevailing market interest rate. Payable in equal quarterly installments in different tranches starting February 26, 2023 and matures on November 27, 2027; November 06, 2023 and matures on August 6, 2028; and May 3, 2024 and matures on February 3, 2029.
Bank Borrowings	5,000,000	996,248	1,497,627	Interest rate ranges from 4.50% to 6.30% per annum Payable in equal quarterly installments starting September 16, 2023 and matures on February 3, 2029; September 15, 2023 and matures on June 16, 2028; and September 16, 2023 and matures on June 16, 2028.
Bank Borrowings	5,000,000	199,292	299,578	Interest rate ranges from 5.69% to 6.52% per annum payable in equal quarterly installments starting September 1, 2023, matures on June 1, 2028
Bank Borrowings	2,000,000	398,035	897,995	Interest rate is at 6.44% per annum fixed until maturity, payable in equal quarterly installments starting June 18, 2024, matures on March 18, 2029
Bonds	10,000,000		9,957,136	Fixed Interest rate at 5.59% starting April 8, 2022 and matures on April 08, 2027.
Car loan	-	20,740	108,198	Interest rate ranges from 8.5% to 9.0%
	42,000,000	5,601,225	18,500,077	

*Amounts are presented net of unamortized finance cost.

**CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND
SUBSIDIARIES**

**SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED
COMPANIES)**

DECEMBER 31, 2025

Name of related party	Balance at beginning of the period	Balance at the end of the period
N/A	N/A	N/A

**CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND
SUBSIDIARIES**

SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
N/A	N/A	N/A	N/A	N/A

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND SUBSIDIARIES

SCHEDULE G - SHARE CAPITAL
DECEMBER 31, 2025

Title of issue	Number of shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, warrants, conversion, and other rights	Number of shares held by related parties	Directors, officers, and employees	Others
Common shares at P0.25	16,900,000,000	7,241,380,061	28,586,333	4,797,417,274	224,933,045	N/A
Preferred shares at P0.25	3,060,000,000	-	-	-	-	N/A
Preferred B shares at P0.0025	4,000,000,000	-	-	-	-	N/A

CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND SUBSIDIARIES

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATOR
DECEMBER 31, 2025**

	December 31, 2025	December 31, 2024
Current ratio ^a	0.7x	1.1x
Acid test ratio ^b	0.6x	0.9x
Solvency ratio ^c	1.0x	0.6x
Debt-to-equity ratio ^d	0.4x	0.5x
Asset-to-equity ratio ^e	1.8x	2.0x
Interest coverage ratio ^f	17.4x	12.8x
Debt service coverage ratio ^g	3.6x	3.1x
Net debt/ EBITDA ^h	0.5x	0.5x
Earnings per share (PHP) ⁱ	1.63	1.49
Book value per share ^j	8.72	7.53
Return on Assets ^k	10.81%	10.39%
Return on Equity ^l	20.13%	21.64%
Net profit margin ^m	26.48%	26.63%

^aCurrent assets / Current liabilities

^bCash and cash equivalents + Short-term cash placements + Trade and other receivables, net + Due from related parties (current portion) / Current liabilities

^cLast twelve months' ("LTM") net operating profit after tax + LTM depreciation and amortization and amortization of subscriber acquisition costs / Borrowings

^dLoans payable / Total equity

^eTotal assets / Total equity

^fLTM Earnings before interest, taxes, depreciation and amortization, amortization of subscriber acquisition costs / LTM interest expense

^gParent Company's LTM earnings before interest, taxes, depreciation and amortization, amortization of subscriber acquisition costs / Parent Company's LTM annual debt service requirements due over the same corresponding period which are the interests, principal and lease payments

^hBorrowings less cash and cash equivalents and short-term cash placements/ LTM earnings before interest, taxes, depreciation and amortization, amortization of subscriber acquisition costs

ⁱNet income attributable to ordinary equity holders of the Parent Company / Weighted average number of ordinary shares

^jTotal equity less Preferred Equity / Total number of shares outstanding

^kNet income attributable to owners of the Parent Company / Average total assets

^lNet income attributable to owners of the Parent Company / Average total equity

^mNet income / Revenues

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration

For the year ended December 31, 2025

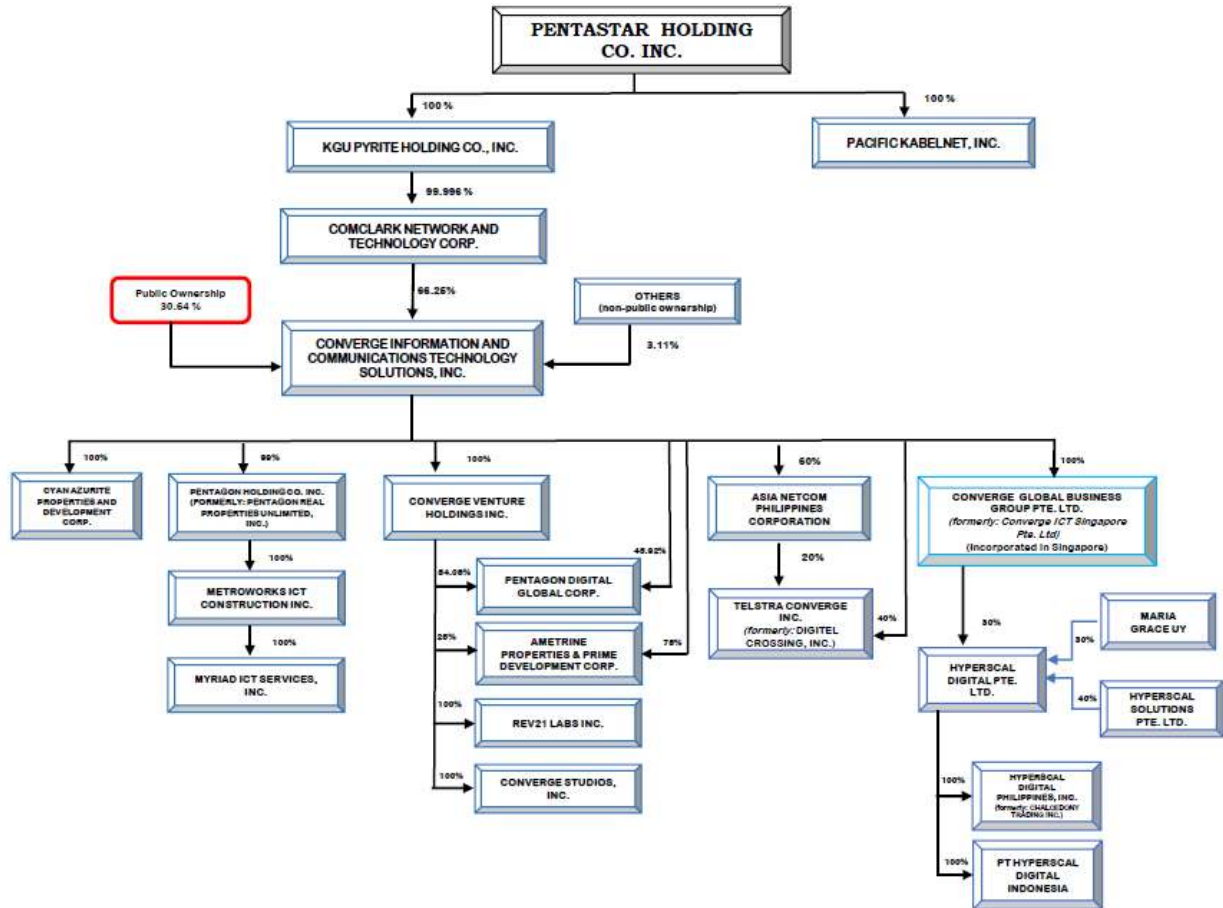
(All amounts in Thousand Pesos)

Unappropriated Retained Earnings, beginning		10,965,260
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	24,000,000	
Effect of restatements or prior-period adjustments	-	
Others	-	24,000,000
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	(3,124,626)	
Retained earnings appropriated during the reporting period	(22,000,000)	
Effect of restatements or prior-period adjustments		
Others	-	(25,124,626)
Unappropriated Retained Earnings, as adjusted		9,840,634
Add/Less: Net Income (loss) for the current year		12,237,100
Less: Category C.1: Unrealized income recognized in the profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	111,893	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(188,452)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	(629)	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	(77,188)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	162,082	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	162,082
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	-
Adjusted net income/loss		12,321,994
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	(373,219)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(107,128)	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(56,284)	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	(536,631)
Total Retained Earnings, ending available for dividend declaration		21,625,997

Converge Information and Communications Technology Solutions, Inc. and Subsidiaries

A Map Showing the Relationships between and among the Company and its
Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates
December 31, 2025



**CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC. AND
SUBSIDIARIES**

EXTERNAL AUDITOR FEE

DECEMBER 31, 2025

(All amounts in Thousand Pesos)

	2025	2024
Total audit fees	3,325	3,282
Non-audit service fees:		
Other assurance services	-	-
Tax services	-	-
All other services	50	70
Total non-audit fees	50	70
Total audit and non-audit fees	3,375	3,352

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Jose P. de Jesus**, Filipino, of legal age and a resident of 30 Mangyan Road, La Vista, Diliman, Quezon City, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Converge Information and Communications Technology Solutions, Inc. and have been its independent director since 8 June 2020.
2. I am affiliated with the following companies or organizations:

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
AirAsia, Inc.	Director	August 2023 - present
Philippines AirAsia, Inc.	Director	August 2023 - present
SMC Skyway Corporation	Director	June 2014 - present
SMC TPLEX Corporation	Director	March 2013 - present
SMC SLEX Inc.	Director	March 2013 - present
Comstech Integration Alliance Inc.	Director	December 2020 - present
Kapampangan Development Foundation	Trustee	1987 - present
Holy Angel University	Trustee	August 2008 - present
Bantayog ng mga Bayani Foundation	Chairman, Board of Trustees	September 2025 - present

I am not affiliated with any Government-Owned and Controlled Corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Converge Information and Communications Technology Solutions, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the director/officer/substantial shareholder of Converge Information and Communications Technology Solutions, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NOT APPLICABLE		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NOT APPLICABLE		

6. I am not an elected public servant nor an appointed and/or employee in any government agency.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.
8. I shall inform the Corporate Secretary of Converge Information and Communications Technology Solutions, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this 04 MAR 2026 day of QUEZON CITY at _____.

ORIGINAL SIGNED

Jose P. de Jesus
Independent Director

SUBSCRIBED AND SWORN TO before me this 04 MAR 2026 at QUEZON CITY, affiant
personally appeared before me and exhibited to me his Passport no. _____ issued at _____

Doc. No. 327
Page No. 67
Book No. XLII
Series of 2026.

Mark Anthony M. Alvario
ATTY. MARK ANTHONY M. ALVARIO
Notary Public for Quezon City
Valid Until December 31, 2026
Adm. Matter No. NP-364
Unit 2625 T2 Amala Skies Cubco 5th Ave.,
Brgy. Socorro, Quezon City
Roll No. 91707
MCLE Compliance No. VIII-0013023
PTR No. 8362404, 01/06/2026, QC
IBP No. 590561, 01/06/2026, QC Chapter

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **AMANDO M. TETANGCO, JR.**, Filipino, of legal age and a resident of Don Gavino Street, Don Enrique Heights, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of **Converge Information and Communications Technology Solutions, Inc.** (the "Corporation") and have been its Independent Director since 8 June 2020.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
SM Investments Corporation (PLC)	Chairman of the Board and Independent Director	June 16, 2023, to present
SM Prime Holdings, Inc. (PLC)	Vice Chairman of the Board and Independent Director	April 20, 2021, to present
Shell Pilipinas Corporation (PLC)	Independent Director	May 11, 2021 to present
Toyota Motor Philippines	Independent Director	March 2019 to present
Manila Hotel	Independent Director	August 2018 to present
St. Luke's Medical Center	Trustee/Director	August 2017 to present
Tan Yan Kee Foundation	Trustee	December 2017 to present
Foundation for Liberty and Prosperity	Trustee	May 2019 to present

3. I possess all the qualifications and none of the disqualifications to serve as an ID of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of covered company and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the SRC. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable		

5. To the best of my knowledge, I disclose that I am the subject of the following criminal/administrative investigation or proceeding:

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
See Notes ¹ below		

6. I shall faithfully and diligently comply with my duties and responsibilities as ID under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this _____ day of _____, at _____

ORIGINAL SIGNED

AMANDO M. TETANGCO, JR.

/ Affiant

04 MAR 2026

QUEZON CITY

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____
affiant personally appeared before me and exhibited to me his Tax Identification Number (TIN) Card
with _____

Doc. No. 330
Page No. 67
Book No. 95
Series of 2026.

ATTORNEY AT LAW
Notary Public for Quezon City
Valid Until December 31, 2026
Adm. Matter No. NP-334
Unit 2625 T2 Amala Skies Cubes, 5th Ave.,
Brgy. Socorro, Quezon City
Roll No. 91707
MCLE Compliance No. VIII-0013023
PTR No. 030801-000000-00

A criminal and administrative case (OMB-C-13-0092) filed by Maxy Abad et al. against Mr. Amando M. Tetangco, Jr. et al. with the Ombudsman was dismissed on 13 May 2015. The dismissal was elevated to the Court of Appeals (CA) (CA-G.R. SP No. 144038), which sustained the dismissal on 15 May 2017. The CA's resolution was assailed with the Supreme Court (SC) (G.R. No. 234696) upon the filing of a Petition for Review dated 29 November 2017. In its Resolution dated 03 October 2022, the SC denied the Petition for Review and affirmed the 15 May 2017 Decision and 04 October 2017 Resolution of the CA. In its Resolution dated 09 August 2023, the SC denied with finality the petitioners' motion for reconsideration and directed the issuance of an Entry of Judgment. To date, no Entry of Judgment has been received yet.

² A complaint for damages was filed by Mr. Antonio Tiu, et al. against Mr. Amando M. Tetangco, Jr., et. al before the Regional Trial Court of Quezon City (RTC-QC) in connection with the Report of the Anti-Money Laundering Council (AMLC), which served as the basis of AMLCs ex-parte petition for the issuance of Freeze Order issued by the Court of Appeals in CA G.R. AMLA No. 00134 dated 11 May 2015. Mr. Tetangco, Jr., et. al., were impleaded in their official capacity as members and/or officers of the AMLC.

In an order dated 27 March 2020, the RTC-QC dismissed the Complaint for Damages (Civil Case No. R-QZN-15-04513-CV) as to plaintiff Spouses James and Ann Lorraine Tiu against Mr. Tetangco Jr., Ms. Teresita Herbosa, Mr. Emmanuel Dooc, and Ms. Julia Abad; and ordered Mr. Antonio Tiu to amend his complaint. Plaintiffs filed a Motion for Reconsideration, to which the Office of the Solicitor General (in representation of defendants Tetangco, et al) filed its Comment. In an Order dated 9 February 2021, the trial court denied the Motion for Reconsideration filed by the Spouses Tiu and upheld its earlier 27 March 2020 Order dismissing the case. Aggrieved Tiu, et al filed a Petition for Certiorari with the Court of Appeals (CA-G.R. SP No. 169478), assailing the 27 March 2020 and 09 February 2021 Orders. The CA, in its Decision dated 13 November 2023, dismissed the Petition for Certiorari and upheld the 27 March 2020 and 09 February 2021 Orders. On 21 December 2023, a Motion for Reconsideration was filed assailing said CA Decision. In its Resolution dated 11 April 2024, the CA denied the Motion for Reconsideration as the contentions raised therein were a mere rehash of those matters already passed upon in the assailed Decision. In view of the CA Resolution, Spouses Tiu filed a Motion to Withdraw [the Complaint dated 18 May 2015] dated 03 July 2024 before the RTC-QC. In its Order dated 11 July 2024, the RTC-QC resolved to grant the said Motion and dismissed the case without prejudice to refiling.

³ A Subpoena dated 8 November 2022 was reportedly issued by the Office of the City Prosecutor - Manila (OCP-Manila) in connection with the Joint Complaint-Affidavit filed by Perry Y. Uy and Cesar M. Mayo, Jr. against Mr. Amando M. Tetangco, Jr. and several other respondents including former members of the Monetary Board, for alleged violation of the Central Bank Act, as amended (RA. 7653 as amended by RA. 11211). As of date, no official service of subpoena or complaint has been made on Mr. Tetangco. The other respondents who have officially received the subpoena and/or voluntarily submitted to the jurisdiction of the OCP- Manila filed their respective counter-affidavits and their joint rejoinder-affidavit. In a Resolution dated 10 February 2023, the OCP-Manila dismissed the complaint against all respondents, including Mr. Tetangco, for lack of probable cause. Consequently, complainants requested a reconsideration of the said resolution which was eventually denied by the OCP-Manila in a Resolution dated 03 May 2023. Accordingly, complainants filed a Petition for Review dated 02 June 2023 with the Department of Justice (DOJ). On 23 June 2023, the other respondents filed a Verified Comment [To Petition for Review dated 02 June 2023] of even date. To date, no resolution/order relative to the Petition for Review from the DOJ has been received yet.

Annex "E-3"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Roman Felipe S. Reyes**, Filipino, of legal age and a resident of Jefferson St., Greenhills West, San Juan, Metro Manila, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Converge Information and Communications Technology Solutions, Inc. and have been its independent director since 8 June 2020.
2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Reyes Tacandong & Co.	Founding Partner & Chairman	May 2010 to present
Maharlika Investment Corporation	Independent Director	January 2024 – present
Philippine Geothermal Production Company	Member, Independent Director – Board of Directors	November 2012 to present
All-Asian Countertrade	Member, Independent Director – Board of Directors	2010 to present
Pasudeco	Member, Independent Director – Board of Directors	2010 to present
RPN 9	Member, Independent Director – Board of Directors	June 3, 2010 to present
San Beda University Manila	Member – Board of Trustees	January 26, 2015 to present
San Beda College Alabang	Chairman of the Board of Trustees Member – Board of Trustees	March 16, 2018 to present September 26, 2016 to present
San Beda College Alumni Association Foundation	Trustee	2002 to present
Nicanor Reyes Memorial Foundation	Chairman, Board of Governors	2011 to present
Rockwell Club	Board Advisor	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Converge Information and Communications Technology Solutions, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the director/officer/substantial shareholder of Converge Information and Communications Technology Solutions, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NOT APPLICABLE		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NOT APPLICABLE		

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of Converge Information and Communications Technology Solutions, Inc. of any changes in the above-mentioned information within five days from its occurrence.

Done, this 04 MAR 2026 at QUEZON CITY

ORIGINAL SIGNED

ROMAN FELIPE S. REYES
Independent Director

SUBSCRIBED AND SWORN TO before me this 04 MAR 2026 day of QUEZON CITY, affiant
personally appeared before me and exhibited to me his [REDACTED] issued at
[REDACTED] on [REDACTED] expiring on [REDACTED]

Doc. No. 328
Page No. 67
Book No. XLI
Series of 2026.

Alvario
ATTY. MARK ANTHONY M. ALVARIO
Notary Public for Quezon City
Valid Until December 31, 2026
Adm. Matter No. NP-384
Unit 2625 T2 Amala Skies Cubao, 5th Ave.,
Brgy. Socorro, Quezon City
Roll No. 94707
MCLE Compliance No. VIII-0013023
PTR No. 8362404, 01/06/2026, QC
IBP No. 590561, 01/06/2026, QC Chapter

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Estela M. Perlas-Bernabe**, Filipino, of legal age and a resident of Columbia St., Northeast Greenhills, San Juan City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for **independent director of Converge Information and Communications Technology Solutions, Inc.** (the "Corporation") and have been its independent director since **26 May 2023**.
2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
BDO Unibank, Inc. (PLC)	Independent Director	July 31, 2022 – present
San Miguel Food and Beverage Inc. (PLC)	Independent Director	August 3, 2022 – present
Petrogen Insurance Corporation	Independent Director	March 23, 2023 – present
PHILJA Development Center, Inc.	Independent Director	November 13, 2023 – present
Foundation for Liberty and Prosperity	Trustee	December 6, 2022 – present
Singapore International Arbitration Centre	Member, Panel of Arbitrators	February 7, 2025 – present
BDO Private Bank, Inc.	Independent Director	April 21, 2025 – present
Aboitiz Power Corporation (PLC)	Independent Director	April 28, 2025 – present
SM Prime Holdings, Inc. (PLC)	Independent Director	August 15, 2025 – present

3. I possess all the qualifications and none of the disqualifications to serve as an ID of the Corporation, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR) and other SEC issuances.
4. I am not related to any of the director/officer/substantial shareholder of Converge Information and Communications Technology Solutions, Inc. and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
NOT APPLICABLE		

5. To the best of my knowledge, I disclose that I am the subject of the following criminal/administrative investigation or proceeding:

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
NOT APPLICABLE		

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities and Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.
7. I shall inform the Corporate Secretary of Converge Information and Communications Technology Solutions, Inc. of any changes in the abovementioned information within five days from its occurrence.

Done, this 04 MAR 2026 day of QUEZON CITY at _____

ORIGINAL SIGNED

ESTELA M. PERLAS-BERNABE
Independent Director

SUBSCRIBED AND SWORN to before me this 04 MAR 2026 day of QUEZON CITY
affiant personally appeared before me and exhibited to me her Driver's License [REDACTED]
[REDACTED]

Doc. No. 329 ;
Page No. 67 ;
Book No. XVI ;
Series of 2026.

Mark Anthony M. Alvario
ATTY. MARK ANTHONY M. ALVARIO
Notary Public for Quezon City
Valid Until December 31, 2026
Adm. Matter No. NP-304
Unit 2625 T2 Amala Skies Cubao, Bldg. Ave.,
Brgy. Socorro, Quezon City
Roll No. 91707
MCLE Compliance No. VIII-0013023
PTR No. 8362404, 01/06/2026 / SAC
IBP No. 590561, 01/06/2026, 000 Chapter



April 14, 2026

THE SECURITIES AND EXCHANGE COMMISSION

The SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-air, Makati City

Attention : HON. OLIVER O. LEONARDO
Director, Markets and Securities Regulation Department

Gentlemen:

This is to certify that to the best of the Corporation's knowledge, information, and belief, none of the Directors and Independent Directors and/or Officers of the Corporation are working for and/or employees in any government agency.

This Certification follows the requirement to be attached to the Information Statement or SEC Form 20-IS.

We trust the Commission finds everything in order.

Very truly yours,

ORIGINAL SIGNED

Elvira C. Oquendo
Corporate Secretary

Annex "F"**Manual on Corporate
Governance Compliance
Evaluation****of****Converge Information and
Communication
Technology Solutions, Inc.**

The Manual on Corporate Governance Compliance Evaluation

I. Introduction

Converge Information and Communication Technology Solutions, Inc. (the “Company”) aims to accelerate steps to promote corporate governance, assisting sound corporate development, and safeguarding the interests of investors. The Company aims to institutionalize this corporate governance evaluation to better understand how the Company implements its governance initiatives towards developing a corporate culture which encourages voluntary effort to improve sound governance practice.

This evaluation on the compliance of the Manual on Corporate Governance is being implemented by the Company in order to ensure its compliance with SEC Memorandum Circular No. 19 Series of 2016 or the Code of Corporate Governance of Publicly Listed Companies.

II. Categories

Evaluation Categories and Weight

Category	Category Weightings
Protecting Shareholder Rights and Interests and Treating Shareholders Equitably	20%
Enhancing Board Composition and Operation	30%
Increasing Information Transparency	20%
Promoting Sustainable Development	30%
Total	<u>100%</u>

III. Self-Evaluation Period

Self-evaluation for the year will commence on January 1 of the FY and must be completed by no later than January 31 of the following year.

IV. Questionnaires

1. Questionnaire procedures

In Q4 of the FY, questionnaires will be sent to the board directors, chief risk officer, corporate secretary, chief internal auditor and the external auditor of the Company to collect their observations regarding the degrees to which the boards and board members of the companies under evaluation are conscious of and take seriously their duty to oversee corporate governance. The feedback and practical suggestions collected in the returned questionnaires will be gone through and organized.

2. Questionnaire response period

The directors and officers are required to complete the questionnaires no later than December 31 of the FY.

MANUAL ON CORPORATE GOVERNANCE EVALUATION CRITERIA	
Item No.	Evaluation Indicator
I. Protecting Shareholder Rights and Interests and Treating Shareholders Equitably	
1.1	Right to vote on all matters that require consent or approval: Did the Company provide the stockholders the right to nominate, elect, remove and replace directors?
1.2	Right to vote on all matters that require consent or approval: Did the Company provide in its Information Statement the right of a stockholder to call for a special meeting in accordance with SEC regulations (i.e. propose matters in the agenda)?
1.3	Pre-emptive right: Does the Company allow the exercise of a stockholders' pre-emptive right?
1.4	Right to inspect corporate books and records: Did the Company receive any request for inspection of corporate books and records, and if so, allowed the stockholder to exercise its right to inspect?
1.5	Right to information: Did the Company provide periodic reports and disclose personal and professional information about the directors and officers?
1.6	Right to dividends: Should the Board decide to pay out dividends based on the proper criteria indicated in the Manual on Corporate Governance, are all stockholders able to receive said dividends?
1.7	Appraisal Right: Is the appraisal right of the stockholders explicitly stated in the Company's Manual on Corporate Governance?
1.8	Did the Company conduct its Annual Stockholders' Meeting (ASM) in accordance with its By-Laws?
1.9	Did the Chairman of the Board attend the ASM in person and/or virtually?
1.10	Was there a full attendance of the directors in the ASM?
1.11	Were stockholders able to attend the ASM in person or virtually or was able to appoint a proxy?

1.12	Were there no extraordinary motions passed in the ASM, and were there no changes to the agenda or motions within the 7 days prior to the day of the ASM?
1.13	Did the Company disclose the shareholders meeting agenda and other information in the Information Statement at least 28 days prior to the day of the ASM?
1.14	Did the Company disclose the implementation status of the ASM resolutions of the preceding fiscal year in the Annual Report?
1.15	Did the Company adopt a policy prohibiting insiders, including directors and employees, from using information not publicly disclosed in the market to trade securities, with content including (but not limited to) a prohibition against directors trading the company's stock during a blackout period of at least 10 days before the publication of the company's annual and quarterly financial reports and 2 days after the publication of said reports?
II. Enhancing Board Composition and Operation	
2.1	Are the compositions of the Board and its committees appropriate and in accordance with the Code of Corporate Governance?
2.2	Has the Company adopted corporate governance best practice principles under the Code of Corporate Governance and have they been passed by the Board? Has the Company submitted its Integrated Annual Corporate Governance Report (IACGR) on or before May 30 of the year?
2.3	Did the Company adopt a board diversity policy and disclose the specific management objectives as well as the status of implementation of the diversity policy on the company's website and in the annual report?
2.4	Is it true that the Company's Chairman of the Board and Chief Executive Officer are neither the same person?
2.5	Did the Company's board members include at least one female director?
2.6	Did the Company's independent directors reach one-third or more of all of the directors?
2.7	Were the continuous terms of service of the independent directors no more than 9 years each?

2.8	Has the Company adopted succession planning for board members and key executives?
2.9	Did the Company disclose the professional qualifications and experience of the Audit Committee members as well as the key tasks and status of operations of the Audit Committee for that fiscal year (Audit Committee Report)?
2.10	Were the Company's interim financial reports all approved by the Audit Committee and submitted to the Board for discussion and resolution?
2.11	Did the members of the Remuneration Committee each attend at least two Committee meetings a year, and disclose information such as regarding their periodical reviews of the policies, systems, standards, and structure for the performance assessment and remuneration of the directors, supervisors, and managerial officers?
2.12	Did the Company have any non-statutory functional committees such as a corporate governance committee, nomination committee, risk management committee, or sustainable development committee, and did such functional committees have not less than three members, with at least majority of the members being independent directors, and with one or more members possessing the particular professional competences required by the respective committees, and did the company disclose the organization, functions, and operations of such committees?
2.13	Did the Board regularly (at least once a year) review the independence of the external auditors?
2.14	Did the Board carry out regular annual assessment of its performance, its directors, its committees?
2.15	In the year being evaluated, did the average rate of actual attendance of all directors at Board meetings reach 85% or more?
2.16	Were at least two independent directors personally in attendance at each board meeting of the Company?
2.17	Has the Company appointed a Corporate Secretary and disclosed on the Company's website and in its annual report the scope of the Company Secretary's authority?
2.18	Has the Company adopted risk management policies and procedures that have been passed by the Board, and disclosed the scope of risk management, the corresponding organizational structure in place, and the status of risk management operations, and did it report to the Board of Directors on these at least twice a year?

2.19	Does the Manual on Corporate Governance of the Company adopted the performance assessment framework of the Board of Directors with the express requirement that an external assessment be carried out at least once every three years?
2.20	Has the Company established a cyber security risk management framework, adopted cyber security policies and concrete management programs, and invested in resources for cyber security management?
2.21	Did all of the Company's directors complete the number of hours of continuing education required by the Code of Corporate Governance?
III. Increasing Information Transparency	
3.1	Did the Company comply with the PSE Disclosure Rules and thus avoid incurring any monetary penalty?
3.2	Did the company file its Audited Annual Financial Statement before the annual deadline of April 15?
3.3	Is it true that the Company did not restate its financial reports for the ~~fy~~ year evaluated?
3.4	Did the Company voluntarily disclose its quarterly FS, without having any corrections ordered by the competent authority?
3.5	Did the Company disclose a specific and clear dividend policy in the Annual Report?
3.6	Did the Company voluntarily disclose the individual remuneration details of each non-executive director in its Annual Report?
3.7	Did the Company disclose its performance incentive framework in the IACGR?
3.8	Did the Company disclose and published on its website the list of its Top 100 Stockholders and its Public Ownership Report quarterly?
3.9	Did the Company website disclose information related to the Company's finances, business and corporate governance?
3.10	Did the Company make information relating to its ASM available on its website, including, at least, the most recent Annual Report to shareholders, the meeting notice, the agenda, and the meeting minutes?
3.11	Did the Company voluntarily hold investor conferences at least two times in the year being evaluated?

IV. Promoting Sustainable Development	
4.1	Did the Company have a designated unit in charge of promoting sustainable development that, following the principle of materiality, conducted risk assessment on environmental, social, or corporate governance issues related to the Company's operations, and adopted relevant risk management policies or strategies, and did the board of directors oversee the promotion of sustainable development, and did it disclose the same on the Company's website and in its annual report?
4.2	Did the Company have a designated unit in charge of promoting ethical corporate management, with responsibility for establishing and supervising the implementation of the ethical corporate management policies and prevention programs?
4.3	Did the Company regularly disclose on the company website or in its annual report or sustainability report its concrete plans for promoting environmental, social, and governance (ESG) practices and the results of the implementation of those plans?
4.4	Is the Company ISO certified in terms of its environmental compliance and information security compliance?
4.5	Did the Company adopt and disclose in detail on its website a whistleblower system for company insiders and outsiders to report illegal behavior (including corruption) and unethical behavior?
4.6	Did the Company disclose on its website or in its annual report or sustainability report the supplier management policies it adopted, and require suppliers to comply with the relevant provisions regarding issues such as environmental protection, occupational safety and health, or labor rights, and specify the status of implementation?

OTHER COMMENTS:
